

**A 'CHINA MODEL?' BEIJING'S PROMOTION OF ALTERNATIVE
GLOBAL NORMS AND STANDARDS**

HEARING

BEFORE THE

U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION

**ONE HUNDRED SIXTEENTH CONGRESS
SECOND SESSION**

FRIDAY, MARCH 13, 2020

Note: The full Commission received written testimony and considered it along with responses to questions for the record in place of an in-person hearing that was postponed during the initial response to COVID-19 and the related closure of Capitol Grounds to the public.

MONDAY, APRIL 27, 2020

Note: The Commission conducted a Roundtable on this date focusing on the first panel of the originally scheduled hearing to supplement the written testimony and responses to questions for the record.

This document covers the original planned agenda, all testimony from all invited witnesses, the prepared opening statements by the co-Chairs, Commissioner questions for the record and responses, and the transcript of the related Roundtable.

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COMMISSION

WASHINGTON: 2020

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POLITICAL AND SECURITY AFFAIRS, NATIONAL BUREAU OF ASIAN
RESEARCH**

**Testimony before the U.S.-China Economic and Security Review Commission
Hearing on The “China Model”
March 13, 2020**

A World Order Modeled by China

Nadège Rolland, Senior Fellow, The National Bureau of Asian Research

In an address following the 19th Chinese Communist Party (CCP) National Congress, Foreign minister Wang Yi charted the course of China’s diplomacy and international relations in the “new era” in this way:

“General Secretary Xi Jinping made it clear in his report to the Congress that China will endeavor to foster a new form of international relations and build a community with a shared future for mankind (...).

These twin objectives are inspired by the *fine traditions* of the *5000-year Chinese culture* emphasizing the pursuit of the common good, by the *core values* championed by China's *peaceful foreign policy* for over six decades, and by the CPC's *global vision* of delivering benefits to the people of China as well as those of all other countries.”¹

These two sentences openly express Beijing’s overarching diplomatic objectives and priorities (underlined in the text above). Key words (in italics in the text above), no doubt carefully picked by Wang’s speechwriters, give faint indications of Beijing’s vision underpinning these goals. But Chinese official representatives have not openly offered more explicit descriptions of their ideal view of China’s role in a new world order under its helm - partly because they are not entirely certain themselves, partly out of obfuscation. Their vision for an alternative model can only be inferred from a close inspection of the internal cogitations of CCP strategists and theorists.²

What can be seen in plain sight is a clear objection to the prevailing system. Peeling off the layers of the official narrative, the Chinese regime’s preferred organizing principles start to appear. The overall shape of a new world order under China’s helm can only be broadly outlined with some degree of informed speculation.

¹Emphasis added. Speech by Foreign Minister Wang Yi at the Opening of the Symposium on International Developments and China's Diplomacy, December 10, 2017, https://www.fmprc.gov.cn/mfa_eng/wjb_663304/wjbz_663308/2461_663310/t1518130.shtml

² For a deep dive into these cogitations, see Nadège Rolland, *China’s Vision for a New World Order*, NBR Special Report 83, January 2020, <https://www.nbr.org/publication/chinas-vision-for-a-new-world-order/>. This testimony is based on the research findings of my report.

1) Beijing's main objections to the current system

Clearer to the outside observers is the Chinese leadership's dissatisfaction with the current world order and its newfound eagerness to press for changes³ and shape the international order in ways that better align with its interests. Official pronouncements repeatedly take swipes at an "unfair and unreasonable" international order that has allegedly outlived its usefulness, has failed to adjust to the rise of emerging countries, and is incapable of addressing the problems of today's world.

Beijing's objection to the existing international order grows out of two main complaints:

- 1) The perceived discrepancy between China's material power and its international status and influence. As things stand, the order "unfairly" perpetuates the dominance of a U.S.-led West. A "fairer" order (sometimes described as "greater democracy in international relations") would allow China to have greater influence, commensurate with the reality of its material power, while the role and influence of the West should decline, in line with its dwindling relative power.
- 2) The existing order is rooted in norms intrinsically antagonistic to the organizing principles on which the CCP system is based and are thus an enduring threat to the regime's legitimacy. Whereas the West believes that the promotion of liberal democracy can help achieve global peace and prosperity, the CCP blames the global promotion of "so-called universal values" for conflict and disruption worldwide (from "color revolutions" in the former Soviet Union to chaos and violence in the Middle-East) - an obvious reflection of its own survival anxieties.

In short, Beijing wants a world order less threatening to the CCP regime's legitimacy and survival and more aligned with its own values and principles. It feels entitled to seek change based on its growing relative power.

2) China's foundational principles

Chinese elites believe that liberal values, starting with the emphasis on fundamental human rights, remain prominent and influential not because they are morally superior, but because they reflect the now waning power of the West. In their view, it was U.S. power that enabled Washington to dictate the rules and norms that still form the basis for the international order and

³ Xi Jinping declared for example in June 2018 that China will participate in "leading the reform of the global governance system." See "Xi Says China Must Lead Way in Reform of Global Governance," *Reuters*, June 23, 2018, <https://www.reuters.com/article/us-china-diplomacy/xi-says-china-must-lead-way-in-reform-of-global-governance-idUSKBN1JJ0GT>

to create international institutions that continue to reflect and propagate “American” or “Western” values – in other words, it enabled the creation of an international order in which the United States is dominant. Chinese strategists call this ability to voice concepts and ideas that are accepted and respected by others, and by extension, the power to dictate the rules and norms that form the basis of the international order, “discourse power.”

As China’s power has grown, the Chinese leadership now feels entitled to follow a path similar to the U.S and to set the terms for institutions and norms that will reflect China’s preferences and serve as the building blocks of a new order. However, even though China’s material or “hard” power has undoubtedly increased, the leadership believes that it still lacks “discourse power.” It does not have any appealing substitutes to the existing set of international norms and values. Even at home, the CCP’s belief system has become difficult to characterize, with its mutating, idiosyncratic mix of canonical Marxist-Leninism, socialism “with Chinese characteristics,” nationalism, and sprinkled elements of Confucianism. One theme that has emerged clearly under Xi however, is the claim of Chinese exceptionalism. The promotion of China’s unique cultural, historical and national conditions is meant to demonstrate that any imported model of economic and political development will be unsuitable for China; only the Party can dictate the appropriate path.

CCP theorists are now using a similar line of argument to try to refute the idea of a universal model that fits all and to undermine claims for the universal applicability of liberal democracy. In a clever rhetorical twist, they now claim that *every* country is “exceptional” in its own way. Each should therefore have the right to choose its own model, including, if they wish, take inspiration from the “new option” embodied in China’s own approach to achieving economic growth while maintaining political stability.⁴ Those that follow Beijing’s formula will be able to “speed up their development while preserving their independence,” i.e. without succumbing to the dominance or the liberalization demands of the West.

Beijing does not stand *for* a coherent ideology, other than an enhanced confidence in its “ability to provide a Chinese solution to aid the exploration of a better social system for humanity.”⁵ The Chinese leadership feels that no other country is better qualified to become a role model to others: “The glorious 5,000-year history of the Chinese nation, the 95-year historical struggle of the CCP, and the 38-year development miracle of reform and opening up have already declared

⁴ At the opening of the 19th party congress, Xi stated that China’s path “offers a new option for other countries and nations who want to speed up their development while preserving their independence; and it offers Chinese wisdom and a Chinese approach to solving the problems facing mankind.” See “Socialism with Chinese Characteristics Enters New Era: Xi”, *Xinhua*, October 18, 2017, http://www.xinhuanet.com/english/2017-10/18/c_136688475.htm

⁵ “Speech at a Ceremony Marking the 95th Anniversary of the Founding of the Communist Party of China,” *Qiushi*, 8(4), October-December 2016, http://english.qstheory.cn/2016-12/20/c_1120042032.htm

to the world with indisputable facts that we are qualified to be a leader” that can guide the international community to build a new order, claimed Xi Jinping in February 2017.⁶

However, Beijing does not want to push for replicas of the People’s Republic of China elsewhere in the world: the party’s ideology is not based on a theory of world revolution anymore. Nor is it promoting a “civilizational” model based on traditional Chinese culture and philosophy or a modernized form of ancient Chinese wisdom: despite the CCP’s efforts to cast itself as the sole inheritor of China’s civilizational greatness, the core of its system of beliefs is not benevolence, virtue or harmony, but power.⁷

Instead, it promotes an “anti-” ideology:

- anti-Western: the West is portrayed as irrepressibly aggressive and conflict-prone, in stark contrast with an inherently peaceful Chinese civilization and culture⁸;
- anti-status quo: the world economy is portrayed as seriously ill⁹ and global governance as irrevocably failing¹⁰ but China can provide solutions (based on its own successes) to a world in need¹¹;
- anti-liberal, not explicitly anti-democratic, and ostensibly value free: rejecting the idea of “so-called universal values,”¹² that are presented at best as “Western” or “American.” All socio-political systems should be respected as equally valid, i.e. democracies are not a model superior to authoritarianism. All should be able to “live and let live” side by side, with each accepting and not attempting to transform the

⁶ Speech at the February 2017 National Security Work Conference. See “Xi Jinping shou ti ‘liang ge yindao’ you shenyi” [Xi Jinping’s First Mention of “Two Guides” Has Profound Meaning], *Sina News Center*, February 20, 2017, <http://news.sina.com.cn/china/xlxw/2017-02-20/doc-ifyarrcf5036533.shtml>.

⁷ Or, as Lenin put it: “Who Whom?” – “who dominates whom, who does what to whom, ultimately who annihilates whom.” See Gary Saul Morson, “Leninthink,” *The New Criterion*, October 2019, <https://newcriterion.com/issues/2019/10/leninthink>

⁸ “Five Years On, Xi’s Vision of Civilization More Revealing in an Uncertain World,” *Xinhua*, March 26, 2019, http://www.xinhuanet.com/english/201903/26/c_137925322.htm

⁹ See for example “Remarks by President Xi Jinping on World Economy at 10th G20 Summit,” November 15, 2015, <http://ie.china-embassy.org/eng/zlt/2d2/t1321121.htm/>. Beatrice Gallelli and Patrick Heinrich note that Xi’s Antalya speech “is framed by a ‘disease metaphor’” whereas China “presents itself in possession of the ‘medicine’ to cure the world economy.” See Gallelli and Heinrich, “Building a Community of Shared Destiny: The Belt and Road Initiative in the Political Speeches of Xi Jinping,” in Carmen Amado Mendes (Ed.) *China’s New Silk Road: An Emerging World Order* (New York: Routledge, 2019), 21-37.

¹⁰ “Global Governance Deficit Calls for Broader Chinese Engagement,” *Xinhua*, April 6, 2017, http://www.xinhuanet.com/english/2017-04/06/c_136186941.htm

¹¹ “What Can China’s Solutions Offer to the World?” *CGTN*, October 23, 2017 <https://www.youtube.com/watch?v=YAB4dFQBn4U>

¹² “China Minister Warns Against Seduction of Values by Western Nations,” *Reuters*, November 16, 2017, <https://www.reuters.com/article/us-china-politics-culture/china-minister-warns-against-seduction-of-values-by-western-nations-idUSKBN1DH0AU>

others (an idea sometimes described as “harmony in diversity” or “harmony without uniformity”).¹³

This “anti-” ideology is at the core of Xi’s “community of shared future,” a typically ambiguous catchphrase that promises to build an “open, inclusive, clean and beautiful world that enjoys lasting peace, universal security and common prosperity.”¹⁴ The community is, in short, China’s riposte to the idea that liberal societies represent the pinnacle of human progress and the claim that their propagation will lead to perpetual peace. Xi’s vision for a desired future is a refutation of the notion of the end of history, and is designed to appeal to those, especially developing world elites, who feel estranged, disaffected or threatened by the prospect of liberal democracy.

3) The vision behind the smokescreen

China’s dissatisfaction with the existing international order goes back a long way. But whereas the leadership’s posture used to be mainly passive and defensive against the order’s most problematic aspects, it has shifted in a more proactive direction as China’s overall power has expanded. Not only does the Chinese leadership now more openly criticize the failures of the existing order, it has also begun to think about what it would want to see emerge instead. But other than China’s preponderance, the Chinese elites themselves have not fully articulated the various components of the order that they would like to call into existence, the institutional arrangements, principles and norms that regulate and frame the interactions between countries and underpin the overall architecture. Beijing’s vision is not complete, and most of it is not even openly expressed. However, some emerging features can be detected based on a close reading of internal discussions.

What the leadership seems to envision is not the complete overthrow of the current system, but rather a two-pronged effort. It seeks to shape the existing international system from within by weakening or subverting its most challenging elements while at the same time carving out some space over which China will be able to exert more control. This envisioned subsystem, nested within the global order, would reflect the principles of organization on which China’s domestic system is built: it is based on power and hierarchy instead of freedom and equality. This would be a hierarchical order, naturally organized around the biggest and most powerful country, China. But within this subsystem, power would not be exercised in the same way as under Western models of hegemony. Beijing does not appear to favor direct or absolute control over

¹³ Zhang Lihua, “China’s Traditional Cultural Values and National Identity,” Carnegie-Tsinghua Center for Global Policy, November 21, 2013, <http://carnegietsinghua.org/2013/11/21/china-s-traditional-cultural-values-and-national-identity-pub-53613> ; “Full Text of President Xi’s Speech at Opening of Belt and Road Forum,” *Xinhua*, May 14, 2017, http://news.xinhuanet.com/english/2017-05/14/c_136282982.htm ; Fan Yongpeng, “Harmony in Diversity,” *Beijing Review*, No.25, June 21, 2018, http://www.bjreview.com/Opinion/201806/t20180620_800133233.html.

¹⁴ “Backgrounder: President Xi’s Calls for a Shared Future,” *Xinhua*, January 24, 2018, http://www.xinhuanet.com/english/2018-01/24/c_136921390.htm

foreign territories or governments. The countries included under China's hegemony do not seem to be strictly defined along geographic, cultural, or ideological lines. Immediate neighbors and far-flung countries, Asian and non-Asian powers, and democracies and autocracies could all be included - as long as they recognize and respect the primacy of Beijing's authority and interests. In sum, the model Beijing seems to have in mind is a partial, loose and malleable hegemony.¹⁵

Those familiar with China's imperial history will recognize this model of interaction, based on a tacit deference and allegiance to a centrally positioned and powerful China, as the modern version of the ancient tributary system. It should not come as a surprise that the CCP elites, who are striving to realize the "dream of the great rejuvenation of the Chinese nation" by 2049 along lines that favor Chinese exceptionalism, would consider a system that has prevailed in East Asia for over 25 centuries to be an attractive model of international power configuration.

In order to create this modernized version of the tributary system, a Chinese sphere of influence within the existing order, Beijing is focusing its efforts on the non-Western and mostly non-democratic world. Chinese leaders hope that their worldview and preferred rules, norms and standards will be more readily accepted, reproduced, and followed by countries of the global South rather than by well-established Western liberal democracies. It is in regions in Asia, Africa, Latin America and Oceania that China is deploying its Belt and Road Initiative, with promises of infrastructure development, financial integration, expanded trade, policy coordination, and multilayered cooperation that tie them closer to China. China's diplomatic offensive towards the emerging and developing world also takes the form of home-grown organizations, forums and platforms in which Beijing can control the agenda and set its own rules and norms, implicitly or explicitly endorsed by participating countries.¹⁶

The CCP's outward facing narrative denies any intention of hegemony or leadership. It focuses instead on themes such as harmony and community. Although these are rhetorical devices carefully chosen to avoid international suspicions about the party's ambitions, they also reflect actual aspirations for a world where authoritarian regimes and the prominent role of the state over the individual are not stigmatized, and where the assumption that prosperity and peace can only be achieved with a democratic system of government is invalidated. Beijing hopes that this

¹⁵ Rolland, *China's Vision for a New World Order*.

¹⁶ One example is the "South-South Human Rights Forum." Organized in Beijing in December 2017 in response to recurrent Western "attacks" against China, the forum was meant to "unite developing countries around a common language," emphasizing the "right to subsistence and development as fundamental human rights." Over three hundred representatives from 70 countries and international organizations attended the forum, which concluded with the adoption of the Beijing Declaration that stresses the possibility for each country to foster human rights based on national conditions. See "Full Text of Beijing Declaration Adopted by the First South-South Human Rights Forum," *Xinhua*, December 8, 2017, http://www.xinhuanet.com/english/2017-12/08/c_136811775.htm.

worldview can become an appealing proposition for developing countries and the emerging world.

4) Additional reflections and recommendations to Congress

- ***Strengthen expertise***

Congress should encourage and support institutions and individuals engaged in conducting such basic research on contemporary China and in training a rising generation of analysts able to exploit open-source material in the Chinese language. Properly analyzed, such material gives tremendous insights into the thinking of Chinese elites.

- Expertise is necessary to understand China on its own terms. Funding policy-relevant basic research in the field of sinology, contemporary strategic issues and international studies is the equivalent of investing in STEM basic research: the research process is cumbersome and slow, with little immediate return, but it is nonetheless indispensable for real-life applications.
- The new world order as seen through Beijing's eyes is a very different construct from anything we have known during our lifetime or in modern history. Trying to make it fit within familiar historical examples of expansion and empire would be misleading. The fact that it is different however does not mean that it should be dismissed as fanciful or doomed to fail. As external observers, we must do our best to try to understand it in its own terms, so that we can design an adequate response.
- Understanding the China model on its own terms also means refraining from falling into the CCP propaganda trap. The inclusion of elements of Chinese traditional culture in the official narrative should not be misread as the reflection of a genuine transformation of the CCP's nature and central system of beliefs. The CCP's worldview remains fundamentally Leninist, with power, not oriental wisdom, at its core.

- ***Think ahead and be prepared***

Congress should ask the relevant U.S. agencies to examine the concrete implications for U.S. interests of a world order shaped according to Beijing's wishes.

- China's vision for a new world order is a work in progress, but it would be a mistake to wait until it is fully established to start thinking about potential U.S. and Western responses. Strategic foresight is a vital component of preparedness for a protracted US-China competition. If the first signs of China's ambitions in the ICT domain had been

subject to serious strategic foresight exercises, the United States and its allies might have been able to anticipate the security implications of the rollout of Chinese-built 5G networks, and could have come up with actionable policy options. The same applies to the slow response to the South China Sea situation and China's anti-access area-denial capabilities. Similarly, we are now only beginning to pick up weak signals of Chinese ambitions on the international stage. We should not wait for them to be fully implemented to start thinking about policy options.

- ***Focus on new areas of competition***

Both the global South and existing international institutions should be recognized as areas where the US-China strategic competition is unfolding and thus given greater attention by the US government.

- China's vision for a new world order points to two main areas of priority for Beijing: the global South and the existing international institutions. In both areas, Beijing's main objective is the weakening of liberal democratic norms, as a proxy for eroding U.S. influence and asserting China's instead.

- ***Deploy a proactive public diplomacy***

Congress should use their public platform in the United States and in their engagements abroad to highlight the distinctions between an international order led by a liberal democracy and by an illiberal authoritarian power. Congress should also encourage the Executive branch to strengthen cooperation with U.S. allies and like-minded partners.

- For many countries around the world, there may be no difference, a priori, between Chinese hegemony and an American leadership: "great powers will do what they always do." The U.S. should be more systematic in demonstrating the difference between international leadership exercised by a liberal democracy and by an illiberal authoritarian power.
- China's efforts put at risk not only the predominant U.S. position in the current system, but the fundamental principles underpinning the existing international order. Liberal democracies around the world should be made aware that the competition underway does not only affect the U.S., but the existing system as a whole.

**PREPARED STATEMENT OF DAVID SHULLMAN, PH.D., SENIOR ADVISOR,
INTERNATIONAL REPUBLICAN INSTITUTE**

U.S.-China Economic and Security Review Commission
Hearing on “A ‘China Model?’ Beijing’s Promotion of Alternative Global Norms and Standards”
March 13, 2020

China’s Threat to Global Norms
TESTIMONY OF: David Shullman
Senior Advisor
International Republican Institute

Introduction

Thank you to the Commissioners for the opportunity to testify today. Thank you, also, for organizing a hearing on this topic critical to U.S. interests and the future of democracy, human rights, and prosperity around the world.

China is increasingly promoting its authoritarian “model” of governance and development—robust economic growth under an authoritarian political framework—as a viable alternative to liberal democracy.¹ The ruling Chinese Communist Party (CCP) views this endeavor as critical to its efforts to weaken norms around universal human rights and democracy that underpin the current international order, paving the way for China to take a more central role in that order under CCP leadership.

China is not promoting a coherent ideological alternative to democracy, nor is the Chinese Government encouraging other countries to adopt wholesale its approach to governing China. The CCP nevertheless is creating conditions conducive in many countries to the weakening of democratic institutions and the express or gradual adoption of autocracy. China need not engage in a concerted effort to “export” its model to undermine democracy and human rights protections in countries around the world.²

China’s popularization of a model starkly different from that advocated by the US and other developed democracies is not of purely academic concern. The CCP intends to use its growing power in the international system to shape the twenty-first century, much as the U.S. shaped the twentieth. China’s leaders seek to determine which features of the global status quo to preserve and which to reject, not only in business, culture, and politics but also in such basic values as human rights, free speech, and privacy.³

In the testimony that follows I will address Chinese leaders’ view of the current liberal international order and the opportunity presented by China’s growing power to transform that system from the inside out, hollowing out the norms upon which it is based. I will then turn to how China is promoting its authoritarian approach at both the international and national levels, contributing to democratic decline across the world. I will close with some recommendations for how the United States can take action to reverse these trends.

¹https://www.iri.org/sites/default/files/chinese_malign_influence_report.pdf

² Andrea Kendall-Taylor and David Shullman, “How Russia and China Undermine Democracy: Can the West Counter the Threat?” *Foreign Affairs*, October 2, 2018.

³Evan Osnos, “Fight Fight, Talk Talk,” *The New Yorker*, January 6, 2020, <https://www.newyorker.com/magazine/2020/01/13/the-future-of-americas-contest-with-china>.

China's View of the Current International Order

China, like all rising powers throughout history, is dissatisfied that the current distribution of benefits in international politics does not represent its growing power in the international system. China expects greater representation in international institutions, changes in the governance of those institutions, and, in some cases, changes to their underlying rules.⁴⁵

- China asserts that it, in comparison to the U.S. and its democratic allies, remains committed to key principles of the UN Charter such as the inviolability of national sovereignty. China's approach to revising the current international order is also driven by a sense that it is regaining a rightful place of status.⁶
- In 2018, Chinese President Xi Jinping stated at a rarely convened government conference on foreign policy that China should now lead "the reform of the global governance system."⁷

While China's demands to change the framework of the existing system appear selectively revisionist, it is Chinese leaders' intent to topple the normative structures inherent to the current liberal order—viewed as a complication for China's emergence as a great power under the CCP—that render China's challenge to the order a revolutionary one.

- At the 19th Party Congress in October 2017, Xi left no doubt that he regards China's illiberal concepts of political and economic order as superior to so-called Western models, and that he seeks to popularize "Chinese wisdom" to the world as a "contribution to mankind."
- China's efforts to refashion the current international order are driven not by a "positive" vision for a coherent set of alternate norms or a missionary zeal to install copies of the CCP system in around the world -- or even to operate in a world of like-minded states.

Power and Values

⁴ Evan Feigenbaum, "Reluctant Stakeholder: Why China's Highly Strategic Brand of Revisionism is More Challenging Than Washington Thinks," Macropolo, April 27, 2018, <https://carnegieendowment.org/2018/04/27/reluctant-stakeholder-why-china-s-highly-strategic-brand-of-revisionism-is-more-challenging-than-washington-thinks-pub-76213>.

⁵ Yang Jiechi, "Working Together to Build a World of Lasting Peace and Universal Security and a Community with a Shared Future for Mankind," speech at World Peace Forum at Tsinghua University, July 14, 2018, https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1577242.shtml.

⁶ Zheng Wang, "The Chinese Dream: Concept and Context," *Journal of Chinese Politics*, no. 19 (2014).

⁷ "Xi Urges Breaking New Ground in Major Country Diplomacy with Chinese Characteristics," *Xinhua*.

Chinese leaders have long presumed that the U.S., determined to maintain its status atop the international system and prevent China's rise, uses norms around universal human rights and democracy as a cover for naked great power competition and to overthrow the Chinese Communist Party's rule.⁸⁹

- Xi on numerous occasions has called for vigilance against the West's intent to use its ideology to attack and overthrow the CCP.¹⁰ Chinese authorities, wary of the wavering of "ideals and convictions" to which Xi has attributed the fall of the Soviet Union, have stepped up efforts to prevent the "infiltration" of outside values and ideas that could threaten the Party's preferred narrative, while waging an intense effort to revive CCP-friendly ideology at home.¹¹
- The CCP has always defined itself as being in perpetual struggle with the "hostile" forces of Western liberalism, but judge that the United States is ramping up its efforts now that China's rise increasingly threatens US interests in Asia and globally.

Chinese leaders judge that, by weakening existing global norms, they can accelerate the decline of Western influence and advance China's geopolitical goals, including in its presumed zero-sum competition with the U.S. for global leadership. China's promised rejuvenation as a great power, a key pillar of the Party's legitimacy, requires expanding its normative power.

- China views a decline in U.S. dominance over the international system and oft-cited "trends toward multipolarity" as presenting an opportunity to erase the intolerable edge the normative aspects of the global order have long granted the U.S. in its competition with China. Beijing notes the importance of building its "comprehensive national power" to achieve the greatest advantage from these trends.¹²
- Chinese leaders understand power as the true determinant of any international order and judge that the so-called "democratization of international relations" in which no

⁸ Yan Xuetong, *Leadership and the Rise of Great Powers* (2019: Princeton University Press).

⁹ Document No. 9, "Communique on the Current State of the Ideological Sphere", <https://www.chinafile.com/document-9-chinafile-translation>.

¹⁰ Wang Jisi and Hu Ran, "From cooperative partnership to strategic competition: a review of China-U.S. relations 2009-2019," *China International Strategy Review* 1; 2019.

¹¹ Evan Osnos, "Fight Fight, Talk Talk," *The New Yorker*, January 6, 2020, <https://www.newyorker.com/magazine/2020/01/13/the-future-of-americas-contest-with-china>.

¹² "Full Text: China's Military Strategy," Xinhua, May 26, 2015, http://news.xinhuanet.com/english/china/2015-05/26/c_134271001.htm.

country can dictate norms will result in a flatter, values-neutral order that will advantage a China projected to soon be the world's largest economy.¹³

Weakening Norms at the International Level

Chinese leaders view the country's growing power as offering an opportunity to craft a new global order untethered to inconvenient liberal norms. China has greater leverage to weaken human rights protections and processes in international institutions and promote values-neutral narratives. Countries that support China's interests, or at a minimum do not challenge it on sensitive issues in international forums, receive benefits; conversely, countries that oppose China are denied access to these rewards and might even be punished.¹⁴

- China is whittling away at international institutions that instill democratic norms and creating new ones that do not.¹⁵ The Belt and Road Initiative (BRI), China's strategic global infrastructure program, poses a fundamental challenge to established norms around development financing and investment practices. China's annual hosting of the World Internet Conference grants it the opportunity to legitimize China's approach to emerging norms around Internet freedom.¹⁶
- China is using its clout to shape key international institutions such as UN standards-setting bodies and to undermine human rights protections at the UN Human Rights Council and other mechanisms. China has installed its officials in top posts in four of the 15 specialized UN agencies, skewing their approach to issues involving China's interests and its approach to rule-setting. Beijing has also sought a host of entry-level jobs to bolster its advancement at the UN in the long term.¹⁷
- Democratic states are displaying faltering support for freedom on the international stage, taking few steps to rally international opposition or apply meaningful collective

¹³ Peter Harrell, Elizabeth Rosenberg, and Edoardo Saravalle, "China's Use of Coercive Economic Measures," Center for a New American Security, June 11, 2018, <https://www.cnas.org/publications/reports/chinas-use-of-coercive-economic-measures>; Liza Tobin, "Xi's Vision for Transforming Global Governance: A Strategic Challenge for Washington and its Allies," *Texas National Security Review* (Vol. 2, Issue 1), November 2018.

¹⁴ David Shullman, "Protect the Party: China's Influence in the Developing World," Brookings, January 22, 2019, <https://www.brookings.edu/articles/protect-the-party-chinas-growing-influence-in-the-developing-world/>.

¹⁵ Wang Jisi and Hu Ran, "From cooperative partnership to strategic competition: a review of China-U.S. relations 2009-2019," *China International Strategy Review* 1; 2019.

¹⁶ Melanie Hart and Blaine Johnson, "Mapping China's Global Governance Ambitions," Center for American Progress, February 28, 2019, <https://www.americanprogress.org/issues/security/reports/2019/02/28/466768/mapping-chinas-global-governance-ambitions/>.

¹⁷ "US-backed candidate nominated to lead UN body after anti-China campaign," *Financial Times*, March 4, 2020, <https://www.ft.com/content/71364d76-5d8c-11ea-b0ab-339c2307bcd4>.

pressure to halt China's rights abuses. An increasing number of governments that have received significant Chinese investment support China in the face of incontrovertible evidence of its human rights abuses at home.¹⁸

The CCP also seeks greater control over the formulations and ideas that underpin the international order, or "discourse power", to water down norms around liberal democracy as China takes on a more central global role.¹⁹ China is enshrining its own ideological concepts and foreign policy strategies into international statements of consensus, substituting Chinese concepts such as the "right for development" and "internet sovereignty" for universal values.

- Beijing is also promoting a particularist view of human rights, in which governments can cite "unique" local conditions to justify disregard for individual or minority claims, and defining democracy in terms of so-called "economic and social rights," rather than inalienable civil or political rights.²⁰

Popularizing Authoritarianism at the National Level

As it neuters the "liberal" presumptions resident in global institutions created by developed democracies, the CCP is simultaneously looking to popularize its governance and development model in individual countries throughout the developed world, hollowing out the normative roots of the current order from the bottom-up. Chinese leaders recognize that to achieve legitimacy as a responsible great power without democratizing—a prospect not welcomed by the developed West—they must first popularize China's model in the developing world.²¹

- Adoption of an illiberal or at least values-neutral approach in emerging countries – approximately two-thirds of humanity – would go a long way toward undermining the notion of a liberal foundation to the global order and conveniently smooth a path for an expanded Chinese sphere of influence.²²

China is exacerbating doubts about democracy and extolling the virtues of its authoritarian model in numerous countries across the developing world. Beijing is encouraging governments to emulate and adopt elements of China's system while criticizing the West's promotion of

¹⁸ Freedom House, *Freedom in the World 2020*, <https://freedomhouse.org/report/freedom-world/2020/leaderless-struggle-democracy>.

¹⁹ Nadege Rolland, "China's Vision for a New World Order," NBR Special Report no. 83, January 27, 2020, <https://www.nbr.org/publication/chinas-vision-for-a-new-world-order/>.

²⁰ <https://www.cnas.org/publications/reports/peoples-republic-of-the-united-nations>

²¹ David Shullman, "Protect the Party: China's Influence in the Developing World," Brookings, January 22, 2019, <https://www.brookings.edu/articles/protect-the-party-chinas-growing-influence-in-the-developing-world/>.

²² Nadege Rolland, "China's Vision for a New World Order," NBR Special Report no. 83, January 27, 2020, <https://www.nbr.org/publication/chinas-vision-for-a-new-world-order/>.

liberal ideals and human rights as self-righteous meddling that violates countries' right to choose their own path.

- China's success in advancing an alternative "model" rests partly in its promises of BRI-related investment unconditioned on measurements of governance and human rights, creating a permissive context for illiberal leaders and presenting them the opportunity to claim credit for delivering on promises of quick infrastructure development, no matter the long-term costs for a country's prosperity.
- China portrays its economic success as a demonstration that the road to prosperity no longer runs through liberal democracy. As Xi put it in 2017, China's model offers "a new option for other countries and nations who want to speed up their development while preserving their independence." This message is highly attractive to leaders who, lacking popular support and afraid of what open political space could pose for their control, hope to achieve economic success without answering to the demands of democratic societies.
- The CCP conducts large-scale trainings of foreign officials about its governance model, including on how to guide public opinion, control civil society, and implement China-style cybersecurity policies. China also provides increasingly sophisticated surveillance technology and internal security training to established authoritarian and fragile democratic governments, enabling them to better suppress dissent and control their own citizens through censorship and surveillance.²³

Capitalizing on the Corrosion of Democracy

The impact of China's promotion of its authoritarian system cannot be separated from its expanding malign influence tactics throughout much of the world. China is advocating for authoritarianism in countries where it is weakening democracy by undermining governance, prosperity and open discourse. Beijing's authoritarian messaging is more likely to be attractive in contexts where democracy's "brand" is already damaged.

- China's opaque and corrupt investment practices through the BRI contribute to the corrosion of democratic institutions, facilitating countries' slide into unsustainable debt and leaving countries increasingly beholden to their Chinese creditors. The deals struck

²³ Andrea Kendall-Taylor and David Shullman, "How Russia and China Undermine Democracy: Can the West Counter the Threat?," *Foreign Affairs*, October 2, 2018, <https://www.foreignaffairs.com/articles/china/2018-10-02/how-russia-and-china-undermine-democracy>; <https://freedomhouse.org/report/freedom-net/2018/rise-digital-authoritarianism>.

by Chinese policy banks and SOEs encourage a more corrupt and unaccountable class of political elites eager to undermine their country's long-term prosperity in return for personal enrichment.²⁴

- China is simultaneously manipulating countries' political and information environments – what the National Endowment for Democracy has termed “sharp power”, coopting local civic groups or journalists to stymie negative portrayals of its engagement and protect ties to corrupt elites.²⁵ China is increasingly interfering directly in the political systems and elections of countries around the world to support China-friendly politicians and policies.²⁶
- Such efforts tilt the playing field to advantage illiberal leaders who are open to adopting elements of China's model. China's interference is also furthering the erosion of democratic rules and norms at the hands of democratically elected incumbents. Such “authoritarianization” is a major change in the ways that democratic governments have traditionally collapsed.²⁷

Lastly, China's success in weakening liberal democratic norms will in large measure be determined by its ability to lead technological innovation and – critically – shape the related norms, rules, and standards upon which the future international order will be based. As the former CEO of Google Eric Schmidt writes, “Americans should be wary of living in a world shaped by China's view of the relationship between technology and authoritarian governance. Free societies must prove the resilience of liberal democracy in the face of technological changes that threaten it.”²⁸

- Beijing seeks a greater say over the norms, rules, and structures that govern the internet; digital infrastructure; data; digital privacy; and emerging technologies like bioengineering, quantum computing, and machine learning. China wants to determine ethics around technologies like facial-recognition and the use of biometrics that it has employed in its detention and control of more than a million Uighur Muslims, in addition to tracking the rest of its population every day. China's exporting of this model of

²⁴https://www.iri.org/sites/default/files/chinese_malign_influence_report.pdf

²⁵ “Inside China's Secret ‘Magic Weapon’ for Worldwide Influence,” *Financial Times*, October 26, 2017, <https://www.ft.com/content/fb2b3934-b004-11e7-beba-5521c713abf4>.

²⁶ David Shullman, “Protect the Party: China's Influence in the Developing World,” Brookings, January 22, 2019, <https://www.brookings.edu/articles/protect-the-party-chinas-growing-influence-in-the-developing-world/>.

²⁷ Andrea Kendall-Taylor and Erica Frantz, “How Democracies Fall Apart: Why Populism Is a Pathway to Autocracy.” *Foreign Affairs*, December 5, 2016. <https://www.foreignaffairs.com/articles/2016-12-05/howdemocracies-fall-apart>.

²⁸ Eric Schmidt, “Silicon Valley Needs the Government,” *New York Times*, February 28, 2020, A25.

population control to governments around the world demonstrates the stakes in the future of intrusive technologies.²⁹

Recommendations

China's promotion of its authoritarian model poses a clear challenge to the liberal international order and U.S. interests inextricably tied to upholding the values that have defined that order since its inception. The CCP, tapping into perceptions of the inevitability of its growing power in the international system, is rapidly shaping governance, discourse, and economic realities at the international and national level. For this reason, it is critical that Washington prioritize responding to China's efforts now.

A strategic U.S. approach to this challenge requires prioritizing where to focus limited U.S. resources and energy given China's larger role in global institutions and growing influence in nations around the world.

- Washington's priorities should be determined by the conviction that we are engaged, first and foremost, in a competition of systems and ideas with the CCP – wherein the U.S. is advocating for human freedom and the right of peoples to choose their own leaders— rather than a values-neutral great power competition.
- Not only will such a distinction clarify how Washington should shift resources, but it will also serve to convince U.S. allies of the necessity of aligning to counter China's upending of the universal norms which we all hold dear. Chinese officials have had some success in convincing democratic partners, including in Europe, that the U.S. uses values arguments as a mere tool to enlist them in Washington's campaign to prevent China's emergence as a peer competitor.

At the international level: The U.S. must recommit to multilateral forums and institutions. Countering China's efforts to use its greater leverage in international institutions to erase liberal norms from those institutions is a profoundly difficult challenge that will be rendered impossible if Washington is not leading at the multilateral level. Absent U.S. leadership, Beijing will fill the vacuum and expand its influence even further.³⁰

²⁹Evan Osnos, "Fight Fight, Talk Talk," *The New Yorker*, January 6, 2020,

<https://www.newyorker.com/magazine/2020/01/13/the-future-of-americas-contest-with-china>.

³⁰<https://foreignpolicy.com/2020/01/22/us-state-department-appoints-envoy-counter-chinese-influence-un-trump/>

- The U.S. and its allies and partners should continue to aggressively seek leadership in organizations with critical standards-setting roles and develop rules for emerging domains such as space, cyber, and artificial intelligence. It came as good news recently that China had failed to place its candidate atop the World Intellectual Property Organization, due in part to US efforts.³¹

Washington, together with allies in Europe and Asia, should loudly and frequently underscore its commitment to defending universal human rights and democracy as core international norms, contrasting the hollowness and repression of China's own system with the success of vibrant democracies around the world, including in Taiwan.

- The U.S. must also continue to press for greater and more reciprocal media access in China and the freedom to report without fear of expulsion for work the Chinese government deems unacceptable.³² China limits that access in part out of recognition that the CCP's image – and advocacy of its authoritarian model – is complicated by how it governs at home, including its repression of dissent, crackdown on pro-democracy protesters in Hong Kong, and detention of more than one million Uighur Muslims.

At the national level: Washington should make democracy assistance a central component of its strategy to counter the impact of China's efforts to promote authoritarianism and shore up the liberal international order. This should involve using foreign aid to help make countries more resilient to CCP coercion and, hand in hand with diplomacy, champion the superiority of democracy to China's authoritarian option.³³

- Congress should maintain strong support for external democracy assistance, anti-corruption work, and helping journalists and civil society in individual countries to identify and expose China's efforts to promote authoritarianism and manipulate their information spaces. Washington should prioritize assistance for government and nongovernment actors that are deemed particularly vulnerable to CCP influence.
- The U.S. and its democratic partners should build upon nascent efforts to offer united alternatives to Chinese investment and financing through the establishment of the Development Finance Corporation and launching of the Blue Dot Network with Japan

³¹<https://www.ft.com/content/71364d76-5d8c-11ea-b0ab-339c2307bcd4>

³²“Control, Halt, Delete: Reporting in China under threat of expulsion,” Foreign Correspondents Club of China, March 2, 2020, <https://www.dropbox.com/s/gky8352xue74kuh/control-halt-delete.pdf?dl=0>.

³³ Patrick Quirk and David Shullman, “Want to prevail against China? Prioritize democracy assistance,” *The Hill*, <https://thehill.com/opinion/international/463646-want-to-prevail-against-china-prioritize-democracy-assistance>.

and Australia. The U.S. Government should also build on success in assisting local governments in financing and investment negotiations with Chinese entities.

- In these efforts Washington and its partners can capitalize on mounting pushback against aspects of China's global ambitions and malign influence efforts, with public resistance to the harmful effects of Chinese investment projects intensifying in host countries, and some politicians growing more vocal about protecting their countries against Beijing's encroachment.³⁴³⁵
- The U.S., as it confronts China's efforts to shape global norms, must simultaneously increase its commitment to supporting democratic actors inside China who are facing increasing repression at the hands of the Chinese Government. It is critical that the U.S. and its democratic partners work to counter the CCP narrative and drive for complete ideological control within China, preserving space for independent voices and civil society.

Conclusion

None of these efforts to counter China's efforts on behalf of authoritarianism will be easy or achievable without a sustained U.S. dedication both to promoting universal values and working with and assisting fragile developing democracies. There is no alternative, however, if Washington hopes to prevent the continued decline of democracy globally. As Freedom House's latest "Freedom in the World" report notes, China's expanding influence and simultaneous assault on liberal norms is contributing significantly to that decline.³⁶

The argument in favor of upholding universal values and the democratic norms underpinning the current international order remains compelling. China's increasing reliance on repression of its own citizens and ideological indoctrination to ensure allegiance to the CCP under the leadership of Xi Jinping reveals the inherent failings of its autocratic system and the ideas it intends to infuse into the existing international order.

We need only look to the events of the last few months for a clear demonstration of the dangers to humanity of a CCP-driven, values-neutral international order. The Party's decision to control information at the beginning of the coronavirus outbreak undermined not only China's own ability to deal with the crisis but the international community's ability to prevent a

³⁴https://www.iri.org/sites/default/files/chinese_malign_influence_report.pdf

³⁵ Freedom House, *Freedom in the World 2020*, <https://freedomhouse.org/report/freedom-world/2020/leaderless-struggle-democracy>.

³⁶ Freedom House, *Freedom in the World 2020*, <https://freedomhouse.org/report/freedom-world/2020/leaderless-struggle-democracy>.

global pandemic. China's leverage over the World Health Organization, as its second largest donor, appears to have skewed the organization's judgment on China's handling of the crisis and its severity.³⁷

- Beijing is now trying to shape the global narrative, not only to replace criticism of China's failure to contain the epidemic with stories of its rapid reaction to "save the world" weeks later, but also to credit that reaction to the superiority of the CCP's system of governance. As the *People's Daily* put it, China's battle against the epidemic demonstrates the CCP is "by far the political party with the strongest governance capability in human history."³⁸ The government is now suggesting the virus may not have started in China, all evidence to the contrary.
- This is a real-world demonstration of the tangible risk posed by the popularization of China's model across a growing number of countries, from any of which the next transnational crisis could emerge. In an increasingly connected world, the U.S cannot afford to have a growing number of governments prioritize their grip on power above the safety and security of their citizens, nor can we afford to have international institutions place their fealty to such governments over the execution of their duties.

The free and open nature of the current international order is essential to its continued success. The challenge the United States and our democratic partners face is to adjust to China's greater role in that order while contesting its moral vision for the future. At stake is the potential erosion of fundamental human rights and self-governance, as well as human security in an increasingly connected world. The United States must recommit to the hard work of defending democracy around the world.

³⁷ "China censored virus news for weeks, say researchers," AFP, March 3, 2020.

³⁸ Dong Yuzhen, "CPC most important source of confidence for Chinese people," *People's Daily Online*, March 4, 2020, <http://en.people.cn/n3/2020/0304/c98649-9664589.html>.

**PREPARED STATEMENT OF ELIZABETH ECONOMY, PH.D., C. V. STARR SENIOR
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Exporting the China Model

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Testimony before the U.S.-China Economic and Security Review Commission Hearing on The “China Model”

March 13, 2020

Introduction

In October 2017 at the 19th Congress of the Chinese Communist Party (CCP), Xi Jinping was re-selected for a second five-year term as General Secretary of the Communist Party. In his acceptance speech, he stated, “The China model for a better social governance system offers anew option for other countries and nations who want to speed up their development while preserving their independence. And it offers Chinese wisdom and a Chinese approach to solving the problems facing mankind.”¹ It was just a brief mention of a bold idea—that China had a model worth emulating—but it was enough to spark debate within and outside China over what precisely Xi meant. Xi, himself, appeared to take a step back in a second speech one month later, in which he stated that China would neither import foreign models of development nor export the Chinese model and ask other countries to copy the Chinese practice.² Yet one year later, in a December 2018 speech, Xi once again suggested the potential universality of the China model: “Forty years of practice has fully proved that China's development has provided successful experiences and shown bright prospects for the majority of developing countries to modernize. It is a powerful force for promoting world peace and development, and a great contribution of the Chinese nation to the progress of human civilization.”³

The debate over whether Xi Jinping and the rest of the Chinese government seeks to export its model continues today. Part of the reason for this ongoing discussion is that there is no single definition for what constitutes the China model. On this point, the Australian writer Richard McGregor suggests one fruitful approach, “The Chinese system, which combines a Leninist-style party with a centuries-old bureaucratic culture, can’t easily be replicated elsewhere. What Mr. Xi is really promoting is something else: the idea that authoritarian political systems are not only

¹ “Full Text Of Xi Jinping's Report At 19th CPC National Congress”, *China Daily*, 2017, https://www.chinadaily.com.cn/china/19thcpcnationalcongress/2017-11/04/content_34115212.htm.

² “Xi Jinping: Working Together To Build A Better World”, 2018, <http://ca.china-embassy.org/eng/sgxw/t1531148.htm>.

³ “Celebrating The 40th Anniversary Of Reform And Opening Up”, *Xinhua*, 2018, <http://www.xinhuanet.com/politics/zbggkf40/wzsl.htm>.

legitimate but can outperform Western democracies.”⁴ At its heart, therefore, the China model is simply one variant of authoritarian or state capitalism—a single party state whose polity is characterized, as University of Michigan Professor Yuen Yuan Ang has described, by extensive state control over political and social life, including the media, Internet, and education, and whose economy reflects a mix of both market-based practices as well as the strong hand of the state in core sectors of the economy.⁵ Much as the United States and other market democracies export their model by advancing regulations and laws that support individual property rights, free speech, and elections—both within countries and at the level of global governance—the export of the China model includes supporting the creation of laws and regulations that enhance state control, limit individual freedoms, and favor state-led economic development.

Over the past two-and-a-half years since Xi’s 19th Party Congress speech, both in rhetoric and reality, China has become increasingly comfortable in its efforts to export its state-centered political and economic model globally. Its motives are both defensive—to protect China from international criticism—and offensive—to ensure that international norms and values align with and serve Chinese values and policy priorities. Beijing also has significant economic interests at stake in advancing its model; for example, the technology used to underpin the model can be sold and deployed by Chinese companies. It exports its model, or elements of its model, through a number of different channels: multilateral forums, bilateral training and education opportunities, the Belt and Road Initiative, and international governmental organizations. While many countries are willing consumers of China’s model, Beijing is not averse to using coercive means, such as threatening access to its market or even banning products from recalcitrant countries, to push others to accept elements of its model.

The United States and its partners possess the tools necessary to prevent China from helping to create and/or buttress a new coterie of authoritarian capitalist countries that is prepared to support Beijing’s values and priorities. However, it will require developing a coordinated strategy that relies on both traditional as well as new forms of capacity building efforts in developing economies, strengthening the U.S. support at home and abroad for democratic values and good governance, and engaging U.S. companies more directly in both defensive and offensive strategies.

Exporting the China Model: A Multi-Dimensional Game

The Chinese Communist Party has multiple objectives in exporting its model. First, as noted above, the more countries that share China’s norms and values, the more support Beijing will garner for its policies on the global stage. For example, in September 2019 when the United States and twenty-one other market democracies condemned China’s detention of upward of one million Uighur Muslims in labor and reeducation camps in Xinjiang, China was able to rally more than fifty countries—most of which had authoritarian political leanings—in support of its practices, thereby undermining U.S. and others’ efforts to pressure China to change its policies.⁶ Second, China’s Belt

⁴Richard McGregor, "Xi Jinping’s Ideological Ambitions", *Wall Street Journal*, 2018, <https://www.wsj.com/articles/xi-jinpings-ideological-ambitions-1519950245>.

⁵Yuen Yuan Ang, "Autocracy With Chinese Characteristics", *Foreign Affairs*, 2018, <https://www.foreignaffairs.com/articles/asia/2018-04-16/autocracy-chinese-characteristics>.

⁶Louis Charbonneau, "Countries Blast China At UN Over Xinjiang Abuses", *Human Rights Watch*, 2019, <https://www.hrw.org/news/2019/10/30/countries-blast-china-un-over-xinjiang-abuses>.

and Road Initiative reinforces elements of China's development model in other countries, including debt-inducing infrastructure led development, lack of transparency, corruption, and weak social, labor, and environmental protections. Arguably, it is easier for China to invest in countries that share its own development practices. Third, the export of the China model provides extensive opportunities for economic gain for Chinese companies, particularly those involved in infrastructure or in the development and deployment of new technologies, including satellite systems, fiber optic cables, media, e-commerce, and surveillance systems. Finally, to the extent that other countries follow China's model, it helps legitimize the Chinese Communist Party at home. It sends a message to the Chinese people that far from being a pariah polity, their governance system is respected and worthy of emulation.

Capacity Building: At one level, China exports its model through political and economic capacity building in other countries, much in the same way that the United States and other democracies have traditionally sought to strengthen laws and norms promoting democracy in developing countries.

First, there is a concentrated and determined effort by the Chinese Communist Party to educate and train foreign officials and experts on the nature of the model and on how to implement it. Some of this training takes place in multilateral forums. For example, in October 2019, Zhejiang province hosted a forum called "The significance of China's social governance to the world," which was attended by more than 200 experts from 20 countries. The *Xinhua* tagline from the conference was "China can provide wisdom to a world that is in need of new governance models." And an article in the *Beijing Review* reported, "The world's largest developing country can truly offer wisdom for the governance of the world in many aspects, ranging from politics, economy and culture to science, education, public health environment and poverty reduction."⁷ Under the auspices of the Belt and Road Initiative, China has also hosted two to three-week seminars on how to conduct online censorship and surveillance for officials from other countries, such as the Philippines, Saudi Arabia, the UAE, and Thailand.⁸ And Guangxi province is home to a leadership academy, established in 2017, whose mission it is to train officials from ASEAN on China's governance and economic development model. The training program has reached almost 1000 ASEAN officials. It lasts about ten days and includes subjects such as how the government can guide online public opinion, alleviate poverty, and develop a stronger grassroots presence.⁹

Second, Beijing operates bilaterally, targeting individual countries for education and training opportunities either in Beijing or in the host country. Council on Foreign Relations Senior Fellow Josh Kurlantzick, for example, has documented the very granular export of the China model to Cambodia. Not only does China provide defense training for the army, economic training for ministers, and justice training for police, but there are also highly specific lessons on what tools to

⁷"China's Governance System Offers Wisdom To The World-- Beijing Review", *Beijing Review*, 2019, http://www.bjreview.com/Nation/201911/t20191121_800185807.html.

⁸Adrian Shahbaz, "Freedom On The Net 2018: The Rise Of Digital Authoritarianism", *Freedom House*, 2018, <https://freedomhouse.org/report/freedom-net/freedom-net-2018/rise-digital-authoritarianism>.

⁹Huifeng He, "In A Remote Corner Of China, Beijing Is Trying To Export Its Model By Training Foreign Officials The Chinese Way", *South China Morning Post*, 2018, <https://www.scmp.com/news/china/economy/article/2155203/remote-corner-china-beijing-trying-export-its-model-training>.

use to suppress dissent and how to encourage foreign investment, while at the same time accessing and retaining foreign technology and skills.¹⁰

The China model has perhaps found the most adherents in Africa. For example, the Chinese Communist Party trained the Ethiopian People's Revolutionary Democratic Front (now part of the Prosperity Party) on how to develop its party organizational structure, strengthen its ideological work and propaganda system, and improve its cadre education. In addition, the CCP provides instruction on how to monitor, guide, and manage public opinion—including the organization setup, technologies, legislation and relations with the media.¹¹ The Sudanese People's Liberation Movement (SPLM) has also been a particularly avid consumer of China's political and economic model. It sends hundreds of government officials to China to study with the Communist Party, where it learns how China has developed its transportation, health, and culture industries, its poverty alleviation efforts, as well as how to manage public opinion and build a party. China also provides several hundred scholarships annually to South Sudanese students, embeds businesspeople from South Sudan in Chinese companies, and has provided free computers to the SPLM. The head of the SPLM stated in 2017 that he was preparing a training manual on a code of conduct and party structure based on that of China.¹² Stimson Center scholar Yun Sun has also detailed how members of the African National People's Congress have traveled to China to study the organizational development of the CCP at the grass-roots level to understand how local officials implement decisions by Beijing, as well as to attend training seminars on "socialism theories and practices."¹³

Beijing is particularly active in exporting the elements of its model dedicated to state control over civil society. After participating in a China-Tanzania roundtable on new media, the Tanzanian deputy minister of communications Edwin Ngonyani discussed collaborating with China on social media censorship, noting "Our Chinese friends have managed to block such media in their country and replace them with homegrown sites that are safe, constructive and popular. We aren't there yet, but while we are still using these platforms we should guard against their misuse."¹⁴ Tanzania and Zimbabwe have both modelled their cybersecurity laws after that of China. And according to a study by Freedom House, Vietnam also has released a cybersecurity law based on that of China after participating in a training seminar with Chinese officials.¹⁵

The Chinese government also provides the technology and technical support necessary to enhance the state's control over civil society. In Uganda, China's National Electronics Import and Export corporation is supporting capacity-building for Uganda's communications commission, police force and ministry of internal affairs, including both training and the provision of technology. Huawei technicians, for example, reportedly helped Ugandan President Yoweri Museveni intercept his

¹⁰Joshua Kurlantzick, *Charm Offensive: How China's Soft Power Is Transforming The World* (New Haven, Conn.: Yale University Press, 2008).

¹¹Yun Sun, "Political Party Training: China's Ideological Push In Africa?", *Brookings Institution*, 2016, <https://www.brookings.edu/blog/africa-in-focus/2016/07/05/political-party-training-chinas-ideological-push-in-africa/>.

¹²Lily Kuo, "Beijing Is Cultivating The Next Generation Of African Elites By Training Them In China", *Quartz Africa*, 2017, <https://qz.com/africa/1119447/china-is-training-africas-next-generation-of-leaders/>.

¹³Yun Sun, "Political Party Training: China's Ideological Push In Africa?"

¹⁴Nick Bailey, "East African States Adopt China's Playbook On Internet Censorship", *Freedom House*, 2017, <https://freedomhouse.org/blog/east-african-states-adopt-china-s-playbook-internet-censorship>.

¹⁵Adrian Shahbaz, "Freedom On The Net 2018: The Rise Of Digital Authoritarianism".

opponent's Skype and WhatsApp communications, after his own government team couldn't do it.¹⁶ China's surveillance technologies hold enormous attraction for many countries' leaders. In Latin America, Venezuela, Bolivia, and Ecuador have all purchased various forms of surveillance technology from Chinese firms.¹⁷ According to a Brazilian journalist, Huawei simply gifted Brazil millions of dollars in surveillance cameras. And Kazakh President Kassym-Jomart Tokayev, who studied in both the former Soviet Union and China, was reportedly stunned by a demonstration of Hikvision's surveillance technology, in which one can click on someone's face and access a person's financial situation, work and school history, and leisure activities. He left convinced that his country needed the same technology.¹⁸ While surveillance technologies can be important aids in reducing crime, it is also the case, as Latin America scholar Evan Ellis has noted, that these technologies will give authoritarian regimes something that they have only dreamed about—a massive ability to sanction persons who engage in political or social behaviors of which the government disapproves.¹⁹

Moreover, China's provision of telecommunications infrastructure has the potential to enhance its ability to promote the China model through media content. Over the past few years, the Chinese government has launched and subsidized a satellite TV project for 10,000 villages in Africa. The Chinese company, StarTimes, provides both the satellite dishes and the content subscription packages. It now transmits Chinese television shows into the homes of more than 20 million subscribers in thirty African countries. Unsurprisingly, much of the content is devoted to shows that paint a favorable picture of China. Moreover, in Kenya, its cheapest package features only Kenyan and Chinese channels. Access to other channels, such as the BBC or Al Jazeera, costs more.²⁰

In addition to the export of elements of its political model, China also exports elements of its economic development model. While the economic achievements of China's infrastructure and export-led growth are widely admired globally, this same development model has also been accompanied by significant levels of infrastructure-induced government debt, a lack of transparency in deal-making, corruption, a failure to involve local populations in the decision-making and planning processes, and popular protest. All of these elements are evident in multiple Belt and Road host countries. In some cases, the China model reinforces similar proclivities in these countries; in others, it introduces fundamentally new challenges and opportunities. For example, the Chinese and Kenyan governments were prepared to build Kenya's first coal-fired power plant in Lamu, whose old town is a UNESCO World Heritage Site. After seven years, protests and a lawsuit by Kenyan civil society activists resulted in the country's court system revoking the project's

¹⁶Joe Parkinson, Nicholas Bariyo and Josh Chin, "Huawei Technicians Helped African Governments Spy On Political Opponents", *Wall Street Journal*, 2019, <https://www.wsj.com/articles/huawei-technicians-helped-african-governments-spy-on-political-opponents-11565793017>.

¹⁷Paul Mozur, Jonah M. Kessel and Melissa Chan, "Made In China, Exported To The World: The Surveillance State", *New York Times*, 2019, <https://www.nytimes.com/2019/04/24/technology/ecuador-surveillance-cameras-police-government.html>.

¹⁸Chris Rickleton, "Kazakhstan Embraces Facial Recognition, Civil Society Recoils", *Eurasianet*, 2019, <https://eurasianet.org/kazakhstan-embraces-facial-recognition-civil-society-recoils>.

¹⁹Evan Ellis, "The Future Of Latin America And The Caribbean In The Context Of The Rise Of China", *Center For Strategic And International Studies*, 2018, <https://www.csis.org/analysis/future-latin-america-and-caribbean-context-rise-china>.

²⁰Jonathan Kaiman, "'China Has Conquered Kenya': Inside Beijing's New Strategy To Win African Hearts And Minds", *Los Angeles Times*, 2017, <https://www.latimes.com/world/asia/la-fg-china-africa-kenya-20170807-htmlstory.html>.

environmental license and staying the project.²¹Such protests are common throughout Belt and Road countries.

China also exports additional elements of its economic model. Over the past two decades, for example, it has advanced its model of special economic zones and industrial parks, a process that has accelerated under the auspices of the BRI. For example, where China has stakes or controlling stakes in ports, such as Bangladesh, Malaysia, and Ethiopia, it is also establishing industrial parks linked to these ports. The Chinese director of one such park in Malaysia, has stated that the park is “a platform for China’s emerging strategic industries, such as high-end manufacturing and equipment and biotechnology to go global” as well as to provide opportunities for Malaysian companies.”²² In other cases, such as in Bangladesh, however, the parks are overwhelmingly focused on attracting Chinese companies. Moreover, a study by Greenpeace East Asia has found that inside China, these industrial parks have suffered from lack of oversight and become sources of water pollution and soil contamination.²³ It is plausible that such practices will be replicated globally.

Norms and International Institutions: China also exports its model through its participation in international institutions and regimes. Xi Jinping frequently references the need for China to lead in the reform of the global governance system. Over the past several years, China has assumed a leadership role within many UN institutions; currently it heads four of fifteen UN-related specialized agencies.²⁴It actively seeks to use international institutions to advance Chinese norms and policy preferences by inserting normative language such as “community for shared destiny,” “win-win,” and policies such as Belt and Road into UN documents. Center for American Progress scholar Melanie Hart has detailed, for example, Chinese efforts to shape the developing regime around Internet governance, noting, “China is seeking to devalue those external freedoms by pushing authoritarian principles in global internet governance forums. Just as China is convening its own humanrights forums, it is also hosting World Internet Conferences that bring in representatives from other nations—including major U.S. companies—to legitimize Chinese norms.”²⁵

Beijing is also adept at using international institutions to advance multiple elements of its model. For example, during 2016-2018, Meng Hongwei, a senior Chinese Public Security official, held the presidency of Interpol.²⁶ During Meng’s presidency, Interpol formally agreed to collaborate with

²¹Abdi Dahir, “China’s Plan To Help Build Kenya’s First Coal Plant Has Been Stopped—For Now”, *Quartz Africa*, 2019, <https://qz.com/africa/1653947/kenya-court-stops-china-backed-lamu-coal-plant-project/>.

²²Ma Chi, “Industrial Park Tries New Model - Chinadaily.Com.Cn”, *China Daily*, 2018, <http://www.chinadaily.com.cn/a/201811/26/WS5bfb45b9a310eff30328af65.html>.

²³“With Poor Oversight, China’s Industrial Parks No Match For Illegal Wastewater Dumping”, 2019, <https://www.greenpeace.org/eastasia/press/1333/with-poor-oversight-chinas-industrial-parks-no-match-for-illegal-wastewater-dumping-2/>.

²⁴Ben Blanchard, “Xi Says China Must Lead Way In Reform Of Global Governance”, *Reuters*, 2018, <https://www.reuters.com/article/us-china-diplomacy/xi-says-china-must-lead-way-in-reform-of-global-governance-idUSKBN1JJ0GT>.

²⁵Melanie Hart, “Mapping China’s Global Governance Ambitions”, *Center For American Progress*, 2019, <https://www.americanprogress.org/issues/security/reports/2019/02/28/466768/mapping-chinas-global-governance-ambitions/>.

²⁶ In 2018, the Chinese government arrested Meng on charges of corruption. He was found guilty and sentenced in 2020 to thirteen and a half years in prison.

China to promote security and stability in Interpol members along the Belt and Road.²⁷In addition, in 2017, China hosted Interpol's annual international conference, at which Xi Jinping delivered the keynote address. In the course of his remarks, Xi offered to upgrade Interpol's telecommunications infrastructure and to train 5000 international police officers. China's leadership of Interpol also served as a legitimizing element domestically. The Chinese media reported that Meng's leadership of Interpol signified that the international community supported China's conception of the rule of law.²⁸

Leverage and Coercion: Finally, China also uses the leverage of its market to coerce international actors to accept elements of its model. Most frequently, Beijing pressures companies and countries to accede to its conception of mainland Chinese sovereignty, which includes Hong Kong, Taiwan, and the South China Sea or risk losing access to its market. In 2018, for example, Beijing threatened to cut off access to its market for international airlines and hotel chains that identified Taiwan as a separate entity on their websites. More recently in October 2019, the United States was rocked by the case of Houston Rockets General Manager Daryl Morey, who tweeted, "Fight for Freedom, Stand with Hong Kong." In response to the tweet, Chinese companies cancelled all licensing deals for Rockets merchandise and the Chinese government banned all CCTV broadcasts of NBA games and reportedly called on the NBA to fire Morey. What is particularly striking in this instance, however, is not the effort to use economic leverage to pressure the Houston Rockets and the NBA, but rather the statement by state-owned CCTV that "any remarks that challenge national sovereignty and social stability are not within the scope of freedom of speech."²⁹There could not be a clearer demonstration of China's effort to export its political model than a statement to the effect that China has the right to apply the same standards of free speech it practices at home to actors abroad. Moreover, as China moves to include multinationals in its social credit system, pressure will only grow for these companies to align their behavior more closely with Chinese values and policy preferences.³⁰

Importantly, despite the potential economic costs of not acceding to China's demands, several countries, in addition to the United States, are pushing back against these more coercive tactics, including most recently the Czech Republic, Sweden, and Estonia.³¹

For the United States and other market democracies, the risk of increasingly widespread acceptance of China's political and economic model—and the closer relationships between China and these countries that this acceptance implies—is significant. First, it provides China with an expanding group of supporters in the international arena around Chinese positions on human

²⁷Hou Qiang, "Interpol To Help Promote Security Along Belt & Road", *Xinhua*, 2017, http://www.xinhuanet.com/english/2017-05/14/c_136282477.htm.

²⁸Sam Boone, "CSR 2019: China's Influence On Interpol – Progress And Pushback", *SAIS China Studies Review*, 2019, <https://saiscsr.org/2019/10/30/csr-2019-chinas-influence-on-interpol-progress-and-pushback/>.

²⁹Stephen Wade and Tim Reynolds, "With China Rift Ongoing, NBA Says Free Speech Remains Vital", *AP News*, 2019, <https://apnews.com/cacbc722f6834e64814f82b14752682c>.

³⁰ A system by which the Chinese government evaluates its citizens' political and economic trustworthiness and rewards and punishes them accordingly.

³¹Bethany Allen-Ebrahimian, "Europe's Loudest Huawei Critic", *Axios*, 2020, <https://www.axios.com/huawei-europe-czech-republic-651b128e-c49a-4169-82f7-437d2116d8b3.html>; Richard Milne, "Swedish Cities Cut China Links After Increase In Tension", *Financial Times*, 2020, <https://www.ft.com/content/b6c8d510-429e-11ea-a43a-c4b328d9061c>; Ott Ummelas, "China Rebukes Estonia For Report Showing 'Cold War Mindset'", *Bloomberg*, 2020, <https://www.bloomberg.com/news/articles/2020-02-18/china-rebukes-estonia-for-report-that-shows-cold-war-mindset>.

rights and Internet governance, the South China Sea, and the Belt and Road. Second, it constrains opportunities for U.S. companies to compete on a level playing field. And third, it leads China to believe that it can coerce any country—including the United States—to change the way it does business to accommodate Chinese values and policy priorities.

Recommendations

The United States should take seriously the long-term and multidimensional threat posed by the export of China's model. An effective response must include several elements:

First, the United States should transform its narrative around China from defensive and reactive to positive and proactive. Tough U.S. rhetoric around the Belt and Road Initiative and current efforts to push back against China's activities in the United Nations have been important elements in rethinking and resetting the terms of U.S. policy toward China and alerting other countries to problematic CCP policies. However, they are not enough. Without a positive global narrative—a U.S. vision for global prosperity and security and policies to support that vision—Beijing's efforts will continue to gain traction because there is no alternative. The 2018 Asia Reassurance Initiative Act (ARIA) reflects many of the necessary building blocks of a forward-leaning and positive U.S. strategy. These include support for projects that help build democratic institutions in the region's developing economies, that enhance the defense capabilities of U.S. partners in the region, and that promote cooperative, high-quality investment, such as the U.S.-Australia-Japan-New Zealand project to electrify 70 percent of Papua New Guinea by 2030. This same type of U.S. interest and commitment demonstrated toward Asia Pacific is equally needed in Latin America and Africa.

Second, the United States should think creatively about how best to deploy non-traditional or soft power. For example, the United States should redouble its efforts to attract the best and brightest from around the world to study in the United States. In 2019, sixty-two current heads of state and heads of government had previously studied in the United States.³² The State Department, however, cut the number of visas it issues to newly enrolled international students by almost 10 percent during 2017-2019. This trend undermines a critical element of U.S. soft power at a moment when China is actively recruiting and paying students globally to study in China.

In addition, in selling the American model, the United States should capitalize on its strong corporate sector and well-deserved reputation as a center for global innovation. For example, the U.S. Ambassador to Greece Geoff Pyatt managed to have the United States recognized as the "honored country" for the 2018 Thessaloniki International Fair. The theme of the U.S. pavilion was "Harnessing the Power of Innovation and Creativity," and it featured 65 American companies, including technology leaders such as Google, Microsoft, Hewlett Packard, IBM, and Oracle, with workshops and mentoring opportunities for young Greek entrepreneurs. Microsoft also used the fair to announce a new Digital Innovation Hub to be based in Thessaloniki. In several interviews I conducted with Greek officials in February 2020, they spontaneously remarked on the enormous success of the U.S. effort. Pyatt's soft power achievements have also been matched by the U.S. administration's encouragement of greater U.S. investment in Greece, as the country privatizes

³²Martin Armstrong, "Infographic: Where World Leaders Were Educated", *Statista Infographics*, 2019, <https://www.statista.com/chart/19249/soft-power-where-leaders-educated/>.

major sectors of its economy. This provides some competition for Chinese companies, which often field multiple bids for these privatization opportunities. Moreover, Congress's role in releasing DFC funding for a major new energy project in Greece is further evidence of how the United States can compete effectively when it thinks strategically.

Third, Congress should expand its diplomatic remit. One of America's greatest strengths in its relationship with China is its allies. Many countries share the United States' concerns about the nature of China's power and intentions. The European Union, for example, has declared China a "systemic rival." Congress should consider establishing relations with parliamentary groups in other countries to help build consensus and align countries' policies on how to meet the China challenge. During the Munich Security Conference, for example, a member of the German Bundestag expressed interest in developing a Transatlanticcaucus that would address China-related issues. Such a group could be useful in thinking through opportunities for action in third countries, particularly smaller European states who might become dependent on Chinese investment, as well as in building consensus around issues such as Huawei.

Fourth, given limited U.S. resources, the United States should work with OECD countries to develop a global strategy for advancing the principles of market democracies. Africa, with its young, dynamic population, and strong Chinese presence should be a particular focus of attention. (In 2018, the United States was the largest investor by project number in Africa, but China was the largest investor in terms of overall capital.)³³ The United States and interested OECD partners could launch a smart and sustainable cities initiative, identifying and financing five to ten high profile smart city projects in African countries with DFC financing and partnerships among American and other multinationals. These projects would underscore the U.S.'s natural leadership in sustainable cities, while at the same time directly competing with China based on principles of openness and transparency. In addition, the United States should expand the Blue Dot Initiative to include European partners, understanding that the Blue Dot effort will only be successful if it induces China to raise its standards or if alternative projects are also put forth.

Fifth, Congress should consider holding hearings with representatives from the international business community in China to develop a strategy for addressing coercive Chinese efforts to enforce its political values. As a first initiative, these hearings should address how companies might unite to push back against China's coercive policies around the identification of Taiwan and should also include a preliminary assessment of the impact of the social credit system on multinationals.

³³Payce Madden, "Figure Of The Week: Foreign Direct Investment In Africa", *Brookings Institution*, 2019, <https://www.brookings.edu/blog/africa-in-focus/2019/10/09/figure-of-the-week-foreign-direct-investment-in-africa/>.

**PREPARED STATEMENT OF DANIEL TOBIN, MEMBER OF THE CHINA STUDIES
FACULTY, NATIONAL INTELLIGENCE UNIVERSITY, AND SENIOR ASSOCIATE
(NON-RESIDENT), FREEMAN CHAIR IN CHINA STUDIES, CENTER FOR
STRATEGIC AND INTERNATIONAL STUDIES**

Testimony before the U.S.-China Economic and Security Review Commission

Hearing on "A 'China Model'? Beijing's Promotion of Alternative Global Norms and Standards"

March 13, 2020

“How Xi Jinping’s ‘New Era’ Should Have Ended U.S. Debate on Beijing’s Ambitions”

Daniel Tobin

China Studies Faculty, National Intelligence University

Senator Talent, Senator Goodwin, Honorable Commissioners, thank you for inviting me to testify on China's promotion of alternative global norms and standards. I regret that a prior commitment kept me from delivering these remarks in person and am grateful for the opportunity to submit the following statement for the record.

Since I teach at National Intelligence University (NIU) which is part of the Department of Defense (DoD), I need to begin by making clear that all statements of fact and opinion below are wholly my own and do not represent the views of NIU, DoD, any of its components, or of the U.S. government.

You have asked me to discuss whether China seeks an alternative global order, what that order would look like and aim to achieve, how Beijing sees its future role as differing from the role the United States enjoys today, and also to address the parts played respectively by the Party's ideology and by its invocation of "Chinese culture" when talking about its ambitions to lead the reform of global governance.¹ I want to approach these questions by dissecting the meaning of the "new era for socialism with Chinese characteristics" Xi Jinping proclaimed at the Communist Party of China's 19th National Congress (afterwards "19th Party Congress") in October 2017.

Why should we focus on this specific speech? In China's Leninist-style political system, the report delivered by the incumbent general secretary at a Party Congress once every five years—the same venue selects a new Central Committee, Politburo, Politburo Standing Committee and the leaders of other high-level Party organs—constitutes the most authoritative statement of the Party's aims. It begins by assessing China's progress in the past five years (or the full tenure in office of the incumbent general secretary if he is stepping down at the Congress). Then it evaluates the internal and external environment China faces, adjusts the Party's guiding ideology in light of new conditions, and lays out goals not only for the next five years but frequently also enumerates much longer-term objectives which are further clarified and adjusted over time. Finally, the report addresses the Party's strategy in nine major policy areas.²

It is an understatement to say that Xi's report to the 19th Party Congress was more dramatic than most. As China approached an interim set of development targets for 2020 in the "three-step strategic plan for modernization" it has been implementing since 1987,³ Xi not only moved targets originally expressed for mid-century forward by fifteen years to 2035, but also expressed new mid-century goals.⁴ These included China becoming "a global leader in terms of composite national strength and international influence."⁵ Xi further identified China's recent emergence as the number two economy in the world⁶ as a milestone in what he described as the Party's consistent ambition over the course of its rule to "rejuvenate the Chinese nation." He described China as "moving closer to the center of the world stage."⁷ In the same speech, Xi further argued that socialism with Chinese characteristics was "blazing a new trail" for other developing countries seeking to modernize and preserve their sovereignty.⁸ Xi's address came at time when the discussion about China here in Washington was already darkening and yet his words undoubtedly contributed what many have described as a changed conversation about U.S.-China strategic rivalry.⁹ Nevertheless, in the almost two years since, there hasn't been a clear

explication in English of several key themes of Xi's speech that should have both clarified our understanding of Beijing's ambitions for the global order and caused professional observers of China to reexamine paradigms that have dominated our discussions for decades.¹⁰ I want to sketch some of these points briefly here because I believe that, placed in its proper context, Xi's report should have decisively ended our debate about the nature and scope of Beijing's strategic intentions. In one of the speech's most important passages Xi proclaimed:

Chinese socialism's entrance into a new era is, in the history of the development of the People's Republic of China and the history of the development of the Chinese nation, of tremendous importance. In the history of the development of international socialism and the history of the development of human society, it is of tremendous importance.¹¹

I will briefly address what Xi's speech tells us about the Party's strategy and its ambitions for the global order with respect to each of these three areas he identifies: (1) development designed to change the status of the Chinese nation in the world as the primary aim of the Party-state, (2) the role of socialism in the Party's strategy, and (3) the Party's desire to make a specifically Chinese contribution to the future of humanity as a whole (or, in another phrase of Xi's report, to "keep contributing Chinese wisdom and strength to global governance").¹²

I. Developing China into a Global Leader as the Party's Consistent Aim

For decades, especially in the wake of the collapse of the Soviet Union, external observers have characterized the Party's primary aim as simply to stay in power.¹³ The dominant research program in China Studies across several academic disciplines has been what I call a "problems-based" agenda. It sees the Party's rule as lurching from crisis to crisis as a result of adopting what the historian John W. Garver calls "a deeply dysfunctional political-economic system" from the Soviet Union and discarding the economic system after Mao's death but retaining the political system, which in this view is not well-equipped to cope with the massive economic and social changes unleashed by market reforms.¹⁴ This has produced an image of China's leaders as besieged and reactive, seeking only to keep economic development going to smooth over a boiling cauldron of domestic problems. China Studies has tended to ask: "What are China's governance problems and how is the Party trying and failing to cope with them?" A corollary has further identified China's foreign policy as driven by these same domestic imperatives of preserving economic growth and political stability.

My reading of the Party's history—in particular its post-Mao history—suggests exactly the opposite of the incumbent scholar view. Rather than reactive, defensive, and besieged, the Party's pursuit of modernity, power, and international status for China has been strategic, active, and purposeful. One of the most striking features of Xi's 19th Party Congress address is its combination of articulating China's ambitions on an explicitly global scale (a dramatic departure from recent decades) with an assertion of the continuity of the Party's goals throughout its rule. Xi uses long sections of the speech to reframe his signature formulation "the Chinese Dream of national rejuvenation" as the Party's "original aspiration" and "mission."¹⁵ In a nutshell, to read Xi in the context of the speeches of Mao Zedong, Deng Xiaoping, and their successors—whose language Xi's is meant to invoke—is to realize that Beijing's aim is nothing less than preeminent

status within the global order. The Party's consistent focus has been to transform China into a modern, powerful socialist country¹⁶ that delivers a leadership position in the world commensurate with China's endowments of people, land, and past cultural triumphs.¹⁷ Xi (and his predecessors) have continuously underlined the continuity of their goal of developing China to the point where it can, in Mao's words (language Xi self-consciously echoes), "stand tall in the forest of nations."¹⁸ "National rejuvenation" is an effective political slogan precisely because it represents the common denominator aspiration of Chinese elites since the country's humiliation in the mid-19th century Opium Wars.¹⁹ This aspiration is to transform China into not only a modern, powerful, country, but also a country respected for its achievements across the all fields of human endeavor by which great powers measure themselves, from prosperity to military power to cultural influence, to scientific discovery.²⁰ Equally crucial, both Mao and Deng Xiaoping identified the goal not merely to "catch-up" with "the most advanced countries," but to pass them.²¹ The Party's past strategy documents and leadership speeches underscore it has been pursuing comprehensive modernity for decades²² via a state-led process of identifying long-term targets, embedding them in plans, making investments, and adjusting and elaborating on targets as it proceeds.²³ Under Mao, horrific policy experiments caused millions of deaths, but the Party's leaders today claim credit for taking China from poverty and backwardness to the number two economy (and implicitly, power) in the world in four decades.²⁴

What has surprised me in my research is that while most observers of China in the West would acknowledge the Party seeks to make the country modern and strong, scholarship in English has largely ignored the Party, state, and military target setting and long-term planning processes. Otherwise excellent textbooks on Chinese politics explore the challenges of day-to-day governing and of crisis response, the mechanisms of domestic control, and the Party's political succession processes, but have not provided students and U.S government officials with a sense of the strategic agency of the Party's leaders.²⁵ This neglect may reflect mirror imaging. Our political system is not designed to take the United States in a specific direction. If anything, it was designed to prevent political whims of the moment from leading to tyranny. For Beijing, by contrast, the purpose of politics is to serve the nationalist project of comprehensively modernizing and developing China. It is about time we paid attention to the ideas and institutional processes that drive this effort. We need an "ends-based" research program on China that studies how Beijing conceives of great power competition in multiple domains and unpacks the theories, targets, and strategies it is adopting and then evaluates their progress and prospects.²⁶

Here, the central premise of Xi's address to the 19th Party Congress is that China's emergence as the number two power requires an integrated set of new domestic and foreign policies for the new set of challenges Beijing faces as it completes its ascent over the next three decades.²⁷ What Xi's "new era" means is that China is at the threshold—to be crossed in the next three decades—of realizing national rejuvenation. For the Party, while China remains a developing country on a per capita basis, as a whole it is catching up with the most advanced countries in many fields, and today's economic, technological, and military competitions offer a rare opportunity to seize

the initiative and to participate in setting international norms in emerging domains like cyber, space, artificial intelligence, the deep oceans, and the arctic among others.²⁸

What, then, does the Party's desire to assume the leading place in the global order mean for Washington?²⁹ The answer depends on whether Beijing intends to refashion the order and change its fundamental values in ways the United States cannot tolerate. Indeed, for the last several decades, some U.S. theorists of international relations and some U.S. policymakers have explicitly advocated a strategy of both seeking to strengthen the current order and to bind China to it as it rises so that, even if the United States experiences relative decline, the nature of the order is preserved.³⁰ Others have argued that the changes Beijing desires do not relate to the order's most important features and that the threat is primarily to U.S. pride (i.e., Washington's ability to adjust to a loss of status).³¹ Still others have warned that historical test cases involving a rising power and a reigning power frequently lead to war.³² I think these perspectives which concentrate either on China's status or its level of participation in the order as the key issues undersell the nature of U.S.-China strategic rivalry, which is driven not only by concerns about changing relative power, but also—and more crucially—by competing domestic governance systems with morally incompatible values. The rivalry between these competing systems, moreover, is exacerbated by their contest to define the predominant norms and values governing a single, integrated world. To begin to see why, we need to turn next to the role of socialism in Beijing's strategy.

II. The Role of Marxist-Leninist Socialism in the Party's Strategy

While Xi's report makes clear that national rejuvenation is the Party's consistent, overarching aim, it also underlines the central role of "socialism"—specifically the Party's particular brand of Marxism-Leninism, "socialism with Chinese characteristics."

Western observers often think about socialism in terms of specific ideological commitments or ideas about how economy and society should be organized and governed. Among the images the word conjures are a planned economy, state ownership of the economy, or a European-style social welfare state. The Party, however, has consistently seen socialism as a holistic *instrument* to realize the nationalist aims of sovereignty, development, modernity, and power. Indeed, Beijing believes socialism is the only vehicle capable of restoring China's status as a leading power. In his first speech to a Politburo group study session as general secretary in November 2012, Xi Jinping echoed each of his post-Mao predecessors in insisting: "Only socialism can save China, and only Chinese socialism can lead our country to development."³³

Today, the Party today defines "socialism with Chinese characteristics" as comprising a: path (道路), theory (理论体系, literally, "theory system"), system (制度) of institutions incorporating both China's political and economic systems. and culture (文化).³⁴ While the Party has tinkered with its definition of "socialism with Chinese characteristics" since 1982, all four of the current themes are consistent with how it understood socialism under Mao and with the story the Party has repeatedly told itself and the Chinese people about its right to rule.³⁵

From Mao to Xi, Party leaders have argued that other Chinese patriots tried to revive China in the 20th century but failed. Capitalist democracy proved too weak in 1919 when at the Paris Peace Conference, Germany's colonial privileges in China were given to Imperial Japan. By contrast, the Party maintains that only the path of socialism (i.e., the Party's dictatorship) could restore China's sovereignty by expelling the imperial powers after 1949 and protecting China's security in the decades since.³⁶

The Party's case for its theory system as instrument of national salvation is Marxism's historical materialist claim to be able to make "scientific judgments" about the world and build policies in line with those judgments.³⁷ In major domains of competition, from culture to the military, Beijing bases its strategy and planning on theories it meticulously builds.

The consistent argument the Party makes for its system of institutions includes the case that socialism is better at marshaling collective effort for development (a claim Xi frequently invokes today; indeed, Beijing has even claimed its system's ability to marshal effort makes it better capable of fighting the COVID-19 coronavirus).³⁸ The Party also maintains that a dominant role for public ownership of the economy is necessary because China's pre-1949 society suffered from a form of capitalism that was mixed with exploitation by the imperial powers and retarded China's modernization and development, a condition that could return if China fully privatized its economy.³⁹

Finally, socialism's promise to deliver what Mao called an "advanced culture" by which China could become modern and internationally respected—over and against what many Chinese intellectuals then-regarded as the superstition and corruption of traditional Chinese culture—remains a core component of the Party's militantly secular, modernist faith. This can be seen in high-level Party discussions of culture down to this day, even as Beijing now also seeks at once to appropriate the prestige of those parts of China's traditional culture it does not find threatening and use them to ward off the influence of Western political values that could challenge its governance system.⁴⁰

The Party's commitment to its version of Marxist-Leninist socialism I have just outlined has two implications that compel it to seek changes in the global order.

First, the current order does not provide security for its political system. Beijing has consistently seen "the West" as seeking to overturn China's socialist system via "peaceful evolution" and worried about "hostile Western forces" combining with forces within China to "split" the country and change its political system.⁴¹ Xi has repeatedly echoed these views and at the 19th Party Congress employed several phrases designed to invoke them, including the Chinese proverb "consider danger in times of peace" (a euphemism for the collapse of the Soviet Union).⁴² As a result of these fears, China's top leaders for decades have asserted that a new international economic and political order ought to be built on the "Five Principles of Peaceful Coexistence." These principles, which date to 1953-1954 negotiations with India, are: "mutual

respect for each other's territorial integrity and sovereignty, mutual non-aggression, mutual non-interference in each other's internal affairs, equality and cooperation for mutual benefit, and peaceful coexistence."⁴³ At their heart is the inviolable sovereignty of states.⁴⁴ For Beijing, an order built on the Five Principles would do away with both the norm of democratization and the global and regional system of U.S. security alliances and partnerships that endow that norm with coercive potential. The Party alleges these U.S. security alliances are based on a "Cold War mentality" and indeed constitute a threat to international security.⁴⁵ Hence, Xi, at the 19th Party Congress, called for building international relations on partnerships rather than alliances.⁴⁶

Second, the kind of order Beijing desires is not just one where its socialism system is secure, but covered in glory. Xi's aim is not simply, in the colorful phrase some Western scholars have used: "a world safe for autocracy."⁴⁷ Rather, the Party seeks an order in which China's achievements as a great power are not only recognized but also credited to its particular brand of socialism and lauded as a moral triumph both for socialism and for the Chinese nation.⁴⁸ Here, Chinese diplomats' frequent exhortation to the United States to respect China's "social system and development path" is not just a call for tolerance but moral recognition.⁴⁹

In Xi's address to the 19th Party Congress, his discussion of the meaning of the new era proceeds immediately from the change in China's development status to the implications for the prestige of Chinese socialism:

It means that scientific socialism is full of vitality in 21st century China, and that the banner of socialism with Chinese characteristics is now flying high and proud for all to see. It means that the path, the theory, the system, and the culture of socialism with Chinese characteristics have kept developing, blazing a new trail for other developing countries to achieve modernization. It offers a new option for other countries and nations who want to speed up their development while preserving their independence; and it offers Chinese wisdom and a Chinese approach to solving the problems facing mankind.⁵⁰

Many observers have taken note of Xi's assertion that Chinese socialism is "blazing a new trail for other developing countries" who "want to speed up their development while preserving independence." This claim to have identified an alternative to the liberal democratic capitalist path to modernity is of immense significance (for decades after the collapse of the Soviet Union, Beijing simply insisted that socialism was right for China's specific "national conditions").⁵¹ It reflects, as many others have noted, a growing confidence in the Party's governance system, both owing to the record of China's growing wealth and power⁵² and to the Party leadership's perception, in the wake of the 2008 global financial crisis that the developed West is stumbling.⁵³ Yet, if the public confidence is new, Party history shows that Beijing's goal in this area has been consistent. Even while the foreign policy guideline Deng Xiaoping outlined and Jiang Zemin and Hu Jintao implemented that China should "bide its time and hide its capabilities" owing to China's then-weakness and socialism's status "at a low ebb" in the wake of the Soviet collapse held sway,⁵⁴ every post-Mao leader also vowed the Party would ultimately prove "the superiority" of socialism.⁵⁵ This, not convergence with the West as some hoped, has always been the purpose of the "reform"⁵⁶ component of Deng's "reform and opening" that remains part

of the Party's "basic line."⁵⁷ At the dawn of his first-term in office, Xi Jinping maintained, in a speech whose apparent full text was not published until March 2019:

For a fairly long time yet, socialism in its primary stage will exist alongside a more productive and developed capitalist system. In this long period of cooperation and conflict, socialism must learn from the boons that capitalism has brought to civilization. We must face the reality that people will use the strengths of developed, Western countries to denounce our country's socialist development. Here we must have a great strategic determination, resolutely rejecting all false arguments that we should abandon socialism. We must consciously correct the various ideas that do not accord with our current stage. Most importantly, we must concentrate our efforts on bettering our own affairs, continually broadening our comprehensive national power, improving the lives of our people, *building a socialism that is superior to capitalism, and laying the foundation for a future where we will win the initiative and have the dominant position.*⁵⁸ [Emphasis added]

Since I know the Commission has others testifying on whether and how the Party is promoting its model abroad, I will only say that if Beijing's explicit objective is to become—as we have seen—a global leader in terms of international influence by mid-century, it is premature to conclude in 2020 that Beijing will not export its model.⁵⁹ I refer scholars to the modernization goals the Party articulated in the late 1980s and early 1990s in multiple domains.⁶⁰ They may not have made much progress had we evaluated their progress in 1993 or 1995, but China's accomplishments in the past few decades make me consider it unwise to dismiss an expression of strategic intent outlined at a Party Congress.⁶¹ I want to conclude my discussion of the role of socialism in the Party's strategy with two reasons why it ought to make clear that our strategic rivalry with China is an ideological competition rather than a simple contest for power.

To begin with, the Party's values, rooted in Marxism-Leninism, offer a view of politics incompatible with the values of the United States and its allies. In the Free World today, we see individual people as ends and believe liberty is worth prioritizing, even if it makes political decisions more difficult and costly and even if it at times works against our collective security or well-being. Leninism, by contrast, makes individuals into means towards the achievement of collective ends.⁶² For Beijing, as for Lenin, collective material welfare ("common prosperity" in the Party's contemporary official lexicon) rather than political freedom is the criteria by which it judges success.⁶³ "The comprehensive national power of the socialist state" is an additional criteria,⁶⁴ which is in keeping both with Marxism-Leninism's focus on collective rather than individual aims, and with the ultimately nationalist project of the Chinese revolution whose "original aspiration" as we have seen was "to make the people prosperous and the country strong and rejuvenate the Chinese nation." For Beijing, individual human rights, including freedom of speech, assembly, and religion are to be trampled on in the name of the collective ends of security, development, and the Chinese nation's status in the world.⁶⁵

In addition to differing on the goals of politics, however, Leninism has a very different view of the political process. Lenin saw democratic institutions as mere tools of oppressive class interests and the democratic process as a mask for the class interests of the group in power. He advocated

instead rule by a single Party governing on the basis of its scientific deduction of the laws of history.⁶⁶ Beijing today continues to argue that the Party, representing the Chinese people's interests as a whole, is a bulwark against the particular interests that capture the political process in liberal democracies.⁶⁷ For the Party's leaders, the dictatorship remains justified by the need to repress the enemies of the Chinese people's collective interests.⁶⁸ Worse, since Leninism defines the Party's ideas and decisions as "scientific" and "correct," for Beijing dissent is not the legitimate expression of individual interests or those of a specific sub-group but rather sabotage of the Party's collective, nation-building effort.⁶⁹ It is not political participation but state subversion. These are precisely the ideas that characterize Xi Jinping's "holistic concept of national security" and the increasingly stringent laws and institutions promulgated during his tenure under its banner.⁷⁰ In the last few years, moreover, China's diplomats have taken this global, seeking to stifle criticism of Beijing abroad as well as at home.⁷¹

These fundamentally different views of politics could be papered over in U.S.-China relations as long as Beijing's international posture was defensive: selectively joining international institutions and participating in economic globalization, but not assessing it yet had the power to contend on the basis of the demonstrated superiority of its values. The new era is different.

As several scholars have noted and discussed in more detail, Beijing seeks both for defensive reasons (to eliminate threats to its governing system) and for nationalist reasons (to demonstrate China's influence and moral preeminence) to push for norms and standards (or generate new ones where none prevail) compatible with its political values.⁷² The Party's efforts to redefine human rights away from political rights to "the right to develop" (material well-being rather than political expression) and to establish a norm of "Internet sovereignty" are two well-documented cases.⁷³

Indeed, this leads to my second point about the implications of the role of socialism in the Party's strategy for ideological competition. Here, I contend that a common argument some observers deploy to maintain that our contest with China is not particularly ideological suggests the exact opposite. What I am referring to here is the very success of China's integration into the global economy, international institutions, international higher education, and many other forms of ties with both the United States and our allies and partners. The present contest is not between separate blocks or camps as in the Cold War—with each trying to flip individual countries—but over an integrated, globalized world. Yet this raises the stakes over values because we do not have the luxury of retreating to separate worlds and simply comparing which system can generate more human flourishing. This is no longer a Robert Frost style "good fences make good neighbors" globe for either side. Indeed, the Party identifies deepening the world's interdependence and integration in multiple domains as essential to its continued development and the realization of national rejuvenation.⁷⁴

III. A China-Centric, Integrated Global Order in the New Era

The idea of a single, integrated global order whose interconnectedness is underpinned by China's standards and "wisdom" is central to Xi Jinping's vision of "A Community of Common Destiny for Mankind" outlined to the United Nations General Assembly in 2015 and endorsed by inclusion in the Party's constitution and in Xi's report at the 19th Party Congress.⁷⁵ The official translation of the term has changed several times—it is now "Community with a Shared Future for Humanity"—but "Common Destiny" better captures the Chinese "共同命运." As a component of the Party's official foreign relations theory system, this proposal for a Community of Common Destiny is rooted in assessments about both world trends and China's status. These include the view that economic globalization, the information technology revolution and China's growing comprehensive national power are making China's development and the world's development more interdependent in a way that constitutes both a vulnerability for China and a source of potential influence.⁷⁶ In a frequently-quoted passage of his new year address for 2016 that China Central Television used as part of the opening montage for its documentary *Great Power Diplomacy* produced as part of the lead-up to the 19th Party Congress, Xi Jinping proclaimed that:

The world is so big, the problems so many, the international community wants to hear China's voice, China's plan. China cannot afford to be absent.⁷⁷

Community of Common Destiny is the Party's answer to the question of how to fashion a vision of the global order that will permit national rejuvenation on the basis of socialism in light of these assessments. It self-consciously draws upon the experience of Beijing's diplomacy since 1949, but also explicitly draws upon concepts credited to traditional Chinese philosophy and statecraft.⁷⁸

While Western scholars have noted that Xi did not invent the term Community of Common Destiny, that he originally articulated it in a regional rather than global context, and that many of its underpinning principles derive from the Party's long-standing positions,⁷⁹ the vision it offers is nevertheless a major departure from Hu Jintao's "Harmonious World" concept. (Hu had outlined his vision in a speech almost precisely a decade before Xi's in the same venue). Both superficially offer a Chinese cultural frame (the philosophical-sounding idea of "harmony" in Hu's case; in Xi's, the recitation that "since ancient times, the Chinese have believed all under Heaven belong to one family").⁸⁰

Hu's vision, however, places its emphasis on the Confucian idea that harmony is possible "while reserving differences."⁸¹ In other words, countries may cooperate on mutual interests while preserving not only their diverse "social systems and development paths," but also, implicitly, a certain reserve and separation. Xi's Community of Common Destiny, by contrast, while it repeats this claim about reserving differences, places more emphasis on harmony and peace as an outgrowth of a more integrated world with deeper connectivity.⁸² This implies convergence in some areas occurring organically as connectivity deepens, though not convergence on the terms envisioned by the West. The premises of Community of Common Destiny, moreover, include not only that China's growing strength presents an opportunity for it to offer other countries the chance to "hitch themselves to China's development train" as a means of building influence for

China's preferences, but also that China must begin shaping international norms and rules⁸³ precisely because its growing integration with the world constitutes a vulnerability as long as those norms are the liberal democratic ones favored by the West.⁸⁴ In the Party's vision, Beijing's standards on everything from technology to domestic policing will not only exceed Western ones in influence, but also constitute the sinews of an even more deeply interconnected world where the benefits of the "Community of Common Destiny" are so attractive that no country wants to be excluded from it.

What makes this consequential and marks Xi's "new era" as a major departure from the past is that, while Hu's "Harmonious World" had no vehicle for realizing it in concrete terms, Community of Common Destiny has the Belt and Road Initiative (BRI or "一带一路" original translated "One Belt, One Road"), which seeks to build "policy, infrastructure, trade, financial, and people-to-people connectivity"⁸⁵ linking China and maritime and continental Asia, Africa, Europe, Oceania, Latin America, and the Arctic).⁸⁶ Indeed, though Beijing has been more cautious about acknowledging it, the Party envisions a sixth link of security ties.⁸⁷ That the infrastructure component includes both cyber ("The Digital Silk Road") and space assets, however, further underscores how BRI is designed to rewire global connectivity through Beijing.⁸⁸ BRI is, to be sure, only one platform for the realization of Xi's vision. As Nadège Rolland and other scholars have noted, Beijing has both sought to capture influence within existing international multilateral institutions, and, in recent decades, steadily constructed its own set of regional institutions in multiple parts of the globe.⁸⁹

Given that Community of Common Destiny is designed to offer "Chinese wisdom for solving the problems of humankind" and an alternative global governance approach to what Politburo member Yang Jiechi has derided as the "Western-centric" approach of the current global governance system,⁹⁰ how does Beijing believe its proposal will deliver, and what role does it envision for China compared with the role the United States currently plays?

Here, the language Xi has used to promote Community of Common Destiny appears designed to resonate with calls by Chinese philosophers and international relations theorists to draw upon what they refer to as traditional ideas and practices for "global governance" inspired by ancient Chinese elites' concept of *tianxia* (天下) or "all under Heaven." Admittedly, as expressed by individual scholars without the Party's official imprimatur, these *tianxia* visions exhibit considerable diversity, and there is also debate among Chinese scholars about whether their invocations of ancient China's historical practice are accurate.⁹¹ Further, while a growing body of this literature has been translated into English, much more research is necessary on the intellectual transmission belt between these ideas and those contained in Community of Common Destiny and other parts of Beijing's official foreign relations theory. With those caveats out of the way, however, I think a few preliminary observations are relevant here.

Although, as Rolland notes, "Xi Jinping has come close to candidly framing his vision for a new world order under China's helm as a 21st-century version of the *tianxia* model," Community of Common Destiny doesn't baldly proclaim a China-centric order extending to "all under

Heaven.”⁹² Yet the principles it articulates for how the order should be built and how it should operate look very similar to those identified in this body of Chinese academic writing. Further, Xi Jinping, both in the concluding page of his 19th Party Congress report, and in each of his major speeches on Community of Common Destiny, quotes from a signature passage from the Chinese classic *Book of Rites*: “When the great way prevails, all under Heaven belongs to the people” (大道之行也，天下為公) which is the frequently-cited cultural lodestone for thinking about how the concept of tianxia might be used by contemporary Chinese diplomats.⁹³ Xi is certainly addressing multiple audiences in these speeches, and it’s hard to imagine his conjuring this quotation is accidental.

In the accounts of several tianxia advocates, the central country (China) provides an example of successful and morally correct governance and nations on the periphery voluntarily join the order and conform themselves to it owing to the benefits of connection with it. The Chinese Academy of Social Science’s philosopher Zhao Tingyang—one of the most prominent advocates of adapting ideas from China’s “all under Heaven” concept to utilize as specifically Chinese contributions to global governance—has called this China’s “whirlpool formula.”⁹⁴ For Xi, meanwhile, the BRI’s role underpinning global connectivity as a platform for building Community of Common Destiny is supposed to function in precisely this way. Xi has maintained that the “pattern of global governance depends upon the balance of power, and the transformation of the global governance system originates from changes in the balance of power” and yet that China must seek to build consensus for changing the system “by following the principles of extensive consultation, joint development, and shared benefits.”⁹⁵

While some Western observers continue to imply that China seeks primarily a regional sphere of influence, both Xi’s Community of Common Destiny and the tianxia theorists are explicit about the global reach of their proposals. Zhao criticizes Western international relations theory as built on the concepts of individual states (thus leading to conflict) over and against China’s “all under Heaven” concept of considering the world as a whole, and further argues that contemporary problems cannot be solved without a political concept that encompasses the whole world.⁹⁶ Xi’s descriptions of Community of Common Destiny maintain that:

Today, mankind has become a close-knit community of common destiny. Our interests are highly convergent and we are all mutually dependent on one another. While all countries enjoy the right to development, they should view their own interests in a broader context and refrain from pursuing them at the expense of others.”⁹⁷

And:

Building a community of common destiny for mankind will require the universal participation of the people of all countries. We should advance this great undertaking together by building consensus among people of different nations, different beliefs, different cultures, and different regions.⁹⁸

Indeed, at a gathering of world political parties convened in Beijing shortly after the 19th Party Congress, Xi maintained:

It is this idea of all under Heaven being one family that should guide the world's people so that we can embrace each other with open arms, come to understand each other, and create common ground while setting aside our differences. Together, we should strive to build a community of common destiny for mankind.⁹⁹

These statements draw an implicit contrast to the United States and its allies conditioning relationships on democracy and other standards of domestic governance. Beijing maintains that Community of Common Destiny is to be “inclusive” in that China is willing to enter partnerships with countries regardless of their social system or development status.¹⁰⁰ Yet this begs the question whether there is a contradiction between this preservation of diversity according to “harmony while reserving differences” and the parallel vision of harmony via organic unity as a commonality of practice via BRI radiates from Beijing. One answer is that the Party appears to believe that focusing on economic development is a panacea for all global problems.¹⁰¹ Community of Common Destiny envisions that by boosting global connectivity and interdependence such that countries benefit much more from joining the order Beijing is building rather than being left out, they will be motivated to shelve disputes (either with China or among themselves) and bury any criticisms of China in favor of the benefits of common development. In time, deeper connections will produce both “mutual learning” and some convergence. Common development will allow other countries to benefit from China's emergence as a leading country, and the global network Beijing builds, running on the Party's standards, will cement the country's leadership, radiating harmony to the globe.

For Washington, these visions ought to underscore that the trope that Beijing's ambitions are largely regional—either out of a culturally-rooted aspiration to restore the status of imperial China or because the country has so many disputes and problems along its periphery that it cannot become more ambitious until these are resolved—is a woeful misreading of the contest. The challenge Beijing represents is not to Washington's status in Asia, but to the nature of the global order's predominant values, and the vehicle for that challenge is an effort to build both the physical and intellectual infrastructure underpinning the next phases of globalization. China is not exporting violent revolution as in the period of high Maoism, rather it is seeking to rewire the global order from a position of connectedness to it.

Should Beijing succeed in realizing its vision of a China-centric order, how will it behave? Here, there appears to be some naivete in the Party's vision of morality and harmony emanating from the globalization it fosters. Zhao, in a recent concise statement of his argument published in English in 2019 but written in 2017, made what now looks—in light of the massive, sustained protest movement in Hong Kong that erupted in June 2019 and continues as of this writing—like a mistake. He used the phrase “one country, multiple systems,” which cannot be heard as other than a reference to Beijing's contemporary “one country, two systems” formula for managing Hong Kong, when describing tianxia's successful approach to managing political and cultural diversity on ancient China's periphery.¹⁰² In this, there may be a parallel to tianxia's inability to cope with genuinely incompatible values that can't be papered over by economic development and Leninism's similar intolerance for dissent as sabotage. At China's present level of relative comprehensive national power, we already have an emerging record about how Beijing reacts when it receives criticism abroad or when international institutions or international public

opinion or ethnically Chinese people abroad seek to check or counter what the regime perceives as its interests. I do not need to rehearse that record over the past few years but only note here that it has been a major contributor to darkening strategic perceptions of China in this town and in capitals all around the world since the early 2010s.

IV. Conclusion & Recommendations for the United States Congress

The ambitions articulated by Xi Jinping at the 19th Party Congress underscore that Washington and its allies face a global, strategic rivalry driven as much by ideology and values embodied in competing domestic governance systems as by perceptions of changing power dynamics. While it differs in many respects from the Cold War, one of the most important differences is that it is a competition to define the rules and norms that will govern an integrated, deeply connected world rather than a world divided into competing camps.

Many U.S. observers' reflections on "the China challenge" begin or end with the need to "get our own house in order." Washington, they intone, must better manage its fiscal policy, make better investments in the infrastructure and education that will allow it to compete in the 21st century, improve our innovation base, fix our justice system, etc. I agree with these suggestions but won't dwell upon them here. To win a global systems contest, our system must continue to deliver demonstrably better human flourishing. Addressing America's ills, however, is not sufficient and the case that this is where we need to place almost all of our effort can sound like an argument to ignore the way the entire Party-state system, aimed at building comprehensive national power, is ruthlessly competing. We need to not only improve our system but also actively learn about and respond to Beijing's while avoiding copying its methods. With that in mind, and without presuming comprehensiveness, I want to offer recommendations in three areas related to my experience as a professional observer of China who has worked in the U.S. government's national security bureaucracies.

1. *Ensure the United States has comprehensive, grounded information about its rival.* As the U.S. government and society seek to improve professional understanding of China and of Beijing's strategy, it is imperative to build new subject matter expertise rooted in the empirical record of what the Party says about its intentions and the policies it is executing. A danger in seeking to ramp-up "expertise on China" quickly is that we may inadvertently build on the misplaced intellectual foundations that have led us to downplay the nature and scale of strategic rivalry for decades.
 - a. Here, a key area where Congress could help is to scrutinize and boost U.S. government efforts to translate party, state, military, official media, and academic (frequently government-sponsored) documents published in China. In my judgement, these are woefully inadequate to the scale of competition and have waned over the course of my career despite growing policymaker focus on China.
 - b. A related area is that Congress could seek to boost Americans understanding of Marxism-Leninism and how it contrasts with our values. The Victims of

Communism Memorial Foundation established by Congress in 1993 is a tremendous example of this kind of work. We need it on a vast scale.

2. *Retool our national security institutions and Joint Force for systems rivalry.* In the face of past rivalries—and at times after disaster has already struck—the United States has re-ordered its foreign affairs and national security institutions—or built new ones. The structures in place today reflect successive waves of such reforms after World War II. The 1947 National Security Act built the structures that prosecuted the Cold War. The Goldwater-Nichols Act of 1986 launched the U.S. military’s road to becoming a truly Joint Force in the wake of the Vietnam War and the failed Iranian hostage rescue of 1979. Intelligence reforms in the wake of 9/11 retooled the U.S. national security establishment to cope with violent extremist groups.¹⁰³ Are our present institutions built for 21st century global rivalry with the China of Xi Jinping’s new era? The Joint Force and the U.S. intelligence enterprise have been oriented for almost two decades towards combating violent extremist groups, not an adversary that is the number two economy in the world and the number two military (aspiring to be number one in both categories), whose economy and institutions are intertwined with our own, and whose leaders purport to offer an alternative route to modernity.

3. *Defend the current international order based on coalitions of shared values.* In prior decades, my impression is that the United States refrained from taking more stridently competitive positions towards China owing to concerns that our allies and partners would be reluctant to “choose sides.” Over the last few years, however, Beijing’s ham-fisted actions domestically and internationally have made the contrast in values clearer and the dangers to our allies and partners interests of their adopting a naïve view of the Party’s intentions more evident. In some cases—New Zealand and Australia on the issue of Beijing’s influence operations—our allies have led first. The United States must continue to take bold action where warranted and we also need to both build broad coalitions of countries in “the free world” that share our values and interests and compare notes and coordinate actions. Instead of echoing Beijing’s frame of “the United States vs. China” we should point out that it is the Communist Party of China that is imposing a “systemic rivalry” on the Free World by contesting its values and pushing for alternatives in multiple domains.¹⁰⁴ The way to win is not for each democracy to compete or negotiate with Beijing alone. Defending the post-Cold War preeminence of democratic values in the international order is a team sport. Congress can play a huge role here in outreach, education, and exchanges with legislatures in our allies and partners that are seeking to defend and stand up for our common values.

Thank you.

¹ At a rare Central Foreign Affairs Work Conference in June 2018, Xi urged China to “lead the reform of the global governance system.” See Xi Jinping, “Using the Thought on Diplomacy for New-Era Socialism with Chinese Characteristics as a Guide to Create a New Landscape in Major-country Diplomacy with Chinese Characteristics,” *On Building a Human Community with a Shared Future*, Beijing: Central Compilation and Translation Press, 2019, p. 550.

² The nine policy areas are economics, politics, culture, social affairs, the environment, national defense, national reunification (Taiwan, Hong Kong & Macau), foreign affairs, and party building. Along with the report of a Party Congress, the “general program” of the Party’s constitution (revised at each Party Congress) represent the most authoritative description of its strategy for the country. The general program is even more authoritative than the report but extremely succinct. This account of the role of the Party Congress report and the approach my research adopts to reading the Party’s strategy via its authoritative, public documents build upon those outlined and advocated in Timothy R. Heath, “What Does China Want? Discerning the PRC’s National Strategy,” *Asian Security*, Vol. 8, No. 1, 2012, pp. 54-72 and Alice Miller, “How to Read Xi Jinping’s 19th Party Congress Political Report” *China Leadership Monitor*, Issue 53, Spring 2017, available at: hoover.org/research/how-read-xi-jinpings-19th-party-congress-political-report, accessed June 12, 2017. See also Alice Miller, “Valedictory: Analyzing the Chinese Leadership in an Era of Sex, Money, and Power” *China Leadership Monitor*, No. 57, Fall 2018, available at: hoover.org/sites/default/files/research/docs/clm57-am-final.pdf, accessed September 3, 2018.

³ See Xi Jinping, “Study, Disseminate and Implement the Guiding Principles of the 18th CPC National Congress,” *The Governance of China*, Foreign Languages Press, 2014, pp. 20-21, note 20.

⁴ For Xi’s affirming the Party’s 2020 goals, and enunciation of 2035 and mid-century goals, see Xi Jinping, “Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era,” Delivered at the 19th National Congress of the Communist Party of China, October 18, 2017, available at: xinhuanet.com/english/download/Xi_Jinping's_report_at_19th_CPC_National_Congress.pdf, accessed November 3, 2017, pp. 23-25. For the 1987 version of Beijing’s mid-century goals see Zhao Ziyang, “Advance Along the Road of Socialism with Chinese Characteristics,” Report Delivered at the Thirteenth National Congress of the Communist Party of China on October 25, 1987, in *Documents of the Thirteenth National Congress of the Communist Party of China (1987)*, Beijing: Foreign Languages Press, 1987p. 18. The English description of modernization goals for mid-century as expressed in 1987 and for 2035 as expressed by Xi in 2017 is not an exact match, but the Chinese (基本实现现代化) is. Further, with respect to the Party’s development goals for the military (p. 48 in Xi’s report), in adopting “world-class” as the second of two long-term targets in place of the prior goal of attaining full modernization by mid-century, the 19th Party Congress explicitly accelerated the PLA’s long-term modernization targets by fifteen years. This is explained in the chapter on the PLA in the Central Propaganda Department (中共中央宣传部), *习近平新时代中国特色社会主义思想三十讲 (Thirty Lectures on Xi*

Jinping Thought on Socialism with Chinese Characteristics for a New Era), Beijing, Study Publishing House, 2018, p. 272.

⁵ For the quote “a global leader in terms of composite national strength and international influence” (综合国力和国际影响力领先的国家), see Xi, “Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era,” p. 25. The term “composite national strength” (综合国力) has elsewhere been translated “comprehensive national power.”

⁶ *Ibid.*, p. 2

⁷ Xi, “Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era,” p. 2; In discussing the new era, Xi maintains (p. 9) “It will be an era that sees China moving closer to center stage and making greater contributions to mankind” (我国日益走近世界舞台中央). Here “center stage” is literally “center of the world stage.”

⁸ *Ibid.*, p. 9.

⁹ A seminal article which captures the present reevaluation of U.S.-China relations is Ely Ratner and Kurt M. Campbell, “The China Reckoning: How Beijing Defied American Expectations” *Foreign Affairs*, March/April 2018, pp. 60-70. A prominent entry on the other side of the debate that acknowledges the darkening conversation is M. Taylor Fravel, J. Stapleton Roy, Michael D. Swain, Susan A. Thornton and Ezra Vogel, “China is Not an Enemy” *The Washington Post*, 3 July 2019, available at: [washingtonpost.com/opinions/making-china-a-us-enemy-is-counterproductive/2019/07/02/647d49d0-9bfa-11e9-b27f-ed2942f73d70_story.html](https://www.washingtonpost.com/opinions/making-china-a-us-enemy-is-counterproductive/2019/07/02/647d49d0-9bfa-11e9-b27f-ed2942f73d70_story.html), accessed October 7, 2019.

¹⁰ The most extensive English treatment of “the new era” in the context of Party history, which discusses the significance of the Party’s change in “the principal contradiction” but does not address the implications for China’s role in the world identified by Xi’s report is Alice L. Miller, “Only Socialism Can Save China; Only Xi Jinping Can Save Socialism” *China Leadership Monitor*, Issue No. 56 (Spring 2018), available at: [hoover.org/research/only-socialism-can-save-china-only-xi-jinping-can-save-socialism](https://www.hoover.org/research/only-socialism-can-save-china-only-xi-jinping-can-save-socialism), accessed September 3, 2018.

¹¹ Xi, “Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era,” p. 11.

¹² *Ibid.*, p. 54.

¹³ See, for example, Stein Ringen, *The Perfect Dictatorship: China in the 21st Century*, Hong Kong: Hong Kong University Press, 2016, p. 3: “For the party-state, there is one single supreme determination: its own perpetuation.”

¹⁴ John W. Garver, *China’s Quest: The History of the Foreign Relations of the People’s Republic of China*, New York, NY: Oxford University Press, 2016, p. 1. After framing his magisterial study of

the history of China's foreign policy as the outworking of the Party's decision to embrace the Soviet model and then discard part of it, in the same introductory chapter Garver also maintains (p. 6) that the Party elite was able to discard the Soviet economic model after Mao's death precisely because they had embraced Marxism-Leninism for the instrumental purpose of making China "rich and strong." I agree with this view and would only add that the Party continues to cling to its dictatorship not just out of self-interest, but also out of genuine believe that "The system of socialism with Chinese characteristics provides the fundamental institutional guarantee for progress and development in contemporary China." Xi, "Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era," p. 14.

¹⁵ Xi Jinping, "Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era," p. *i* (pdf has no number or label on first page, starts with "1" on second page); pp. 8-15.

¹⁶ The phrase "a modern, powerful socialist country," as the Party's aim is common to the post-Mao but pre-reform era 11th Party Congress in 1977, the 12th Party Congress (the first in the "reform era," held in 1982), and the 19th Party Congress held in 2017. Further, common to the Communiqué of the 3rd Plenum of the 11th Central Committee which began the reform era, the 1981 *Resolution on Communist Party History* that officially evaluated the Mao Zedong era, and then-General Secretary Hu Yaobang's report to the 12th Party Congress in 1982 is the narrative that the decade of the Cultural Revolution (1966-1976) had been an aberration in an otherwise continuous effort to make China a modern, powerful socialist country. See: *Resolution on CPC History (1949-81)*, Peking: Foreign Languages Press, 1981, pp. 73-74. The aim of modernity and power is also quite clear from Mao's speeches in the 1940s and early to mid-1950s. Mao referred to the Party's aim as a "great, socialist country" (伟大的社会主义国家) in his "Strive to Build a Great Socialist Country," *Selected Works of Mao Tse-tung, Volume V*, Peking: Foreign Language Press, 1977, p. 149. At times, Mao also used the character "强" (strong) for example, calling for an "independent, free, prosperous, democratic, and strong" China in his opening speech to the 7th Party, Congress, "China's Two Possible Destinies," *Selected Works of Mao Tse-tung, Volume IV*, Peking: Foreign Languages Press, 1967, pp. 201. He also employed the phrase "a powerful, industrialized socialist country" in "Speeches at the National Conference of the Communist Party of China," *Selected Works of Mao Tse-tung, Volume V*, p. 155. In addition to "shifting the emphasis of our Party's work" to "socialist modernization," the communique of the Third Plenum of the 11th Central Committee ended with an expression of the Party's goal as a "modern, great, strong socialist country" (现代化的伟大社会主义强国). "Communique of the Third Plenary Session Of the 11th Central Committee of The Communist Party of China," available at: bjreview.com/nation/txt/2009-05/26/content_197538.htm, accessed August 5, 2017.

¹⁷ See, for example, Mao, "Strengthen Party Unity and Carry Forward Party Traditions," *Selected Works of Mao Tse-tung, Volume V*, pp. 313-315. Zhao Ziyang's report to the 13th Party Congress, cited above., p. 9 maintains:

Today's world is characterized by a rapidly growing revolution in technology, increasingly intense market competition and a volatile political situation. We are faced with formidable and pressing challenges. If we do not recognize this and redouble our efforts, our country and

our people may fall further behind, and China will not be able to take its rightful place in the world.

¹⁸ Ibid., p. 25. Xi's 19th Party Congress report phrase translated "The Chinese nation will become a proud and active member of the community of nations" (中华民族将以更加昂扬的姿态屹立于世界民族之林) invokes phrases of Mao's from the mid-1930s expressing the same purpose. The official English rendering of Mao's parallel quote is: "We Chinese have the spirit to fight the enemy to the last drop of blood, the determination to recover our lost territory by our own efforts, and the ability to stand on our own feet in the family of nations." Mao Tse-tung, "On Tactics Against Japanese Imperialism" December 27, 1935, *Selected Works of Mao Tse-tung, Volume I*, p. 170. Both Mao and Xi use phrase "于世界民族之林" (literally, "among the world forest of nations").

¹⁹ Xi's famous speech, just after taking power, where he first articulated his "Chinese Dream" begins with a reference to the Opium War on the first page. See Xi Jinping, "Achieving Rejuvenation is the Dream of the Chinese People" *The Governance of China*, pp. 37-39. For Xi's predecessors' invocation of the Opium War and the Party's recovery of China's stature where others failed, see: Mao Tse-tung "The Chinese People Have Stood Up," *Selected Works of Mao Tse-tung, Volume V*, pp. 16-17, and his "On the People's Democratic Dictatorship," In Commemoration of the Twenty-eight Anniversary of the Communist Party of China, June 30, 1949, *Selected Works of Mao Tse-tung, Volume IV*, p. 411-424; Deng Xiaoping, "Building a Socialism with a Specifically Chinese Character," *Selected Works of Deng Xiaoping, Volume III (1982-1992)*, Beijing: Foreign Languages Press, 1994, pp. 72-75; Jiang Zemin, "Speech at a Meeting Celebrating the 80th Anniversary of the Founding of the Communist Party of China," *Selected Works of Jiang Zemin, Volume III*, Beijing: Foreign Languages Press, 2013, pp. 259-260, and Hu Jintao, "Speech at a Meeting Commemorating the 90th Anniversary of the Founding of the Communist Party of China," July 1, 2011, available at: chinadaily.com.cn/china/19thcpnationalcongress/2011-07/01/content_29714325.htm, accessed March 11, 2018.

²⁰ Chinese leaders throughout the post-Mao era, have linked discussions of seeking China's transformation into a powerful, modern country and its long-term development goals with the notion of "making a greater contribution (贡献) to humanity (人类). This references two speeches by Mao Zedong in 1956. In the first, Mao lamented China's backwardness and suggested that given its size, it ought to make a greater contribution. In the second, he argued that once China became more developed, over the course of several five-year plans, by the year 2001, it would make greater contributions. See Mao, "Strengthen Party Unity and Carry Forward Party Traditions," cited above, and "In Commemoration of Dr. Sun Yat-sen," both in *Selected Works of Mao Tse-tung Volume V*, pp. 314-315 and pp. 330-331 respectively. For other leaders, see Hua Kuo-feng, "Report to the 11th National Congress of the Communist Party of China," available at: bjreview.com.cn/90th/2011-04/26/content_357494_8.htm, accessed August 4, 2017; Deng Xiaoping, "Speech at the National Conference of The Communist Party of China, September 23, 1985," *Selected Works of Deng Xiaoping, Volume III (1982-1992)*, pp. 144-150; Jiang Zemin, "Let Us Create a Better World Together" *Selected Works of Jiang Zemin, Volume I*, p. 470; Hu Jintao, "Speech at a Meeting Commemorating the 90th Anniversary of the Founding of the Communist Party of China" cited above.

²¹ See Mao, “Strengthen Party Unity and Carry Forward Party Traditions,” *Selected Works of Mao Tse-tung, Volume V*, pp. 314-315 and Deng Xiaoping, “Uphold the Four Cardinal Principles,” *Selected Works of Deng Xiaoping, Volume II (1975-1982)*, Beijing: Foreign Languages Press, 1984, pp. 174-175. See also Deng’s agenda-setting speech in 1980: “The Present Situation and the Tasks Before Us,” in the same volume, pp. 224-258, where he talks about demonstrating the superiority of socialism “in many ways” including, “first and foremost” in the rate of economic growth (p. 236). Apart from continuously insisting that they would demonstrate the superiority of socialism (see also note 50 below), one place Chinese leaders in the reform era disclosed their desire to catch up with and pass the most advanced countries was in their commemorations of Dr. Sun Yat-sen, where they would quote those ambitions as his (thus borrowing his voice). Jiang Zemin, for example, maintains, “He [Sun] believed that to catch up with and surpass economically developed Western countries, we should ‘open China to the outside world.’” See “In Commemoration of Sun Yat-sen,” *Selected Works of Jiang Zemin, Volume I*, Beijing: Foreign Languages Press, 2010, p. 580. Jiang then (p. 581) quotes Sun “When China becomes powerful and prosperous, we should not only restore the nation to its rightful position but also assume greater responsibilities in the world” before quoting Mao’s similar language on this.

²² Mao Zedong had originally articulated the goal of modernization by the end of the 20th century. See, his discussions in “On the Draft Constitution of the People’s Republic of China” Speech at the Thirtieth Session of the Central People’s Government Council, June 14, 1954, *Selected Works of Mao Tse-tung, Volume V*, pp. 145-146, and “Speeches at the National Conference of the Communist Party of China” March 1955, in the same volume, p. 155. In the early post-Mao era (1976-1987), the end of the twentieth century remained the explicit deadline. It is the objective identified in Hua Guafeng’s report to the 11th Party Congress in 1977 (see note 20 above for the availability of that text) and Deng Xiaoping’s agenda-setting speech in 1980 on the eve of his wresting power from Hua. See Deng, “The Present Situation and the Tasks Before Us,” *Selected Works of Deng Xiaoping, Volume II (1975-1982)*, p. 226. In addition to the goal of a comprehensive modernity (i.e. not just economics and the military but also culture etc.), while there is also more continuity than generally recognized across the Mao and post-Mao eras, the functional policy areas in which the Party is seeking to realize this vision exhibit great consistency since the mid-1980s. Then-General Secretary Zhao Ziyang’s 1987 encapsulation of the mid-century end state for China as “a strong, modern, democratic, and culturally advanced socialist country” (富强、民主、文明的社会主义现代化国家) remains the Party’s explicit goal as expressed in the preamble of the Party’s constitution. Only three words have been added to the phrase since: the word “harmonious” (和谐, in 2007 to reflect prioritization of social welfare), the word “beautiful” (美丽, in 2017 to reflect prioritization of a clean environment), and an extra “强” (strong, powerful) added in front of country (国家), in 2017, which the official translation rendered as “great.” See Zhao, “Advance Along the Road of Socialism with Chinese Characteristics,” pp 16-17. From 1992, this description was contained in the Party’s constitution, amended at each Party Congress. For the texts of past Party Constitutions, see the pages for each Party Congress at: cpc.people.com.cn/GB/64162/64168/index.html, accessed April 30, 2018.

²³ See also notes 3 and 22 above. Jiang Zemin’s report to the 16th Congress in 2002 identified the goal of achieving a “moderately prosperous society in all respects” (全面建设小康社会) by the centenary of the Party’s founding in 2021. This reflected a more comprehensive vision of well-being

than Deng's original target of "a moderately prosperous society" by the end of the 20th century, which had been expressed solely in terms of per capita GDP. (China hit Deng's original target). For Jiang's explanation of the target, see "Explicitly Set the Objective of Building a Moderately Prosperous Society in All Respects," Excerpt from a speech at a drafting group meeting for the Sixteenth National Congress of the CPC," *Selected Works of Jiang Zemin, Volume III*, pp. 400-404. The 2020 target, however, also includes goals for improving the "complete set of systems" by which the Party governs China identified by Deng Xiaoping in 1992 and affirmed by Jiang at the 14th and 15th Party Congresses in 1992 and 1997. The Chinese texts of these Party Congress reports are available at cpc.people.com.cn/GB/64162/64168/index.html, accessed October 1, 2017. For Deng's original remark, see: Deng Xiaoping, "Excerpts From Talks Given in Wuchang, Shenzhen, Zhuhai, and Shanghai," January 18-February 21, 1992, *Selected Works of Deng Xiaoping, Volume III (1982-1992)*, p. 360.

²⁴ Xi, "Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era," pp. 8-9.

²⁵ William A. Joseph's *Politics in China: An Introduction Third Edition*, New York: Oxford, 2019, along with one brief historical reference, makes a single reference to the continued existence of five-year plans in a chapter on political economy and a similarly short mention in the chapter on the environment. Although it contains a few more scattered references, Sebastian Heilmann (ed.), *China's Political System*, Lanham, MD: Rowan & Littlefield, 2017 devotes only two pages of a 427-page volume (excluding index etc.) to the planning process. A prior influential text, Kenneth Lieberthal, *Governing China: From Revolution Through Reform: Second Edition*, New York: W.W. Norton, 2004, devotes less than two pages to planning only to indicate its decline. For a rare and valuable account of the persistence of planning with a focus on policy coordination instead of directly administering the economy, see Sebastian Heilmann and Oliver Melton, "The Reinvention of Development Planning in China, 1993–2012," *Modern China*, Vol. 39, No. 6 (November 2013), pp. 580-628.

²⁶ A pioneering effort to call attention to the role of the Party's continued construction of theory to guide its strategy is Timothy R. Heath, *China's Governing Paradigm: Political Renewal and the Pursuit of National Rejuvenation*, Burlington, VT: Ashgate, 2014.

²⁷ Xi Jinping's report explains that the Party was able to answer "the question of the era" and come up with "The Thought on Socialism with Chinese characteristics for a New Era" in part owing to that "our Party has continued to uphold dialectical and historical materialism..." It maintains:

Since our 18th National Congress, changes both in and outside China, and the progress made in all areas of China's endeavors, have presented us with a profound question—the question of an era. Our answer must be a systematic combination of theory and practice and must address what kind of socialism with Chinese characteristics the new era requires us to uphold and develop, and how we should go about doing it. This involves fundamental issues like the overarching objectives, tasks, plan, and strategy for upholding and developing socialism with Chinese characteristics in the new era; like the direction, model, and driving force of development, and the strategic steps, external conditions, and political guarantees. As well as this, to uphold and develop socialism with Chinese characteristics, we

should, based on new practice, *undertake theoretical analysis and produce policy guidance on the economy, political affairs, rule of law, science and technology, culture, education, the wellbeing of our people, ethnic and religious affairs, social development, ecological conservation, national security, defense and the armed forces, the principle of “one country, two systems” and national reunification, the united front, foreign affairs, and Party building.* [emphasis added]

Xi Jinping, “Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era,” pp. 15-16

²⁸ In a 2016 speech to a Politburo study session on global governance, Xi talked about actively creating governance rules in new domains such as the polar regions, the internet, outer space etc. Xi, “Improve Our Ability to Participate in Global Governance,” *The Governance of China II*, Beijing, Foreign Languages Press, 2017, pp. 487-490. He called for China to “seize the global initiative in a new round of global competition” in “Build China into a World Leader in Science and Technology” in the same volume, pp. 294. In Xi’s 2018 Chinese New Year address, he further maintained that China “has achieved the great leap from catching up with the times to leading the times” (实现了从“赶上时代”到“引领时代”的伟大跨越). See “Address at the 2018 New Year’s Gathering (“在 2018 年春节团拜会上的讲话”), *The People’s Daily*, February 15, 2018, page 2, available at: politics.people.com.cn/n1/2018/0215/c1001-29824702.html, accessed February 19, 2018.

²⁹ There is, of course, considerable debate in the Western literature about the nature of the order. For a useful primer, see Miranda Priebe, Andrew Radin, and Astrid Stuth Cevallos, *Understanding the Current International Order*, Washington, DC: RAND, 2016.

³⁰ See, for example, the discussion in G. John Ikenberry, *Liberal Leviathan: The Origins, Crisis, and Transformation of the American World Order*, Princeton, NJ: Princeton University Press, 2011, pp. 342-348.

³¹ Michael D. Swaine, maintains that “the notion that Beijing is committed to overturning the global order invokes an exceedingly narrow and questionable democracy-centered definition of that order and thus grossly distorts the scope of the Chinese criticisms” in his “The U.S. Can’t Afford to Demonize China: The relationship between Beijing and Washington is collapsing fast, to everyone’s detriment” *Foreign Policy*, June 29, 2018, available at: foreignpolicy.com/2018/06/29/the-u-s-cant-afford-to-demonize-china/, accessed July 2, 2018. Paul Heer maintains that:

In sum, China is a challenge to the United States and its allies *not* primarily because of its ideology, or because it seeks to overthrow the international system or prevail over Washington in a zero-sum contest. Its challenge is *not* primarily to the US political and economic system or even its military security. Instead, it is—first and foremost—to the longstanding US conception of its role in the international system and within East Asia in particular. China is making a bid for strategic influence, economic and technological advantage, international respect, freedom of action, and accommodation of its interests—all in areas where the United States has long enjoyed preeminent power and influence, and is not inclined to concede it.

See his “Understanding the Challenge from China” *The Asan Forum*, April 3, 2018, available at: theasanforum.org/understanding-the-challenge-from-china/, accessed: October 9, 2018,

³² Graham Allison, *Destined for War: Can America and China Escape Thucydides's Trap*, New York: Harcourt, 2017.

³³ The phrase in Chinese “只有社会主义才能救中国，只有社会主义才能发展中国。” See Xi Jinping, “Study, Disseminate, and Implement the Guiding Principles of the 18th CPC National Congress,” in Xi Jinping, *The Governance of China*, p. 7. While the full phrase is Deng’s, it is also arguably implicit in Mao’s combination of the phrase “only socialism can save China” and his argument that the link between imperialism and capitalism in China had retarded China’s modernization and development. See, for example, the Party’s 1939 textbook, *The Chinese Revolution and the Chinese Communist Party*, printed in Mao Tse-tung, *Selected Works of Mao Tse-tung, Volume II*, Peking: Foreign Languages Press, 1967, pp. 305-334, and referenced in Mao’s “The Chinese People Have Stood Up,” *Selected Works of Mao Tse-tung, Volume V*, pp. 16-17. Every leader from Deng Xiaoping has repeated the Party’s mantra that “Only socialism can save China; only socialism can develop China.” See: Deng Xiaoping, “Urgent Tasks of China’s Third Generation of Leadership” *Selected Works of Deng Xiaoping, Volume III (1982-1992)*, p. 302; Jiang Zemin, “Basic Conclusions Drawn from China’s 40-Year History,” *Selected Works of Jiang Zemin, Volume I*, 2010, p. 64; Hu Jintao, “在庆祝中华人民共和国成立六十周年大会上的讲话” (“Speech at a Meeting to Celebrate the 60th Anniversary of the People’s Republic of China”), 胡锦涛文选第三卷 (*Selected Works of Hu Jintao, Volume III*), Beijing: People’s Publishing House, 2016, p. 271.

³⁴ The full passage is:

The path of socialism with Chinese characteristics is the only path to socialist modernization and a better life for the people. The theory of socialism with Chinese characteristics is the right theory to guide the Party and people to realize national rejuvenation. The system of socialism with Chinese characteristics provides the fundamental institutional guarantee for progress and development in contemporary China. The culture of socialism with Chinese characteristics is a powerful source of strength that inspires all members of the Party and the people of all ethnic groups in China. Our whole Party must strengthen our confidence in the path, theory, system, and culture of socialism with Chinese characteristics. We must neither retrace our steps to the rigidity and isolation of the past, nor take the wrong turn by changing our nature and abandoning our system.

Xi, “Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era,” p. 14. For a description of the institutions involved in the Party’s definition of socialism with Chinese characteristics as a system, see Xi, “Study, Disseminate, and Implement the Guiding Principles of the 18th CPC National Congress,” in Xi Jinping, *The Governance of China*, p. 10 and notes 14-16 on pp. 20-21.

³⁵ The Party dates the phrase “socialism with Chinese characteristics” to a speech of Deng Xiaoping’s at the 12th Party Congress in 1982, but its contours became more clearly established and encapsulated in the Party’s “basic line” at the 13th Party Congress in 1987 (see note 57

below). From 1987, the title of every report presented by a general secretary to a Party Congress has included “socialism with Chinese characteristics” in its title. For the texts of Party Congress reports, see: cpc.people.com.cn/GB/64162/64168/index.html, accessed March 9, 2018. For Deng’s speech, in which he said China should “blaze a path of our own and build a socialism with Chinese characteristics” (p. 14), see his “Opening Speech at the Twelfth National Congress of the Communist Party of China,” *Selected Works of Deng Xiaoping, Volume III (1982-1992)*, pp. 13-16. For the party’s dating socialism with Chinese characteristics to the 12th Congress, see, for example, Jiang Zemin, “Accelerate Reform, Opening Up, and Modernization and Achieve Greater Success in Building Socialism with Chinese Characteristics” Report at the Fourteenth National Congress of the CPC, October 12, 1992, *Selected Works of Jiang Zemin, Volume I*, p. 203.

³⁶ Mao made this argument in his “The Chinese People Have Stood Up,” p. 15, on its endurance in the post-Mao era, see the *Resolution on CPC History (1949-81)*, p. 12. On the possibility of falling back into colonial exploitation if China abandoned its political system, see Deng Xiaoping’s 1979 speech, “Uphold the Four Cardinal Principles,” *Selected Works of Deng Xiaoping, Volume II (1975-1982)*, p. 174. Similarly, Xi maintains in “Uphold and Consolidate the Party’s Ideological Leadership,” *The Governance of China II*, p. 356 that:

Since the end of the Cold War, some countries, affected by Western values, have been torn apart by war or afflicted with chaos. If we tailor out practices to Western capitalist values, measure our national development by means of the Western capitalist evaluation system, and regard Western standards as the sole standards for development, the consequences will be devastating—we will have to follow others slavishly at every step, or we subject ourselves to their abuse.

³⁷ See notes 26 and 27 above.

³⁸ Even before China’s breathtaking economic growth of the past several decades, Chinese leaders maintained that socialism’s capacity to marshal collective effort was the only means of addressing China’s backwardness. Indeed, Xi (for example, in “Uphold and Develop Socialism with Chinese Characteristics,” *The Governance of China*, p. 24) and his predecessors have repeatedly affirmed an argument of Deng’s that “One way in which socialism is superior to capitalism is that under socialism the people of the whole country can work as one and concentrate their strength on key projects.” See, Deng Xiaoping, “In the First Decade, Prepare of the Second,” *Selected Works of Deng Xiaoping, Volume III (1982-1992)*, p. 26. On the claim of faster growth under socialism, see Deng Xiaoping, “Uphold the Four Cardinal Principles,” *Selected Works of Deng Xiaoping, Volume II (1975-1982)*, pp. 174-176; and “The Present Situation and the Tasks Before Us,” in the same volume, p. 236. See also Jiang Zemin, “Implement the Strategy of Reinvigorating China Through Science and Education,” *Selected Works of Jiang Zemin, Volume I*, p. 414, and Hu Jintao (胡锦涛), “在庆祝我国首次带人航天飞行圆满成功大会上的讲话” (“Speech at the Conference to Celebrate the First Successful Manned Space Flight in China”), 胡锦涛文选第二卷 (*Selected Works of Hu Jintao, Volume II*), Beijing: People’s Publishing House, 2016, p. 113. For Xi’s claim that the World Health Organization head had praised “the advantages of China’s system” see: Xi Jinping, “新型冠状病毒肺炎疫情防控工作时的讲话” (“Speech at Work on New Coronavirus Pneumonia,”) 求实

(Seeking Truth), No. 4, 2020, February 15, 2020, available at: qstheory.cn/dukan/qs/2020-02/15/c_1125572832.htm, accessed March 3, 2020.

³⁹ Part of the “system” of socialism with Chinese characteristics is the “basic economic system,” which, “refers to the economic system in which public ownership is dominant and diverse forms of ownership develop side by side.” Xi Jinping, “Study, Disseminate, and Implement the Guiding Principles of the 18th CPC National Congress,” p. 21, note 16. For Mao’s argument and its repetition by subsequent leaders, see Mao, “The Chinese Revolution and the Chinese Communist Party” *Selected Works of Mao Tse-tung, Volume II*, pp. 305-334; Deng Xiaoping, “We Shall Draw on Historical Experience and Guard Against Wrong Tendencies,” *Selected Works of Deng Xiaoping, Volume III*, pp. 224-227; Jiang Zemin, “Consolidate and Strengthen the Economic Base of Socialism,” *Selected Works of Jiang Zemin, Volume III*, pp. 69-71.

⁴⁰ See Mao, “The Chinese People Have Stood Up!” *Selected Works of Mao Tse-Tung, Volume V*, p. 18 and “On Coalition Government” in *Selected Works of Mao Tse-tung, Volume III*, Peking: Foreign Languages Press, 1967, pp. 254-255. For the endurance of these themes, see for example, Jiang Zemin, “Speech at a Meeting Celebrating the 80th Anniversary of the Founding of the Communist Party of China” *Selected Works of Jiang Zemin, Volume III*, pp. 270-273. The tension between the necessity of the integration with the world (the “opening” portion of Deng Xiaoping’s “reform and opening”) and the possibility this risked “spiritual pollution” undermining support for socialism in China represented a major focus of the Party’s governing challenge well before the Tiananmen demonstrations and collapse of Communism in Eastern Europe and the Soviet Union. See the account in Richard Baum, *Burying Mao: Chinese Politics in the Age of Deng Xiaoping*, Princeton, NJ: Princeton University Press, 1994. Under Jiang and Hu, these goals and tensions have persisted. Jiang’s signature ideological contribution “The Three Represents” asserts that the Party has always represented “advanced culture” and both Jiang and Hu held Central Committee plenums on culture during their tenures. See Jiang Zemin, “Build a Moderately Prosperous Society in All Respects and Initiate a New Phase in Socialism with Chinese Characteristics, November 8, 2002, Report at the Sixteenth National Congress of the CPC, in Jiang Zemin, *Selected Works of Jiang Zemin, Volume III*, pp. 519-525. See also: Jiang Zemin, “Major Tasks on the Publicity and Ideological Front” *Selected Works of Jiang Zemin Volume I*, p. 485, and “Energetically Initiate a New Phase in Promoting Socialist Cultural and Ethical Progress” in the same volume, pp. 556-571; Hu Jintao, “在社会主义先进文化引领下建设和谐文化,” (“Construct a Harmonious Culture Under the Guidance of Advanced Socialist Culture”), *Selected Works of Hu Jintao, Volume II*, pp. 538-544, and “坚定不移走中国特色社会主义文化发展道路” (“Unswervingly Take the Path of Socialist Cultural Development with Chinese Characteristics”), *Selected Works of Hu Jintao, Volume III*, pp. 563-566. Xi Jinping’s seminal speech on this issue, delivered on December 30 2013 to the 12th group study session of the Politburo under his leadership, is “Enhance China’s Cultural Soft Power,” *The Governance of China*, pp. 178-180.

⁴¹ China’s leaders from Mao to Xi have seen “the West” as seeking to overturn its socialist system via “peaceful evolution” and “hostile Western forces” combining with forces within China to “split” the country and change its political system. Further, Beijing has long believed China’s growing integration with the world—necessary to sustain its rise—increases pressure on its domestic governance system. See Xi, “Uphold and Consolidate the Party’s Ideological

Leadership” *The Governance of China II*, pp. 354-358. On Mao’s concerns about “peaceful evolution,” see, Qiang Zhai, “1959: Preventing Peaceful Evolution,” *China Heritage Quarterly*, No. 18, June 2009; See also Deng Xiaoping, “Excerpts From Talks Given in Wuchang, Shenzhen, Zhuhai, and Shanghai,” *Selected Works of Deng Xiaoping, Volume III (1982-1992)*, p. 368. This is also a theme of Jiang and Hu’s speeches throughout their tenures. See, Jiang Zemin, “Our Diplomatic Work Must Unswervingly Safeguard the Highest Interests of the State and the Nation,” *Selected Works of Jiang Zemin, Volume I*, p. 303 and Hu Jintao (胡锦涛), “国际形势和外交工作” (“The International Situation and Our Foreign Affairs Work”), *Selected Works of Hu Jintao, Volume II*, p. 509.

⁴² The translations in the English report vary, but the Chinese is 居安思危. The Party’s leaders have consistently urged its members to 居安思危, a term that also appears in the 16th-18th Party Congress reports and is further the title of an official documentary composed during the Hu Jintao years about the fall of Communism in the Soviet Union. See Arthur Waldron, “Chinese Analyses of Soviet Failure: The Party,” *Jamestown Foundation China Brief*, November 19, 2009, available at: jamestown.org/program/chinese-analyses-of-soviet-failure-the-party/, accessed October 2, 2017.

⁴³ China’s top leaders consistently invoke Deng Xiaoping’s in 1988 having called for a “new international order.” See, for example, Hu Jintao, “The International Situation and Our Foreign Affairs Work”, cited above, p. 515. The foreign affairs sections of the reports delivered to Party Congresses by Jiang Zemin from 1992-2002 repeated Deng’s cry for a new international order built upon the “Five Principles of Peaceful Coexistence” (和平共处五项原则). For the official definition of the “Five Principles of Peaceful Coexistence” see footnote six in Xi, “Carry on the Enduring Spirit of Mao Zedong Thought,” *The Governance of China*, p. 33.

⁴⁴ Xi Jinping, “A New Partnership of Mutual Benefit and a Community of Shared Future,” *The Governance of China II*, p. 571.

⁴⁵ On the need for a new, regional security architecture in Asia without “Cold War” thinking and without alliances, see for example, Xi Jinping’s May 2014 speech to the Fourth Summit of the Conference on Interaction and Confidence-Building Measures in Asia, “New Approach for Asian Security Cooperation,” *The Governance of China*, pp. 389-296. On the subject of “building a global network of partnerships,” see: Xi, “China’s Diplomacy Must Benefit Its Major-Country Status,” p. 482-483.

⁴⁶ Xi, “Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era,” p. 53.

⁴⁷ For the “world safe for autocracy” argument, see Jessica Chen Weiss, “An Ideological Contest in U.S.-China Relations? Assessing China’s Defense of Autocracy,” chapter submitted for inclusion in *Security and US-China Relations: Differences, Dangers, and Dilemmas*, eds. Avery Goldstein and Jacques deLisle, available at: <http://www.jessicachenweiss.com/work-in-progress.html>, accessed October 7, 2019.

⁴⁸ In Xi's 1 July 2016 speech on the Party's 95th anniversary, he maintains that China, with a 5,000 history is lending vitality to socialism with a 500 year history via 60 years of achievements, during which China has gone from poverty to the second largest economy in the world in the course of 30 years. The truncated version of the speech printed in his *The Governance of China II*, pp. 32-48 as "Stay True to Our Original Aspiration and Continue Marching Forward" omits this passage, but the full text is available online at: news.xinhuanet.com/politics/2016-07/01/c_1119150660.htm, accessed August 5, 2017.

⁴⁹ At times, Chinese officials shorten this to "development path." See, for example, the official text of Xi's press statement during President Trump's visit to Beijing in November 2017. See, for example, Xi, "Mutually Beneficial Cooperation Between China and the U.S. is the Only Right Choice and the only Pathway Toward a Better Future," *On Building a Human Community with a Shared Future*, p. 507.

⁵⁰ Xi, "Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era," p. 9.

⁵¹ See, for example, Jiang Zemin, "The Future of Socialism Remains as Bright as Ever," *Selected Works of Jiang Zemin, Volume I*, Beijing: Foreign Language Press, 2010 p. 327.

⁵² For two views of the origins of this growing confidence see Nadège Rolland, *China's Vision for a New World Order*, The National Bureau of Asian Research, NBR Special Report #83, January 2020, available at nbr.org/wp-content/uploads/pdfs/publications/sr83_chinasvision_jan2020.pdf, accessed January 27, 2020, pp. 15-16 and Melanie Hart and Blaine Johnston, "Mapping China's Global Governance Ambitions: Democracies Still Have Leverage to Shape Beijing's Reform Agenda," Center for American Progress, February 2019, available at americanprogress.org/issues/security/reports/2019/02/28/466768/mapping-chinas-global-governance-ambitions/, accessed December 7, 2019.

⁵³ Beijing seldom directly promotes its alternative in the same sentence as a criticism of the Western model, but in one place argues how the Western model has failed, while in another passage proclaiming what China officers. See for example, the discussion in State Council Information Office of the People's Republic of China, "China and the World in the New Era" September 2019, available at: english.www.gov.cn/archive/whitepaper/201909/27/content_WS5d8d80f9c6d0bcf8c4c142ef.html, accessed March 4, 2020, p. 18 and Yang Jiechi (杨洁篪), "推动构建人类命运共同体 (认真学习宣传贯彻党的十九大精神)" ("Promote the Building of a Community of Human Destinies (Seriously Study, Propagate and Implement the 19th CPC National Congress Spirit)", *The People's Daily*, November 19, 2017, available at: paper.people.com.cn/rmrb/html/2017-11/19/nw.D110000renmrb_20171119_1-06.htm, accessed February 9, 2018.

⁵⁴ On socialism at a low ebb, see Jiang Zemin, "The Future of Socialism Remains as Bright as Ever," *Selected Works of Jiang Zemin, Volume I*, Beijing: Foreign Language Press, 2010 p. 327. On the resulting foreign policy guideline often summarized by Western scholars as "hide and

bide” see Jiang Zemin, “The Present International Situation and Our Diplomatic Work,” *Selected Works of Jiang Zemin, Volume II*, Beijing: Foreign Languages Press, 2012 pp. 191-202.

⁵⁵ The 8th, 12th, 13th, 14th, 16th, 18th, and 19th Party Congress reports all contain versions of this phrase about the superiority (优越性) of socialism or of the socialist system. The texts of these Party Congress reports are available at cpc.people.com.cn/GB/64162/64168/index.html, accessed October 1, 2017. Even in the wake of the collapse of Communism in Eastern Europe, Deng maintained: “We shall be satisfied if history proves the superiority of China’s socialist system,” in “China Will Never Allow Other Countries to Interfere in Its Internal Affairs” *Selected Works of Deng Xiaoping, Volume III (1982-1992)*, p. 347. Jiang Zemin called exemplifying “the superiority of socialism over capitalism” one of the “fundamental tasks of socialism” in his “Speech at a Meeting Celebrating the 80th Anniversary of the Founding of the Communist Party of China,” cited above, p. 268. Xi frequently refers to the superiority of socialism as well. See, for example, Xinhua’s coverage of his speech at the 42rd Collective Study Session of the Politburo: “习近平：继续推进马克思主义中国化时代化大众化” (Xi Jinping: Continuously Promote a Marxism in China that is Sinicized, Keeps Up with the Times, and Reflects the Masses), September 29, 2017, available at: news.xinhuanet.com/politics/2017-09/29/c_1121747887.htm, accessed October 2, 2017.

⁵⁶ Among the eight “makes clear” (明确) that define socialism with Chinese characteristics for a new era” in Xi’s report to the 19th Party Congress is that: “It makes clear that the overall goal of deepening reform in every field is to improve and develop the system of socialism with Chinese characteristics and modernize China’s system and capacity for governance.” For continuity on this theme about the object of reform, see, for example, Jiang Zemin, “The Objective of Political Restructuring is to Improve the Socialist Political System,” *Selected Works of Jiang Zemin, Volume III*, pp. 228-232. See also Deng Xiaoping “On the Reform of the System of Party and State Leadership,” *Selected Works of Deng Xiaoping, Volume II (1975-1982)*, p. 304.

⁵⁷ For an excellent exegesis, of the concept of the basic line, see Heath, *China’s New Governing Party Paradigm*, p. 60. From 1992, the basic line has been contained in the Party’s constitution, amended at each Party Congress. The basic line (基本路线), the successor to the Maoist “general line” (总路线), is, as Timothy R. Heath has argued, the Party’s “national strategy in a sentence.” It contains an expression of both Beijing’s desired end for its present stage of socialist development and the bedrock policies designed to get there. As amended at the 19th Party Congress, it reads:

The basic line of the Communist Party of China in the primary stage of socialism is to lead all the people of China together in a self-reliant and pioneering effort, making economic development the central task, upholding the Four Cardinal Principles, and remaining committed to reform and opening up, so as to see China becomes a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious, and beautiful.

“Constitution of the Communist Party of China, Revised and Adopted at the 19th National Congress of the Communist Party of China on October 24, 2017,” available at news.xinhuanet.com/english/download/Constitution_of_the_Communist_Party_of_China.pdf, accessed November 3, 2017.

⁵⁸ Xi Jinping, “Uphold and Develop Socialism with Chinese Characteristics,” Tanner Greer (trans.), January 13, 2013, available at: palladiummag.com/2019/05/31/xi-jinping-in-translation-chinas-guiding-ideology/, accessed July 01, 2019.

⁵⁹ In the wake of international media attention to the passage in Xi’s 19th Party Congress report about providing a new option for developing countries, the Party has sought to dampen international concern by publicly denying Beijing seeks to export its model. See, Xi Jinping, “Working Together to Build a Better World” Keynote speech at the CPC in Dialogue with World Political Parties High-Level Meeting in Beijing, December 1, 2017, in *On Building a Human Community with a Shared Future*, p. 525. Yet the venue Xi used was a meeting of world political parties Beijing called precisely to promote its vision for the international order and promote its domestic governance model, holding seminars for African countries, for example, on Beijing’s success at “party-building.” See Xinhua, “Xi calls on world political parties to build community with shared future,” December 2, 2017, available at: xinhuanet.com/english/2017-12/02/c_136794028.htm, accessed April 30, 2018; Xinhua, “CPC to share party-building experience with world political parties,” December 2, 2017, available at: xinhuanet.com/English/2017-12/02/c_136796024_2.htm, accessed April 30, 2018.

⁶⁰ The plan had interim targets for 1990, 2000, and 2010, each of which Beijing claims it achieved. These were identified and refined in past Party Congress reports, and in five year plans.

⁶¹ Another passage in Xi’s January 2013 speech only published in March 2019 similarly appears to maintain that Beijing’s mid-century goal of becoming a global leader in terms of international influence includes the influence of its governing model:

We firmly believe that as socialism with Chinese characteristics develops further, our system will inevitably mature; it is likewise inevitable that the superiority of our socialist system will be increasingly apparent. Inevitably, our road will become wider; inevitably, our country’s road of development will have increasingly greater influence on the world.

Xi Jinping, “Uphold and Develop Socialism with Chinese Characteristics,” Tanner Greer (trans.), cited above.

⁶² The classic account is F.A. Hayek, *The Road to Serfdom*, Chicago, IL: University of Chicago Press, 1944.

⁶³ Neil Harding, *Leninism*, Durham, NC: Duke University Press, 1996, pp. 142-169. This idea is reflected in documents like China’s 2016 white paper on “The Right to Development” claiming that development is the most fundamental human right. See State Council Information Office of the People’s Republic of China, “The Right to Development: China’s Philosophy, Practice and Contribution” December 2016, available at: news.xinhuanet.com/english/china/2016-12/01/c_135873721.htm, accessed June 3, 2017.

⁶⁴ Since 1992, the “general program” of the Party’s constitution has explicitly identified its mission in terms of not only development and the people’s welfare, but also the power of the state:

The general starting point and criteria for judging each item of the Party's work are that it must benefit the development of the socialist productive forces, *be conducive to increasing socialist China's overall strength*, and help to improve the people's living standards.

[Emphasis added]

Here, the phrase “overall strength”(综合国力) is the same one officially translated as “composite national strength” in Xi's report to the 19th Party Congress report and which U.S. scholars in the past have translated “comprehensive national power.” “Constitution of the Communist Party of China, Revised and adopted at the 19th National Congress of the Communist Party of China on October 24, 2017,” p. 4.

⁶⁵ See, for example, Human Rights Watch, “Eradicating Ideological Viruses: China's Campaign of Repression Against Xinjiang's Muslims,” September 9, 2018, available at: hrw.org/report/2018/09/09/eradicating-ideological-viruses/chinas-campaign-repression-against-xinjiangs, Accessed October 9, 2019.

⁶⁶ See Chapter 9 “A Philosophy of Certainty” in Harding, *Leninism*, pp. 219-242.

⁶⁷ See, for example, Xinhua, “China's party system is great contribution to political civilization: Xi,” March 5, 2018, available at: xinhuanet.com/english/2018-03/05/c_137015955.htm, accessed March 7, 2018.

⁶⁸ “Upholding the people's democratic dictatorship” is a component of the “Four Cardinal Principles” that are part of the Party's “basic line.” (See note 57 above.) Articulated by Deng Xiaoping in 1979, the Four Cardinal Principles have been upheld by every leader since. Both Deng's and Jiang Zemin's discussion of the justification for the dictatorship are utterly Leninist. See Deng, “Uphold the Four Cardinal Principles,” *Selected Works of Deng Xiaoping, Volume II (1975-1982)*, pp. 176-177, and his “Excerpts From Talks Given in Wuchang, Shenzhen, Zhuhai, and Shanghai,” *Selected Works of Deng Xiaoping*, p. 367. See also Jiang Zemin, “Uphold the Four Cardinal Principles,” *Selected Works of Jiang Zemin, Volume III*, pp. 216-218.

⁶⁹ Harding, *Leninism*, pp. 240-242.

⁷⁰ For an extensive discussion, see Samantha R. Hoffman, (2017) *Programming China: the Communist Party's autonomic approach to managing state security*. PhD thesis, University of Nottingham. See also Xi Jinping, “A Holistic View of National Security,” *The Governance of China*, pp. 221-222.

⁷¹ A useful study of this phenomenon is Sarah Cook, “China's Global Megaphone: Beijing's Global Megaphone: The Expansion of Chinese Communist Party Media Influence since 2017,” Freedom House Special Report, January 2020, available at: freedomhouse.org/sites/default/files/2020-02/01152020_SR_China_Global_Megaphone_with_Recommendations_PDF.pdf, accessed March 5, 2020.

⁷² See Melanie Hart and Blaine Johnston “Mapping China's Global Governance Ambitions: Democracies Still Have Leverage to Shape Beijing's Reform Agenda” Center for American

Progress, February 2019, available at americanprogress.org/issues/security/reports/2019/02/28/466768/mapping-chinas-global-governance-ambitions/, accessed December 7, 2019 and Liza Tobin, “Xi’s Vision for Transforming Global Governance: A Strategic Challenge for Washington and Its Allies” *Texas National Security Review*, Volume 2, Issue 1, December 2018, pp. 154-166, available at: [//tnsr.org/2018/11/xis-vision-for-transforming-global-governance-a-strategic-challenge-for-washington-and-its-allies/](http://tnsr.org/2018/11/xis-vision-for-transforming-global-governance-a-strategic-challenge-for-washington-and-its-allies/), accessed January 1, 2019.

⁷³ See, for example, Ted Piccone, “China’s Long Game on Human Rights at the United Nations” Washington, DC: Brookings Institution, September 2018, available at: brookings.edu/wp-content/uploads/2018/09/FP_20181009_china_human_rights.pdf, accessed March 5, 2020 and Adam Segal, Chinese Cyber Diplomacy in a New Era of Uncertainty, Hoover Working Group on National Security, Technology, and Law, Aegis Paper Series No. 1703 (June 2, 2017), available at lawfareblog.com/chinese-cyber-diplomacy-new-era-uncertainty, accessed March 5, 2020.

⁷⁴ The notion that China’s rise and integration with the world has made it both more dependent on the world and the world more dependent on China has been an authoritative judgment since Hu Jintao’s 2007 report to the 17th Party Congress, which declared “Historic changes have occurred in the relations between contemporary China and the rest of the world, resulting in ever closer interconnection between China’s future and destiny and those of the world.” See: Hu Jintao, “Hold High the Great Banner of Socialism with Chinese Characteristics and Strive for New Victories in Building a Moderately Prosperous Society in All Respects,” Report to the Seventeenth National Congress of the Communist Party of China on Oct. 15, 2007, available at: bjreview.com.cn/17thCPC/txt/2007-10/25/content_83051.htm, accessed October 15, 2016. Xi Jinping now maintains “As China has increased its dependence on the world and its involvement in international affairs, so has the world deepened its dependence on China and had greater impact on China.” See his “China’s Diplomacy Must Benefit Its Major-Country Status” Xi Jinping, *The Governance of China II*, p. 481. Deng Xiaoping made the case that “we must never close our doors” on the eve of putting down the Tiananmen demonstrations, arguing that isolation brought “disasters like the ‘Cultural Revolution’” and that it was “impossible to develop the economy” or keep up with science and technology in isolation. See his “We Must Form a Promising Collective Leadership that Will Carry Out Reform” May 31, 1989, in *Selected Works of Deng Xiaoping, Volume III (1982-1992)*, p. 291. Deng’s successors have consistently reaffirmed this view.

⁷⁵ See “Constitution of the Communist Party of China, Revised and Adopted at the 19th National Congress of the Communist Party of China on October 24, 2017,” p. 7; Xi, “Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era,” pp. 6, 17, 21-22, and 51-54. See also Xi, “A New Partnership of Mutual Benefit and a Community of Shared Future,” *The Governance of China II*, pp. 569-575, and Xi, “Working Together to Build a Human Community with a Shared Future” Speech at the United Nations Office in Geneva, January 18, 2017, *On Building a Human Community with a Shared Future*, pp. 427-440.

⁷⁶ See also note 74 above. Jiang Zemin’s report to the 16th Party Congress assessed the trend of economic globalization. See “Build A Moderately Prosperous Society in All Respects and Initiate a

New Phase in Socialism with Chinese Characteristics” November 8, 2002, Report at the Sixteenth National Congress of the CPC, *Selected Works of Jiang Zemin, Volume III*, p. 511), a trend Jiang had identified in a speech to foreign affairs officials in his “The Present International Situation and Our Diplomatic Work” Excerpt from a speech at the Ninth Meeting of Chinese Diplomatic Envoys Posted Abroad, August 28, 1998, *Selected Works of Jiang Zemin, Volume II*, 2012, pp. 194-197. Hu Jintao assessed the trend of cultural diversification and an information society” in his report to the 18th Party Congress, trends Hu had talked about in his speech to the 2006 Central Foreign Affairs Work Conference. See, Hu, “Firmly March on the Path of Socialism with Chinese Characteristics and Strive to Complete the Building of a Moderately Prosperous Society in All Respects,” Report to the Eighteenth National Congress of the Communist Party of China on November 8, 2012, available at: china-embassy.org/eng/zt/18th_CPC_National_Congress_Eng/t992917.htm, accessed 6 May 2017 and Hu Jintao (胡锦涛), “国际形势和外交工作” (“The International Situation and Our Foreign Affairs Work”), *Selected Works of Hu Jintao, Volume II*, p. 505.

⁷⁷ China Daily, “习近平主席 2016 年新年贺词 (双语全文)” Chairman Xi’s 2016 New Year’s Address (Bilingual Full Text)”, available at: chinadaily.com.cn/interface/yidian/1139302/2016-01-04/cd_22925566.html, accessed March 5, 2018.

⁷⁸ China’s Foreign Minister, Wang Yi, recently maintained:

The initiative of building a community with a shared future is inspired by the traditional Chinese philosophy that sees the world as one big family. It reflects profound thinking on the future of mankind and embodies a spirit of humanity; it points the way forward for global governance and represents the ultimate goal of multilateralism. It is a Chinese proposal on how to address today’s challenges and has become an overarching goal of our major-country diplomacy with Chinese characteristics. China is ready to join hands with all countries and make unremitting efforts to this end.

Wang Yi, “Bringing the East and West Together In Shared Commitment to Multilateralism” Speech at the 56th Munich Security Conference, Munich, 15 February 2020, available at: fmprc.gov.cn/mfa_eng/wjb_663304/wjbz_663308/2461_663310/t1745384.shtml, accessed February 18, 2020.

⁷⁹ See Tobin, “Xi’s Vision for Transforming Global Governance: A Strategic Challenge for Washington and Its Allies,” pp. 155-156 and Rolland, *China’s Vision for a New World Order*, pp. 36-40.

⁸⁰ The introduction to a collection of Xi’s speeches on China’s foreign relations compiled in 2019 begins:

Since ancient times, the Chinese nation has upheld the belief that “all under Heaven are of one family” and has advocated the ideas of peace among all nations and harmony under Heaven. The Communist Party of China (CPC) regards making new and greater contributions to humanity as its abiding mission. Since the CPC’s 18th National Congress in November 2012, Xi Jinping has called for the building of human community with a shared future.

See the “Editors Note,” on the first of two unnumbered pages prior to page *i* in Xi, *On Building a Human Community with a Shared Future*, cited above.

⁸¹ Hu Jintao, “Build Towards a Harmonious World of Lasting Peace and Common Prosperity,” pp. 7-8, which argues that making a “fetish” or a particular development model would take away the “vitality” and diversity of world civilizations, and that countries with differences in “history, culture, social system, and mode of development” should learn from one another while preserving differences. Jiang Zemin had made similar arguments, see for example, his, “Harmony Without Uniformity is an Essential Aspect of the Balanced Development of Cultures” *Selected Works of Jiang Zemin, Volume III*, pp. 506-507.

⁸² I am indebted to William A. Callahan, “History, tradition and the Chinese dream: socialist modernization in the world of great harmony” *Journal of Contemporary China*, Vol. 24, No. 96 (2015), pp. 983-1001, for the observation that the traditional Chinese concept of “harmony” can be invoked either in terms of harmony while reserving differences “harmony with diversity” or harmony via “a unified, organic order” in Callahan’s phrases. While his essay does not address Xi’s “Community of Common Destiny,” in my reading, while the latter appears to invoke both concepts, in envisioning a tightly connected world built via BRI, it leans toward to the latter.

⁸³ This is clear from several of Xi Jinping’s speeches carried in *The Governance of China II* cited above. In “A New Partnership of Mutual Benefit and a Community of Shared Future,” p. 574, Xi employs his frequently used phrase: “We are ready to share our experience and opportunities with other countries and welcome them aboard our development train.” In his “China’s Diplomacy Must Benefit Its Major-Country Status” (pp. 482-483), he maintains, “We should protect China’s development opportunities and space, and work hard to form a highly-integrated, mutually beneficial network through extensive economic, trade, and technological cooperation. We should make more friends without prejudice to the non-aligned principle and build a global network of partnerships.” In a speech to a Politburo study session on global governance (p. 488), Xi declared “we must pursue the transformation of the global governance system by the following the principles of extensive consultation, joint development, and shared benefits. We must endeavor to reach consensus on transformation proposals, and turn it into concerted actions.”

⁸⁴ In talking about national rejuvenation as the “historic mission” of the Party in the New Era, Xi’s report to the 19th Party Congress talks about the “great dream” of national rejuvenation being related to the “great struggle” (implicitly, ideological conflict to preserve the Party’s ruling status). Xi, “Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era,” p. 14. Indeed, Xi suggests that China’s growing strength will intensify the external pressure Beijing faces. In a March 2013 speech to PLA delegates to the National People’s Congress (NPC), where Xi detailed his “Strong Military Dream” vision, he maintained:

The more our strength develops, the greater the resistance pressure and the more external risks we will face. This is an unavoidable challenge on our country's path from big to strong. It is an unavoidable threshold we must cross to achieve the great rejuvenation of the Chinese nation.

China Central Television, 《强军》第一集 逐梦 (*Strong Military*, Episode I: "The Dream"), available at: [youtube.com/watch?v=TUYpfNSpELk](https://www.youtube.com/watch?v=TUYpfNSpELk), accessed October 8, 2017.

⁸⁵ Xi Jinping, "The Belt and Road Initiative Benefits the People" August 17, 2016, in Xi, *The Governance of China II*, p. 549.

⁸⁶ The classic study of BRI is Nadège Rolland, *China's Eurasian Century? Political and Strategic Implications of the Belt and Road Initiative*, Washington, DC: National Bureau of Asian Research, 2017. On the extension of BRI to Latin America, see Ministry of Foreign Affairs of the People's Republic of China, "Remarks by Foreign Minister Wang Yi at the Opening Ceremony of China-CELAC Economic and Trade Cooperation Forum and China-LAC Business Council Annual Meeting 2018" January 23, 2018, available at: fmprc.gov.cn/mfa_eng/wjb_663304/wjbz_663308/2461_663310/t1529529.shtml, accessed March 8, 2018; On the extension of BRI to the arctic, see: The State Council Information Office of the People's Republic of China, "China's Arctic Policy," January 2018, available at: xinhuanet.com/english/2018-01/26/c_136926498.htm, accessed January 26, 2018.

⁸⁷ See "Statement by Chad Sbragia, Deputy Assistant Secretary of Defense for China, Office of the Secretary of Defense, and Lieutenant General Giovanni Tuck, Director for Logistics, The Joint Staff before the U.S. Congress Subcommittee on Coast Guard and Maritime Transportation Hearing on China's Maritime Silk Road Initiative" October 17, 2019, available at: [transportation.house.gov/imo/media/doc/DOD%20Joint%20Testimony.pdf](https://www.transportation.house.gov/imo/media/doc/DOD%20Joint%20Testimony.pdf), accessed January 3, 2020.

⁸⁸ For a discussion of these issues, see Michael S. Chase, "The Space and Cyberspace Components of the Belt and Road Initiative" in Nadège Rolland (ed.), *Securing the Belt and Road Initiative: China's Evolving Military Engagement Along the Silk Roads* NBR, 2019, pp. 20-32.

⁸⁹ See Rolland, *China's Vision for a New World Order*, cited above and Srikanth Kondapalli, "Regional Multilateralism with Chinese Characteristics" in David Shambaugh (ed.), *China and the World*, New York: Oxford University Press, 2020, pp. 313-339.

⁹⁰ See, for example, Yang Jiechi, "Promote the Building of a Community of Human Destinies (Seriously Study, Propagate and Implement the 19th CPC National Congress Spirit)" cited above.

⁹¹ For an enlightening overview, see 梁治平(Liang Zhiping), "想象'天下': 当代中国的意识形态建构," ("Imagining 'Tianxia': Building Ideology in Contemporary China,"), David Ownby (trans.), 思想 36 (Dec. 2018): 71-177, available at: eadingthechinadream.com/liang-zhiping-tianxia-and-ideology.html, accessed March 2, 2020.

⁹² Rolland, *China's Vision for a New World Order*, p. 36.

⁹³ I had noticed the frequent use of this quotation in Xi's speeches (the official English translates are inconsistent in how they translate it and the official English version of Xi's report to the 19th Party Congress (p. 64) obscures it by rendering it "A just cause should be pursued for the common good." I am indebted to Callahan, "History, tradition and the Chinese dream: socialist modernization in the world of great harmony" cited above for pointing out the quote's prevalence in contemporary Chinese academic writings.

⁹⁴ Tingyang Zhao (translated by Liqing Tao), *Redefining a Philosophy for World Governance*, Staten Island, NY: Palgrave Macmillan, 2019, especially p.5, pp. 13-14, p. 23.

⁹⁵ Xi Jinping, "Improve Our Ability to Participate in Global Governance," p. 488.

⁹⁶ Zhao, *Redefining a Philosophy for World Governance*, especially pp. 2-3 on 45-65.

⁹⁷ Xi, "Shouldering the Responsibilities of Our Age and Promoting Global Growth Together," *On Building a Human Community with a Shared Future*, p. 419. I have only changed the phrase "with a shared future" to "of common destiny."

⁹⁸ Xi Jinping, "Working Together to Build a Better World" Keynote speech at the CPC in Dialogue with World Political Parties High-Level Meeting in Beijing, December 1, 2017, in *On Building a Human Community with a Shared Future*, p. 524

⁹⁹ Ibid., p. 521. I have only changed the phrase rendered "with a shared future" to "of common destiny."

¹⁰⁰ Xi, "China's Diplomacy Must Benefit Its Major-Country Status," p. 482-483; Xi Jinping, "A New Partnership of Mutual Benefit and a Community of Shared Future," pp. 266-267.

¹⁰¹ I am indebted to Timothy R. Heath for the point that Beijing's official foreign relations theory sees development as a panacea. On the one hand, the Party believes shelving disputes and focusing on common development will ameliorate the disputes overtime as the benefits of development become more important to both sides than the original source of tension. At the same time, development maximizes China's comprehensive national power, providing more leverage to settle the disputes both peacefully and favorably in the future. For a version of this point, see Heath, *China's Governing Paradigm: Political Renewal and the Pursuit of National Rejuvenation*, pp. 99-114.

¹⁰² Zhao, *Redefining a Philosophy for World Governance*, pp. 36-42.

¹⁰³ On these three past cases see Douglas T. Stuart, *Creating the National Security State: A History of the Law that Transformed America* Princeton, NJ: Princeton University Press, 2008; James A. Locher II, *Victory on the Potomac: The Goldwater-Nichols Act Unifies the Pentagon*, College Station, TX: Texas A&M University Press, 2002; Mark M. Lowenthal, *Intelligence: From Secrets to Policy, Fourth Edition*, Washington, DC: CQ Press, 2009.

¹⁰⁴ The European Commission’s 2019 identifying China as “a systemic rival promoting alternative models of governance” is a good starting place here. See European Commission and HR/VP contribution to the European Council EU-China – A strategic outlook, 12 March 2019, available at: ec.europa.eu/commission/sites/beta-political/files/communication-eu-china-a-strategic-outlook.pdf, accessed March 3, 2020.

**PREPARED STATEMENT OF MELANIE HART, PH.D., SENIOR FELLOW AND
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**Testimony before the U.S.-China Economic and Security Review Commission:
Hearing on “A ‘China Model?’ Beijing’s Promotion of Alternative Global Norms and
Standards”**

Beijing’s Promotion of Alternative Global Norms and Standards in the U.N. System

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Beijing is leveraging China’s growing economic, diplomatic, and military capabilities to shape the global order in ways that benefit Chinese Communist Party (CCP) interests. For Chinese President Xi Jinping, the global governance system—the set of norms, rules, and institutions that guide cooperation and dispute resolution among nations—is a particular focus. In June 2018 President Xi called for China to “lead the reform of the global governance system.”¹ The current global governance system is rules-based, and it privileges liberal democratic norms and standards, including universal rights. The United States played a critical role in establishing this system, and it is a problem for the CCP. In the Chinese political system, there is no authority higher than the CCP. The party is above the law, and it bestows (or denies) individual rights as it sees fit. As long as the prevailing global governance system privileges liberal democratic values and universal rights, China will fail to meet the highest global standards. Beijing is seeking to change that by exporting elements of the China model to the global governance system, thus bringing the global order more in line with China’s authoritarian governance principles.

The United Nations (U.N.) system is both the primary target and the primary platform for Beijing’s global governance reform drive. In September 2019, the State Council, China’s national cabinet, issued a foreign policy white paper that explicitly states: “The U.N. is at the core of the global governance system.”² Thus, President Xi Jinping’s call for global governance reform is a call for China to reform the U.N. System. That campaign is already underway, and China is making significant gains. Unfortunately, as China ramps up its efforts to undermine liberal democratic principles across the U.N. system and augment or replace them with authoritarian ones, the United States is leaning back, ceding the ground and providing maximum maneuvering room for China to achieve its objectives. That must change. This testimony will cover five key points:

1. China is working to undermine existing U.N. human rights standards to create more maneuvering room for authoritarian regimes.
2. China is promoting “state sovereignty” internet governance norms that enable censorship and other forms of digital information-control.
3. China is leveraging the International Telecommunications Union (ITU)—a U.N. specialized agency—to support its techno-nationalist industrial policies.
4. When Chinese nationals occupy leadership positions in U.N. specialized agencies, they leverage those positions to pursue Chinese foreign policy objectives that other nations may not share, potentially undermining U.N. functionality.
5. The United States is currently disengaging from the U.N., creating maximum maneuvering room for China to achieve these objectives. The United States must change course and shift from disengagement to full-spectrum competition.

China is working to undermine existing U.N. human rights standards to create more maneuvering room for authoritarian regimes.

The U.N. follows a common human rights standard first established via the 1948 Universal Declaration of Human Rights.³ That standard is a problem for China. It defines human rights as both universal and inalienable, it incorporates traditional liberal democratic values such as freedom of expression, and it applies equally to all member states. Beijing is working to undermine that standard and replace it with a new principle that includes both “universality and particularity.”

China prefers a human rights principle in which the state is the final arbiter: the state defines the nation's collective interests and, based on that definition, bestows or denies individual rights as it sees fit. Chinese leaders are also seeking to expand the definition of human rights to include national economic development so they can claim to be protecting human rights as long as their domestic economy is growing.

China is deploying a three-part strategy to push elements of this authoritarian-friendly approach into U.N. doctrine.

First, China is convening its own human rights forums to build plurilateral support for China's human rights principles. China's 2017 South-South Human Rights Forum produced the Beijing Declaration on human rights, which lays out the China standard in detail. Instead of a common standard that applies equally to all nations, the declaration states that “the realization of human rights must take into account regional and national contexts, and political, economic, social, cultural, historical and religious backgrounds.”⁴ In other words, different standards should apply to different nations. It also declares that states can restrict human rights as long as those restrictions “meet the legitimate needs of national security, public order, public health, public safety, public morals and the general welfare of the people.”⁵ In other words, ruling regimes can restrict human rights as they see fit. This is a direct contradiction of universally recognized human rights principles currently enshrined by international law.

Second, China is revising U.N. doctrine to incorporate elements of Chinese-style human rights principles. China has thus far succeeded in passing two resolutions through the U.N. Human Rights Council: a June 2017 resolution suggesting that human rights must be balanced with economic development needs and a March 2018 resolution that calls for the international community to address human rights problems through “mutually beneficial cooperation” and to take “national and regional particularities and various historical, cultural and religious backgrounds” into account when determining what human rights standard a particular nation should meet.⁶ Both resolutions provide maneuvering room for China and other authoritarian regimes to take actions that infringe on fundamental human rights.⁷

Third, China is now the second largest donor to the U.N. (accounting for 12 percent of the total U.N. budget), and Beijing is seeking to leverage that role—and the Trump administration's call to reduce the overall U.N. budget—to restrict U.N. funding for human rights operations. During the 2017 U.N. budget negotiations, China joined forces with Russia to push for the U.N. to eliminate human rights officers across multiple U.N. peacekeeping missions.⁸ In 2018, China and Russia again called for the U.N. to eliminate 37 human rights positions across U.N. peacekeeping missions.⁹ In part due to U.S.-led pressure to reduce U.N. budgets, funding for some mechanisms, like treaty bodies that monitor human rights compliance around the world, were significantly cut last year.¹⁰

China is promoting “state sovereignty” internet governance norms that enable censorship and other forms of digital information-control.

Internet governance is still a contested space – there are no established global norms. In Beijing’s view, that provides an opportunity for China to impose its approach to internet governance on the global system. Domestically, the Chinese Communist Party controls China’s information environment. At a global level, Chinese leaders want the global governance system to provide maximum maneuvering room for Beijing to maintain and operate those controls. This level of control conflicts with universally recognized principles including freedom of speech and freedom of information.

Xi Jinping outlined a “four principles and five proposals” approach to internet governance at China’s second World Internet Conference in December 2015.¹¹ In that speech—delivered to an international audience—President Xi was careful to avoid providing too much detail on exactly what China’s approach would entail. “Respect for cyber sovereignty” is the first principle, and maintaining order is a prominent theme throughout. Both are code for state control over internet activity. The Cyberspace Administration of China (CAC) is more straightforward when it conveys President Xi’s instructions to a domestic Chinese audience. According to the CAC, China’s internet governance goals include making sure “the Party's ideas always become the strongest voice in cyberspace” and using the internet to “steadily control all kinds of major public opinion.”¹² Those are not goals the United States shares.

In contrast, the United States supports a “free and open internet” approach, based on universal principles, and Beijing is working to counter U.S.-backed norm-building efforts to make China’s

approach the dominant global norm. According to the CAC, in Beijing's view: "cyberspace has become a new field of competition for global governance, and [China] must comprehensively strengthen international exchanges and cooperation in cyberspace to push China's proposition of Internet governance toward becoming an international consensus."¹³ The U.N. is a key focus for that effort.

Beijing's 2017 International Strategy of Cooperation in Cyberspace states that "the United Nations, as an important channel, should play a leading role in coordinating positions of various parties and building international consensus" on internet governance.¹⁴ China is playing both offense and defense within the U.N.: it is putting forward its own proposals as well as blocking liberal democratic efforts. On the offensive side, China is leveraging the Shanghai Cooperation Organization (SCO) to gain plurilateral support for its own internet governance proposals. China, Russia, Tajikistan and Uzbekistan jointly submitted an "International Code of Conduct for Information Security" to the U.N. General Assembly in 2011; China submitted an updated version with a larger group of SCO nations in 2015. Both versions aim to legitimize Chinese-style internet controls.¹⁵

On the defensive side, China participated in all five rounds of a U.N. Group of Governmental Experts (GGE) process established to study cyberspace—the latter rounds of which the U.N. General Assembly directed to determine how international law should apply to nation-state behavior in cyberspace.¹⁶ In the fourth round, China added "state sovereignty" to the GGE list of governance principles, a move that effectively blocked the group's ability to establish how international law should apply in the cyber domain.¹⁷ The fifth round failed to produce a report, reportedly because China—along with Russia and Cuba—objected to principles put forward by other nations, including the right to respond to internationally wrongful acts.¹⁸ After this logjam, the process split into two groups: one spearheaded by the United States and other democracies that will continue to focus on international law, and another, organized by authoritarian regimes such as China, Russia, North Korea, and Venezuela, that describes itself as an alternative "open-ended working group acting on a consensus basis."¹⁹

China is leveraging the International Telecommunications Union (ITU)—a U.N. specialized agency—to support its techno-nationalist industrial policies.

The ITU is the specialized U.N. agency that sets international standards and protocols for information and communication technologies (ICT). The ITU is designed to function as a neutral arbiter that formulates technology standards (such as 5G wireless communication standards) based on merit. When entirely new communication technologies are emerging—i.e., when wireless phones and networks began to develop the capability to transmit not only voice calls but also data and video—the companies driving those innovations send technical experts to the ITU to present their individual technical contributions for a potential new standard. ITU members jointly assess all of those contributions, select the solutions that best meet global demand needs, and anoint those solutions as the new global standard.

Beijing views the ITU as a platform China can leverage to reduce its dependence on foreign intellectual property and increase the royalties other nations pay to China. That, in turn, can

increase China's global market dominance. Wireless communication technology is a particular focus. In the fifth-generation (5G) era, Beijing appears to be leveraging state resources to promote Huawei technology within 3GPP, which is the ITU sub-group developing global 5G standards.

The Chinese government is channeling state financial support to help Huawei and other Chinese firms send personnel to attend 3GPP meetings and flood the process with Chinese technical contributions. It is difficult for private companies from other nations to match that level of activity because sending engineers overseas to participate in 3GPP meetings and devoting R&D resources to develop 3GPP technical contributions are costly activities. Huawei has thus far submitted over 19,000 technical contributions and dispatched over 3,000 engineers to participate in the 5G standard-setting process.²⁰ Among U.S. companies, Qualcomm and Intel are the U.S. firms with the largest 3GPP presence: Qualcomm has made 5,994 technical contributions and dispatched 1,701 engineers to attend 3GPP meetings; Intel has made 3,656 technical contributions and dispatched 1,259 engineers to attend. Huawei is also leading in approved technical contributions. 3GPP members have approved 5,855 Huawei contributions (making them part of the official 5G standard), 1,994 Qualcomm contributions, and 962 Intel contributions. Thus far, Chinese firms own an estimated 36% of the patents essential for the global 5G standard; U.S. firms hold roughly 14%.²¹

China's growing IP portfolio in the global 5G standard will give Chinese companies—particularly Huawei—a price advantage in global market competition. The firms who own the essential patents in the global 5G standard will not need to pay royalties to other firms when manufacturing and selling 5G equipment; instead, other firms will pay royalties to them. That will give Chinese manufactures a cost advantage that they can use to further expand China's 5G market dominance.

When Chinese nationals occupy leadership positions in U.N. specialized agencies, they leverage those positions to pursue Chinese foreign policy objectives that other nations may not share, potentially undermining U.N. functionality.

There are 15 specialized U.N. agencies, and Chinese nationals currently lead 4 of them: the International Telecommunication Union (ITU), the International Civil Aviation Organization (ICAO), the U.N. Industrial Development Organization, and the Food and Agriculture Organization. Chinese nationals also hold leadership positions below the secretary general level. For example, current ITU Secretary General ZHAO Houlin previously served as the ITU Deputy Secretary-General and Director of the ITU's Telecommunication Standardization Bureau.²² At the World Health Organization (WHO), Dr. Ren Minghui (who spent 30 years working for China's Ministry of Health and the nation's National Health and Family Planning Commission) currently serves as WHO Assistant Director-General for Communicable Diseases and for HIV/AIDS, Tuberculosis, Malaria and Neglected Tropical Diseases.²³

The Standards of Conduct for the International Civil Service provide common guidelines for individuals who serve as leaders or staff in international institutions. Those guidelines state that

international civil servants must serve their organizations independently, and “in keeping with their oath of office, they should not seek nor should they accept instructions from any Government, person or entity external to the organization.”²⁴ China frequently violates these standards. When Chinese nationals occupy leadership positions in international organizations, Beijing leverages those individuals to co-opt the institution and push narrow Chinese political objectives, particularly on the issue of Taiwan.

During Fang Liu’s term as ICAO secretary general, the organization stopped inviting Taiwan to attend its assembly; ICAO Communications Chief Anthony Philbin reportedly told Reuters that “ICAO follows the United Nations’ ‘One China’ policy.”²⁵ After Taiwan elected Tsai Ing-wen as President—signaling a shift away from Beijing—China leveraged its influence at the WHO to block Taiwan from attending the World Health Assembly, where Taiwan had previously held observer status.²⁶ The WHO has also excluded Taiwan from emergency meetings on the current COVID-19 crisis, a move that makes it harder for Taiwanese officials to effectively manage the crisis and share information about local outbreak patterns in Taiwan with the global community.²⁷

Chinese nationals are carrying out Beijing’s foreign policy directives on other issues as well. Mr. WU Hongbo—a P.R.C. Ministry of Foreign Affairs official who has served across multiple top posts, including Ambassador to the Philippines—served as U.N. Under-Secretary-General for Economic and Social Affairs from 2012 to 2017.²⁸ In 2017, when Uighur activist Dolkun Isa was slated to represent a German NGO at a U.N. forum, Mr. Wu blocked Mr. Isa’s attendance, later bragging on Chinese state television that “We have to strongly defend the motherland’s interests.”²⁹ American and German diplomats protested and successfully reversed the move. When Mr. Wu’s term ended in 2017 he was replaced with Mr. LIU Zhenmin, another Chinese national. Just like his predecessor, Mr. Liu is a senior Chinese diplomat—he most recently served as P.R.C. Vice Minister for Foreign Affairs.³⁰ Mr. Liu is leveraging his position to push the Department of Economic and Social Affairs (DESA) to support China’s Belt and Road Initiative and incorporate Xi Jinping rhetoric into U.N. doctrine.³¹

Beijing’s influence is also undermining public trust in U.N. organizations. In the early weeks of the COVID-19 Coronavirus crisis, WHO leadership criticized the travel bans the United States and other nations put in place to restrict travel to/from China but refrained from criticizing China’s attempted cover-up—which magnified Chinese casualty rates and cross-border contagion risks—and China’s refusal to allow international disease experts to visit Wuhan.³² At a moment when Chinese citizens were in an uproar over Beijing’s attempts to censor information about the outbreak, WHO director general Tedros Adhanom Ghebreyesus praised Beijing’s response, including its “transparency.”³³ Given that the WHO has already demonstrated that it is acting as an instrument of Chinese national policy on Taiwan, the WHO’s apparent deference to Beijing on COVID-19 raise concerns about WHO independence and have undermined public trust in WHO decision-making throughout the COVID-19 crisis.³⁴

The United States is currently disengaging from the U.N., creating maximum maneuvering room for China to achieve these objectives. The United States must change course and shift from disengagement to full-spectrum competition.

The Trump administration is disengaging the United States from the U.N., arguing at times that the institution is too bloated or inefficient and the U.S. provides too much funding compared to other state contributions. Proponents of cutting U.S. contributions often overlook or minimize the significant savings the U.S. gets from investing in global peacekeeping, health, and development efforts that the U.N. tackles in coordination with the global community.³⁵ President Trump's repeated efforts to cut the U.N. budget—his presidential budgets have proposed zeroing out funds for some entities—create a vacuum of influence and leadership in the global body and create opportunities for other states to push their own budget priorities.

That is a mistake. U.S. disengagement has been a boon to Beijing, as it creates opportunities for China to double down on its global governance reform objectives. China is using every lever it has to reform the U.N. system because Beijing recognizes the power this system has to shape nation-state behavior. China has already made massive gains. Those gains—as outlined above—directly undermine U.S. national interests. To turn this around, the United States must pivot to full-spectrum global governance competition. Instead of leaning back, the United States must show up across the U.N. system and deploy every lever in its arsenal to protect and strengthen the rules, norms, and standards that foster global prosperity and security. Those rules, norms and standards directly benefit the United States. That is why Beijing is so keen to undermine them.

The Trump administration recently established a new special envoy with a mandate to stall China's growing influence at the United Nations and other international organizations.³⁶ That approach is not effective. At best, the administration is playing small-ball propaganda defense with no real firepower. This strategy is also likely to alienate partners and allies who have no interest in choosing sides between Washington and Beijing. It also hands Beijing easy wins, as China can claim U.S. opposition to Chinese U.N. proposals is simply one element in a desperate U.S. attempt to block Chinese actions across every domain.

The U.S. must shift from small-ball defense to full-spectrum offense. That will require the U.S. to resume leadership across the U.N. system and provide a positive and inclusive agenda that rallies other nations around common objectives. Specifically:

- **The United States should make U.N. funding a priority in U.S.-China competition.** The Trump administration has made cutting the U.N. budget a major priority and has touted its budget-cutting success. That is a mistake. U.S.-led efforts to cut the budget create a vacuum of influence for China—and other authoritarian actors like Russia—to fill. Beijing will soon gain yet another lever to exert influence over the U.N. budget: a Chinese government official is slated to occupy one of the three membership positions on the U.N. board of auditors starting July 1, 2020.³⁷ The United States cannot effectively

counter China's rising influence at the U.N. if it does not fully fund U.S. dues and push back against efforts to use budget cuts as an excuse to eliminate positions and budget items that promote human rights protections and advance the liberal democratic order.

- **The United States should maintain a strong presence across all key U.N. organizations.** Disengaging or leaving UN institutions – such as the Human Rights Council – creates a void that China and other authoritarian states are eager to fill. U.S. absence makes it too easy for authoritarian nations to revise the U.N. system in ways that directly undermine U.S. national interests. The United States cannot compete effectively if it does not send its own diplomats out onto the field.
- **The United States should provide targeted funding support for U.S. nationals to develop specialized expertise and move into leadership positions across the U.N. system.** Beijing is already working to train a new generation of Chinese-national U.N. experts and deploy them across the U.N. system.³⁸ The United States should do the same. For example, the United States can provide fellowships to encourage American students to participate in the U.N. internship program. That program provides an opportunity for students to get a first-hand look at U.N. operations, but the internships are unpaid, and students are responsible for their own travel and living expenses, making those opportunities out of reach for most Americans.³⁹ The United States should also establish government fellowships to bring rising American foreign policy talent into the U.S. Mission to the U.N.⁴⁰ The U.S. State Department currently runs fellowship programs to bring a more diverse pool of Americans into the Foreign Service.⁴¹ The United States should dramatically expand those programs to reach a much wider array of Americans and create specific tracks focused on training American diplomats to serve at the U.S. Mission to the U.N.
- **Congress should require the executive branch to report annually on the tactics China is deploying to advance its reform objectives across the U.N. system, what the U.S. is doing to compete, and where the U.S. is making gains and facing losses.** This approach will help establish a regular reporting and tracking mechanism and hold the executive branch accountable for its policy approach at the U.N. It will also provide a valuable resource for U.S. allies and partners and help the United States track and respond to shifting Chinese global governance reform strategies.

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- ¹⁴ International Strategy of Cooperation on Cyberspace, March 1, 2017, English version available at http://www.xinhuanet.com/english/china/2017-03/01/c_136094371.htm.
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- ¹⁹ U.N. General Assembly, “Seventy-third session, Agenda item 96, A/C.1/73/L.37” (Geneva: 2018), available at <https://undocs.org/A/C.1/73/L.37>; U.N. General Assembly, “Seventy-third session, Agenda item 96, A/C.1/73/L.27/Rev.1” (Geneva 2018), available at <https://undocs.org/A/C.1/73/L.27/Rev.1>. The alternative platform idea was also reportedly suggested by a Chinese representative at the fifth round of the GGE. See Adam Segal, “An Update on U.S.-China Cybersecurity Relations,” *Council on Foreign Relations*, November 17, 2017, available at <https://www.cfr.org/blog/update-us-china-cybersecurity-relations>.

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- ²⁴ United Nations, “Standards of conduct for the international civil service,” available at <http://www.un.org/en/ethics/pdf/StandConIntCivSE.pdf> (last accessed February 2019).
- ²⁵ Before assuming leadership of the International Civil Aviation Organization (ICAO), Fang Liu served in multiple leadership positions at the Civil Aviation Administration of China. See International Civil Aviation Organization, “Biography: Fang Liu,” available at <https://www.icao.int/secretariat/DrLiu/Pages/liu-biography.aspx> (last accessed February 2019); Allison Lampert and J.R. Wu, “U.N. agency snubs Taiwan, recognizing Beijing’s ‘one China’,” Reuters, September 22, 2016, available at <https://www.reuters.com/article/us-taiwan-china-idUSKCN11T08P>.
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- ²⁹ The Economist, “A New Battleground: In the UN, China uses threats and cajolery to promote its worldview,” December 7, 2019, <https://www.economist.com/china/2019/12/07/in-the-un-china-uses-threats-and-cajolery-to-promote-its-worldview>.
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- ³¹ For example, see: Mr. Liu Zhenmin Under-Secretary-General for Economic and Social Affairs, Statement at the High Level Symposium on the Belt and Road Initiative and 2030 Agenda, June 13, 2018, <https://www.un.org/development/desa/statements/mr-liu/2018/06/hl-on-belt-road-2030-agenda.html>. Kristine Lee and Alexander Sullivan, “People’s Republic of the United Nations: China’s Emerging Revisionism in International Organizations,” Center for a New American Security, May 2019, <https://s3.amazonaws.com/files.cnas.org/documents/CNAS-Report-China-IO-final-web-b.pdf?mtime=20190513092354>.
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- ³³ World Health Organization News Release, “WHO, China leaders discuss next steps in battle against coronavirus outbreak,” January 26, 2020, <https://www.who.int/news-room/detail/28-01-2020-who-china-leaders-discuss-next-steps-in-battle-against-coronavirus-outbreak>.
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- ³⁶ Colum Lynch, “U.S. State Department Appoints Envoy to Counter Chinese Influence at the U.N.,” *Foreign Policy*, January 22, 2020, <https://foreignpolicy.com/2020/01/22/us-state-department-appoints-envoy-counter-chinese-influence-un-trump/>.
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³⁸ Wei Liu, “China Wants More Chinese to Work in International Organizations,” *The Diplomat*, August 24, 2018, <https://thediplomat.com/2018/08/china-wants-more-chinese-to-work-in-international-organizations/>.

³⁹ Internship Programme, U.N. Careers, <https://careers.un.org/lbw/home.aspx?viewtype=ip>.

⁴⁰ Kristine Lee and Alexander Sullivan, “People’s Republic of the United Nations: China’s Emerging Revisionism in International Organizations,” Center for a New American Security, May 2019, <https://s3.amazonaws.com/files.cnas.org/documents/CNAS-Report-China-IO-final-web-b.pdf?mtime=20190513092354>.

⁴¹ For example, see: <http://rangelprogram.org/about-us/>

**PREPARED STATEMENT OF JONATHAN HILLMAN, SENIOR FELLOW AND
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AND INTERNATIONAL STUDIES**



**Statement before the
U.S. - China Economic and Security Review Commission**

***Hearing on “A ‘China Model?’ Beijing’s
Promotion of Alternative Global Norms
and Standards.”***

A Testimony by:

Jonathan E. Hillman

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March 13, 2020

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Introduction

Thank you for the opportunity to testify on China's promotion of alternative global norms and standards. I will focus on China's activities in three main areas:

1. Creating alternative institutions,
2. Working within existing institutions, and
3. China's Belt and Road Initiative (BRI), which touches both alternative and existing institutions.

As I'll explain, China's efforts to establish new institutions require further monitoring, but it would be a mistake to exaggerate their current scale and effectiveness. Beijing's willingness to start new institutions underscores its global ambitions and adds weight to its rhetoric about creating an alternative order.¹ But the challenges these efforts face are just as revealing. China's highest-profile initiatives have not delivered on their promises. Many operational and political barriers stand in the way. Most fundamentally, the world is not clamoring for Chinese leadership.

The more immediate and higher-stakes battle for influence remains within existing institutions. Having benefitted greatly from participating in existing institutions, China has little to gain from walking away from them. Instead, it is becoming a more influential actor within existing institutions and adopting a variety of strategies—participating, obstructing, or opposing—as individual issues require.² In recent years, U.S. neglect of these institutions has provided China more opportunities to advance its interests.

Most important, however, are China's bilateral activities. Beneath the BRI's multilateral veneer is an ocean of bilateral deals.³ Every project is a negotiation, and acting bilaterally allows China to be the strongest party at the table, increasing the likelihood that its partners will accept terms that favor Chinese interests. As reputational and financial challenges mount along the BRI, China is exploring ways to “multilateralize” these efforts, but it is unclear whether it is ready to pay the short-term costs required to do so. Sharing these risks requires sharing benefits more equitably and giving up some control.

After examining these three areas, I will conclude with brief recommendations for the United States and Congressional action.

¹Nadege Rolland, *China's Vision for a New World Order* (Seattle: National Bureau of Asian Research, January 2020), https://www.nbr.org/wp-content/uploads/pdfs/publications/sr83_chinasvision_jan2020.pdf.

²G. John Ikenberry and Darren J. Lim, “China's Emerging Institutional Statecraft: The Asian Infrastructure Investment Bank and the Prospects for Counter-Hegemony,” *Brookings*, April 2017, <https://www.brookings.edu/wp-content/uploads/2017/04/chinas-emerging-institutional-statecraft.pdf>; Evan A. Feigenbaum, “Reluctant Stakeholder: Why China's Highly Strategic Brand of Revisionism is More Challenging than Washington Thinks,” *Carnegie Endowment for International Peace*, April 27, 2018, <https://carnegieendowment.org/2018/04/27/reluctant-stakeholder-why-china-s-highly-strategic-brand-of-revisionism-is-more-challenging-than-washington-thinks-pub-76213>.

³Jonathan Hillman, *The Emperor's New Road: China and the Project of the Century*, (New Haven, CT: Yale University Press, 2020 (forthcoming)).

Shock and Flaw: Alternative Institutions

New institutions make great headlines. They often reveal the weaknesses of existing institutions, and in doing so, appear to suggest the status quo cannot hold. If something is beginning, it is tempting to conclude that something else must be ending. When China is behind new institutions, the storylines come easily: Beijing is rising, and Washington is declining. That's exactly how Beijing likes it, and these narratives are a major incentive for announcing new initiatives.

But building effective institutions is incredibly difficult, even more so if they are multilateral. And while the desire for new institutions often does reflect the shortcomings of existing institutions, replacement is a high bar. Historically, the conditions for replacement have come in the aftermath of global conflicts. In the absence of those conditions, replication is more likely than replacement. China's efforts to build new institutions have understandably generated anxiety, but that shock often distracts from the flaws of its new offerings.

The Asian Infrastructure Investment Bank (AIIB) vividly captures these dynamics. Five years ago, many observers interpreted its launch as directly undermining the United States. "The AIIB is the realisation of a long push by China to rewrite the rules of global economic and financial governance,"⁴ one commentator wrote. Another called it "the moment the United States lost its role as the underwriter of the global economic system."⁵ Yet another said, "The United States has lost its way and is rapidly forfeiting claims to global financial, economic, political and moral leadership."⁶ These simple narratives—win-lose, rise-decline—were irresistible.

Since then, the AIIB has done more to replicate existing practices than to revise them. Its governing charter borrows extensively from existing MDB charters.⁷ Two-thirds of its senior staff spent time at those institutions. Roughly half of its projects have been co-financed with other MDBs. In sum, its policies, people, and processes all reflect existing institutions.

It is still early days at the AIIB, of course, and these activities could change. To date, the AIIB has invested roughly \$12 billion.⁸ To put this into perspective, the Asian Development Bank (ADB) invested roughly that amount in energy, transport, and water, and other infrastructure services in 2018 alone, plus an additional \$9 billion in other commitments.⁹ As of March 2019, China Development Bank had provided over \$190 billion in financing for projects under China's

⁴ Cary Huang, "China-led Asian Bank Challenges U.S. Dominance of Global Economy," *South China Morning Post*, April 11, 2015, <https://www.scmp.com/news/china/economy/article/1763525/china-led-asian-bank-challenges-us-dominance-global-economy>.

⁵ Lawrence Summers, "Time U.S. Leadership Woke Up to a New Economic Era," *Financial Times*, April 5, 2015, <https://www.ft.com/content/a0a01306-d887-11e4-ba53-00144feab7de#axzz3XokgNEX2>.

⁶ Kevin Rafferty, "U.S. Forfeiting Its Leadership in Global Finance to China," *Japan Times*, March 23, 2015, <https://www.japantimes.co.jp/opinion/2015/03/23/commentary/world-commentary/u-s-forfeiting-its-leadership-in-global-finance-to-china/#.XmEBN6hKgDU>.

⁷ Natalie Lichtenstein, *A Comparative Guide to the Asian Infrastructure Investment Bank* (Oxford: Oxford University Press, 2018). <https://global.oup.com/academic/product/a-comparative-guide-to-the-asian-infrastructure-investment-bank-9780198821960?cc=us&lang=en&>

⁸ AIIB, "Asian Infrastructure Investment Bank," *AIIB* Accessed March 2, 2020, <https://www.aiib.org/en/index.html>.

⁹ ADB, *Asian Development Bank: 2018 Annual Report*, (Manila: Asian Development Bank, 2019), <https://www.adb.org/sites/default/files/institutional-document/496016/adb-annual-report-2018.pdf>.

BRI.¹⁰ Yet the announcement of the AIIB inspired greater anxiety in Washington than the announcement of China's BRI.¹¹

And while the worst fears about the AIIB have not yet come to pass, neither have its grand promises of being a new institution that is “lean, clean, and green” – at least in any way that is significantly better than existing MDBs. Its staff is “lean” because it has relied on co-financing arrangements with existing MDBs, which, for the most part, have done the heavy technical lifting in assessing and monitoring projects. Scaling up and becoming more self-sufficient will surely require more staff. Likewise, commitments to anti-corruption (“clean”) are based on existing practices. The AIIB aspires to be “green” but has not ruled out using coal in its energy strategy.

The New Development Bank (NDB), originally known as the BRICS Development Bank, is often mentioned alongside the AIIB, but it has several important distinctions.¹² It is less transparent than the AIIB and provides less project documentation to the public. It does not participate in the cross-disbarment processes of the leading MDBs, which suspend firms for fraud and corruption. The NDB's social and environmental standards are also less developed than the AIIB's. It has invested \$10.2 billion since beginning operations in 2016, with all its projects occurring within the five participating countries.

Other constraints suggest the NDB will remain a relatively marginal institution. Since it is an institution by five countries, for the benefit of those five countries, its reach is limited. Differences among the five countries pose challenges as well. Sanctions against Russia, for example, have made it more difficult to lend to Russian companies. New Delhi played a more active role in its founding than did Beijing, and tensions between them could limit cooperation in the future. What its members do have in common are poor credit ratings, which limits the NDB's ability to raise capital.

The Shanghai Cooperation Organisation (SCO) is another effort that appears more consequential than it is in reality. It was founded in 1995 as the “Shanghai Five” to focus on combatting the “three evils” of extremism, terrorism, and separatism. In 2001, Uzbekistan joined, and the group was renamed the SCO. Until recently, China and Russia have set the agenda for the most part, but the SCO operates by consensus, which limits its agency. In 2017, India and Pakistan became members. While their participation increases the top-line statistics that the SCO can claim in terms of population and GDP, it only makes reaching consensus more difficult.

In recent years, China has tried to expand the SCO's economic agenda. It has floated the idea of a trade agreement among members and a development bank, but neither effort has moved forward. Moscow wants to protect its interests in the Russian-led Eurasian Economic Union, and

¹⁰ Reuters, “China Development Bank Provides Over \$190 Billion for Belt and Road Projects,” *Reuters*, March 27, 2019, <https://www.reuters.com/article/us-china-finance-cdb-bri/china-development-bank-provides-over-190-billion-for-belt-and-road-projects-idUSKCN1R8095>.

¹¹ Daniel W. Drezner, “Counter-Hegemonic Strategies in the Global Economy,” *Security Studies* 28 (2019): 505-531. <https://www.tandfonline.com/gate3.library.lse.ac.uk/doi/full/10.1080/09636412.2019.1604985>

¹² Hongying Wang, “The New Development Bank and the Asian Infrastructure Investment Bank: China's Ambiguous Approach to Global Finance Governance,” *Development and Change* 50, no. 1 (2019): 221-244. <https://onlinelibrary.wiley.com/doi/abs/10.1111/dech.12473?af=R>

is wary of deeper economic integration, despite official promises to “link” it with China’s BRI. India’s joining the SCO also further complicates trade efforts. The SCO continues to generate intrigue as a non-Western arena for global governance, but these bigger economic efforts remain aspirational.¹³

China is also laying the foundation for alternative financial institutions – a broad set of activities that warrants a separate hearing. Briefly, I will focus specifically on China’s credit ratings, as the Commission requested. Important related areas include China’s bilateral swap agreements, its development of digital currency, e-commerce, and other financial services. The United States remains in a strong position in international financial systems, but the benefits that flow from the dollar’s status as the world’s reserve currency are often taken for granted.¹⁴ The overuse of U.S. sanctions unintentionally gives momentum to China’s alternatives and could erode the U.S. ability to use these tools of financial statecraft.

Credit ratings are consequential because they influence the interest rates that companies and governments pay. Higher ratings signal lower risk of default, giving investors the confidence to offer lower rates. The “Big Three” credit rating agencies are Standard & Poor’s (S&P), Moody’s, and Fitch Group, and all are either based in the U.S. or dual-headquartered in New York and London (Fitch). On occasion, typically following downgrades of China’s sovereign debt, Chinese officials have accused these firms of bias.¹⁵

China has struggled to develop its own ratings agencies, which lack the independence and trust that the “Big Three” have developed over time. Of China’s nine domestic rating agencies, five have some degree of state ownership.¹⁶ These domestic agencies have been generous, with 80 percent of their ratings at AA or higher.¹⁷ One study found that domestic ratings were 6-7 notches higher, on average, than ratings by global agencies.¹⁸ This is an economic equivalent of the Lake Wobegon effect: In China, all economic fundamentals are strong, all debt is good-looking, and all companies are above average.

Ratings also reflect, and can influence, governance norms. Although technical, they essentially make judgements about the strengths and weaknesses of the entities they rate. An alternative way of evaluating risk is not simply a pronouncement that an interest rate should be adjusted. In the case of sovereign ratings, it can also reflect judgements about whether state interventions in the economy, and control of society, are viewed positively or negatively.

¹³ Alexander Cooley, “What’s Next for the Shanghai Cooperation Organization?,” *Diplomat*, June 1, 2018, <https://thediplomat.com/2018/06/whats-next-for-the-shanghai-cooperation-organization/>.

¹⁴ Carla Norrlof, Paul Poast, Benjamin J Cohen, Sabreena Croteau, Aashna Khanna, Daniel McDowell, Hongying Wang, W Kindred Winecoff, Global Monetary Order and the Liberal Order Debate, *International Studies Perspectives*, ekaa001 (February 2020), <https://doi.org/10.1093/isp/ekaa001>.

¹⁵ Bonnie Cao, “China’s Finance Minister Accuses Credit-Rating Companies of Bias,” *Bloomberg*, April 16, 2016, <https://www.bloomberg.com/news/articles/2016-04-16/china-s-finance-minister-accuses-credit-rating-agencies-of-bias>.

¹⁶ Kate Jaquet, “Understanding China’s Bond Ratings,” *Diplomat*, June 27, 2019, <https://thediplomat.com/2019/06/understanding-chinas-bond-ratings/>.

¹⁷ Hudson Lockett and Yizhen Jia, “China’s Bond Market is Opening—But are the Rating Agencies Ready?” *Financial Times*, April 4, 2019, <https://www.ft.com/content/e6ea3c7c-55f8-11e9-91f9-b6515a54c5b1>.

¹⁸ Xianfeng Jiang and Frank Packer, “Credit Ratings of Domestic and Global Agencies: What Drives the Differences in China and How are They Priced?,” *BIS Working Papers* 648 (June 2017), <https://www.bis.org/publ/work648.htm>.

One of China's oldest rating agencies, Dagong, is a cautionary tale. China's domestic agencies have focused on domestic municipal and corporate ratings, but in 2010, Dagong ventured into providing sovereign ratings. It gifted China an AA+ rating, and demoted the United States to an AA rating. By 2018, the company was issuing ratings for almost 90 countries.¹⁹ As my colleague Scott Kennedy has found, Dagong was systematically underrating democracies and overrating authoritarian regimes. No one took this stunt seriously, as Kennedy points out, but the ratings could "reinforce other prominent norms favored by Beijing, including state intervention in the economy and regime control of information and the internet."²⁰

Because China does not have a rating agency with the name recognition and trustworthiness of the Big Three, it may be better served by coopting existing rating agencies. Last year, China granted the first approval to a foreign credit rating agency, S&P Global, to rate China's domestic debt. S&P uses the same range of ratings to grade China's domestic debt as it does internationally, but the ratings are not intended to be equivalent. This could change in the future, but even if technical hurdles are overcome, China may resist efforts to map its domestic ratings until the comparisons are more favorable. For now, China appears to get the best of both worlds: a trusted global brand and its own set of ratings.²¹

The Open Door: Existing Institutions

Even as China creates alternatives, it is intensifying activities within existing institutions. U.S. disengagement from these institutions has provided China with more opportunities to assume leadership positions and advance its interests. Recently, U.S. officials appear energized by China's growing clout in these institutions. Hopefully that anxiety is channeled toward productive ends, including greater U.S. financial and diplomatic engagement. Otherwise, these reactions risk missing the bigger point: existing institutions are worth strengthening and updating to advance U.S. interests regardless of China.

Chinese officials lead 4 of 15 UN agencies, and naturally use these positions to advance Chinese interests. At the International Civil Aviation Organization (ICAO), which coordinates safe and secure air traffic, China has blocked Taiwan's participation as an observer. This prevents the agency from sharing information with an important aviation hub. This information-sharing can be critical during crises such as the on-going spread of coronavirus. Beijing's insecurity is apparent in ICAO's habit of blocking Twitter users who criticize ICAO for excluding Taiwan.

At the International Telecommunication Union (ITU), China has pushed standards that strengthen the role of the state. It has tried to remove references to "freedom of expression" and "democratic" and advocated for using "multilateral" rather than "multistakeholder," the latter implying the need to include the views of civil society and businesses rather than just those of

¹⁹In August 2018, Dagong received a one-year suspension from rating debt after the government discovered it was charging "consultation" fees from companies it rated. In the wake of the scandal, China Reform Holdings, a state-owned company, stepped in to acquire it.

²⁰ Scott Kennedy, "In China's Credit Ratings, Democracies Pay a Price," *Foreign Policy*, August 8, 2019, <https://foreignpolicy.com/2019/08/08/976045-china-dagong-credit-creditratings-democracy/>.

²¹ China is not the only country that S&P uses a national ratings scale that is not mapped to its global ratings. Others include India and Israel.

the government.²² China promotes “cyber-sovereignty,” which justifies censorship, data localization, and other practices at odds with a free and open internet. With a growing number of countries interested in this approach, China is eager for the UN to play a larger role in internet governance.²³

Chinese companies are highly active at the ITU as well. They flood working groups with proposals and show up in large numbers. An investigation by *The Financial Times* last December found that Chinese companies had made every submission for surveillance standards to the ITU during the previous three years.²⁴ Standards adoption is voluntary, but having the blessing of a UN agency lends legitimacy, and developing countries in particular often look to the ITU for guidance. Chinese firms are the leading suppliers of surveillance equipment, so setting ITU standards could further cement their position in emerging markets.

China’s success in winning last year’s election to lead the Food and Agriculture Organization (FAO) appears to have been a wake-up call for the United States. The United States opposed China’s candidate for the director-general spot, but did so relatively late in the process and without a coherent strategy.²⁵ The U.S. representative to the FAO was confirmed last April, roughly two months before the election. Rather than band together with the EU, the United States supported a different candidate. That loss was all the more striking because the U.S. and EU are the FAO’s leading funders.

The FAO episode also revealed the high priority China placed on winning the position, and the lengths to which it was willing to go. According to reports, China allegedly cancelled some of Cameroon’s debt so that it would drop its candidate from the race, paid for first-class airfare and luxury accommodation for foreign officials and their families, and threatened to block exports from South American countries. After its candidate won, China’s Ministry of Foreign Affairs said the election was a “show of high appreciation of China’s support for multilateralism and advancing global development.”²⁶

It is encouraging that U.S. officials were more successful in the most recent UN agency election. Last week, China’s candidate for the World Intellectual Property Organization lost the election to Singapore’s candidate, who was supported by the United States. More elections are coming. Six

²² Dan Levin, “At UN, China Tries to Influence Fight Over Internet Control,” *New York Times*, December 16, 2015, <https://www.nytimes.com/2015/12/17/technology/china-wins-battle-with-un-over-word-in-internet-control-document.html>.

²³ Adam Segal, “When China Rules the Web: Technology in Service of the State,” *Foreign Affairs*, September/October 2018, <https://www.foreignaffairs.com/articles/china/2018-08-13/when-china-rules-web>.

²⁴ Anna Gross and Madhumita Murgia, “China Shows Its Dominance in Surveillance Technology,” *Financial Times*, December 26, 2019, <https://www.ft.com/content/b34d8ff8-21b4-11ea-92da-f0c92e957a96>.

²⁵ Colum Lynch and Robbie Gramer, “Outfoxed and Outgunned: How China Routed the U.S. in a UN Agency,” *Foreign Policy*, October 23, 2019, <https://foreignpolicy.com/2019/10/23/china-united-states-fao-kevin-moley>.

²⁶ Keegan Elmer, “UN Food Agency FAO May Face More U.S. Scrutiny with Chinese National Qu Dongyu at the Helm,” *South China Morning Post*, June 24, 2019, <https://www.scmp.com/news/china/diplomacy/article/3015906/fao-may-come-under-more-us-scrutiny-chinese-national-qu-dongyu>.

of the UN's 15 agencies will have elections by the end of 2021.²⁷ And it is premature to take a victory lap. The guiding metric for success should not be the nationality of each director-general, but the degree to which the United States can advance its own affirmative agenda through these agencies. Successfully backing the right candidate is only a first step toward that bigger goal.

Within and beyond the UN, China's strategies for engaging with existing institutions are selective. For example, China has refrained from joining the Paris Club, which would require it to adhere to higher standards of debt disclosure. At the International Labour Organization, China has ratified only half of the fundamental conventions, ignoring those on forced labor and the abolition of forced labor, freedom of association, the right to organize, and collective bargaining. It has ratified only 11 percent of the ILO's technical conventions, which include issues such as occupational safety and health.²⁸ China has attacked the international tribunal ruling against its claims in the South China Sea. Not surprisingly, China agrees with multilateral processes when favorable to its interests and obstructs or opposes them when necessary.

China has been seeking greater authority at the World Bank, the IMF, the World Trade Organization, and other existing institutions.²⁹ Among these are the same institutions that many commentators believed the AIIB threatened. China has also persuaded these institutions to endorse the BRI in various forms, as it has within the UN. The UN Development Program produced a cartoon extolling the BRI's benefits, and China had the heads of the UN and the WTO speak at the first Belt and Road Forum in May 2017. They see an opportunity to hitch their own agendas to Xi Jinping's signature foreign policy vision, and their participation adds to the illusion cultivated by Beijing that the BRI itself is multilateral.

Flatteralism: Deals along the Belt and Road

The BRI shows that China, like any rational power, wants the legitimacy that multilateralism conveys without the constraints it imposes. BRI events are choreographed to give the impression of global participation. Scores of world leaders are photographed standing shoulder to shoulder. Chinese state media often lump together countries and international organizations to come up with a single large statistic about the number of participants.

At the most recent Belt and Road Forum, China's list of deliverables was packed with initiatives that sound multilateral. There were 27 "multilateral cooperation mechanisms" including everything from "green" investment principles to statements on intellectual property to the

²⁷ See table: Mary Hui, "The U.S. is Relieved that Singapore Beat Out China's Nominee as the New UN IP Agency Head," *Quartz*, March 4, 2020, <https://qz.com/1809325/to-us-relief-singapore-beats-china-as-new-un-ip-agency-head/>.

²⁸ ILO, "Up-to-date Conventions and Protocols Not Ratified by China," *International Labour Organization*, Accessed March 6, 2020, https://www.ilo.org/dyn/normlex/en/f?p=1000:11210:0::NO:11210:P11210_COUNTRY_ID:103404.

²⁹ James Politi, "U.S. Warns of Chinese Influence at Multilateral Lenders," *Financial Times*, December 20, 2018, <https://www.ft.com/content/0fd1c990-030e-11e9-99df-6183d3002ee1>; Jue Wang, "China-IMF Collaboration: Toward the Leadership in Global Monetary Governance," *Chinese Political Science Review* 3 (2018): 62-80, <https://link.springer.com/article/10.1007/s41111-017-0085-8>; Marcia Don Harpaz, "China and the WTO: On a Path to Leadership?," in *Handbook of the International Political Economy of China*, ed. Ka Zeng (Jerusalem: Edward Elgar Publishing, 2018), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3178754.

“Network of Silk Road Arts Festivals” (not to be confused with the “the Silk Road International Alliance of Art Museums and Galleries”). Most, but not all, of these can be dismissed as fluff.³⁰ For example, the Multilateral Cooperation Center for Development Finance, considered at the end of this section, warrants further attention.

China’s regional fora, which predate the BRI and have been harnessed in recent years to promote it, have similar dynamics. China brings together groups of countries in Central and Eastern Europe, Africa, and Latin America under the cover of a multilateral gathering. These groupings give the outward appearance of inclusivity and consensus building. In statements, the participants affirm their commitment to principles such as openness and transparency and genuine multilateral institutions like the World Trade Organization and the United Nations.

These summits have practical and political advantages as well. Chinese officials efficiently lavish high-level attention on smaller economies. And when China comes to town, its summits are less board meetings than auditions. Countries from each region compete for its attention. But in reality, China and its partners do not subscribe to a common set of rules that significantly impacts their behavior. Nor is much of consequence done by consensus. China’s multilateralism through the fora and the BRI more generally lacks depth, and it relies on stroking egos and dangling bilateral deals. Call it “flatteralism,” or just savvy diplomacy.

The limits of China’s bilateral approach are evident in the MOUs that Beijing has pushed so many countries to sign. Chinese officials make a point of claiming that the BRI will be tailored to promote local development goals, but the MOUs use boilerplate, nonbinding language. Occasionally, a mention is made to “link” or “align” the BRI with a partner’s development plan, but how that will happen is not spelled out. Participation is no guarantee of investment, and the longer the list of BRI cooperation documents grows, the less signing them means.

By design, the BRI is a sea of bilateral deals. Every project is a negotiation, and dealing bilaterally gives China advantages at the table. Politically, it allows China to operate without the greater scrutiny and transparency that true multilateralism often requires. The opaque nature of these deals allows China to ask for political concessions and green-light projects for non-economic reasons. As the stronger party at the table, China favors its companies, its standards, and its dispute resolution processes.

China’s approach to delivering projects is different from the “Western” approach in several respects.³¹ Chinese investors tend to overestimate project benefits and underestimate negative consequences such as environmental, social, and governance shortcomings. Rather than focus exclusively on the individual returns of each project, Chinese officials often take a broader “portfolio” or “system” view of projects in a given country. In this way of thinking, the absence of supporting infrastructure, such as roads leading into a proposed port, is viewed as an

³⁰ For a useful examination of the environmental initiatives announced, see: Lachlan Carey and Sarah Ladislaw, “Chinese Multilateralism and the Promise of a Green Belt and Road,” *Center for Strategic and International Studies*, November 5, 2019, <https://www.csis.org/analysis/chinese-multilateralism-and-promise-green-belt-and-road>.

³¹ Bushra Bataineh, Michael Bennon, and Francis Fukuyama, “How the Belt and Road Gained Steam: Causes and Implications of China’s Rise in Global Infrastructure,” *CCDRL Working Papers* (May 2019), https://fsi-live.s3.us-west-1.amazonaws.com/s3fs-public/how_the_belt_and_road_gained_steam-causes_and_implications_of_chinas_rise_in_global_infrastructure_2.pdf.

opportunity (to build that road) rather than a shortcoming that undercuts the port. China is also willing to start projects faster and handle risk later in the project cycle, while the World Bank and other MDBs focus on mitigating risk at the front end of the project cycle.

Given the risks inherent in China's approach, it is taking additional steps to safeguard its interests when problems arise. In 2018, it established international courts to handle disputes around BRI projects.³² This is a smart move because large projects are usually delayed, costlier than expected, and deliver fewer benefits than expected.³³ These challenges are even greater in the risky business environments that China is pushing into. Globally, nearly a third of joint construction ventures experience a dispute. The average dispute takes 14 months to resolve and costs \$43 million. Costs are highest in Asia, where they averaged \$84 million per dispute in 2016.³⁴ When disputes arise, China would naturally prefer to have them settled in venues that safeguard its interests. There is also symbolic value in these new courts, which were even structured to coincide with the BRI's overland and maritime components.

China's interest in setting up these courts is clearer than the market demand for them. There are already established, experienced international bodies for handling disputes, such as those in Hong Kong, Singapore, and London. It is not apparent why non-Chinese parties would opt for using China's courts, which are less experienced. Rather than adding new mechanisms, countries participating in BRI projects and other infrastructure projects in the region would be better served by taking steps to harmonize and enforce existing measures.³⁵ Having handled relatively few cases, and given the availability of alternatives, China's courts warrant further monitoring but remain underdeveloped.

Despite its risks, China's approach to delivering projects remains attractive to countries without better alternatives. Consider a basic choice that officials in developing countries face. On the one hand, they can work with China to build a highway, financed at higher rates, with obligations to use Chinese contractors, that they know might need to be rebuilt in 15 years. On the other hand, they can choose to forgo the highway. To sweeten the first option, China will deliver the highway in time for an upcoming election. And looking harder at the second option, the officials making the decision realize they won't be in office when it comes time to rebuild the road. Given these incentives, the sheer need for infrastructure investment globally guarantees that China will have opportunities to do projects in foreign countries as long as it has the will and the wallet.

³² Jonathan Hillman and Matthew Goodman, "All Rise? Belt and Road Court is in Session," *Center for Strategic and International Studies*, July 26, 2018, <https://www.csis.org/analysis/all-rise-belt-and-road-court-session>.

³³ Bent Flyvbjerg, "Introduction: The Iron Law of Megaproject Management" in *The Oxford Handbook of Megaproject Management*, ed. Bent Flyvbjerg (Oxford: Oxford University Press, 2017), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2742088.

³⁴ Arcadis, *Global Construction Disputes Report 2017: Avoiding the Same Pitfalls* (Arcadis, 2017), https://images.arcadis.com/media/D/B/0/%7BDB0605C1-66EE-4648-A6F1-7451A34A881E%7DGlobal%20Construction%20Disputes2017-Online.pdf?_ga=2.115184391.1634523950.1583502176-1409831227.1583502176.

³⁵ Vivienne Bath, "Dispute Resolution Along the Belt and Road," *East Asia Forum*, June 7, 2019, <https://www.eastasiaforum.org/2019/06/07/dispute-resolution-along-the-belt-and-road/>.

Yet several factors are constraining the BRI. The BRI's early years were all about expansion—in sheer numbers of projects, geography, and functionally.³⁶ Project activity has now slowed down, due to both internal and external pressures. Chinese foreign exchange reserves are down, and officials are more concerned about risk levels. The Covid-19 outbreak is a double-hit to the BRI, harming China's growth at home and slowing its projects abroad. Meanwhile, recipient countries are viewing projects with greater scrutiny, with an eye to debt sustainability, environmental impacts, and overall economic viability. Both sides are still trying to salvage early projects, and fewer obvious deals remain. The low-hanging fruit has been harvested, and some of it was rotten. Exactly how much remains an open question.

These trends could incentivize China to “multilateralize” its activities by bringing in additional partners. One development to watch is China's establishment of a “Multilateral Cooperation Center for Development Finance.” The Chinese Ministry of Finance announced its intention to explore this effort in an MOU with several MDBs during the first BRI Forum in 2017. The expressed goal is to “foster high-quality infrastructure and connectivity investments for developing countries,” with a focus on information sharing between partners, capacity building, and project preparation. Operational details are still being worked out, but it is likely that the AIIB will house it.

There are two ways to read this effort. The more optimistic reading is that Chinese officials, having made mistakes during the BRI's early years, are looking for ways to improve project outcomes. Bringing in more partners would help China share financial and reputation risks. With BRI spending declining in recent years, and several high-profile missteps, both could be powerful motives. A more cynical reading is that Chinese officials are eager to repair the BRI brand, while continuing many of the practices that tarnished it in the first place. Actually multilateralizing the BRI would come with costs for Beijing, including sharing more information, control, and the spoils of projects.

The proof will be in the projects. Will they meet World Bank standards, or China Development Bank standards? Key areas include transparency and anti-corruption, debt sustainability, environmental and social impacts. China has already agreed to the G20 Principles for Quality Infrastructure Investment, which address many of these concerns. But it has yet to demonstrate a commitment to carrying them out in practice along the BRI. If the “Cooperation Center” results in the AIIB being used as a conduit for lower-quality projects, the reputation it has built over the past five years will deteriorate quickly.

China is still learning, and its activities through the BRI echo those of the great powers that have gone before it.³⁷ For example, in Pakistan, home to the BRI's flagship corridor, China is pouring money into an energy sector that suffers from the same problems the United States and the World Bank have encountered for decades. In Southeast Asia, China is following in Japan's footsteps. It is worth recalling that developed nations banded together to form multilateral development banks not purely out of good will, but also with a strong dose of self-interest.

³⁶ Jonathan Hillman, “China's Belt and Road Initiative: Five Years Later,” *Center for Strategic and International Studies*, January 25, 2018, <https://www.csis.org/analysis/chinas-belt-and-road-initiative-five-years-later-0>.

³⁷ Jonathan Hillman, *The Emperor's New Road*

Having struggled to go it alone, they decided it would be wise to share reputational and financial risks. With time, and more mistakes, China may eventually reach a similar conclusion.

Recommendations

Three guiding principles follow from the observations above. First, the United States should strengthen existing institutions. While new alternatives generate more attention, and often more anxiety, existing institutions remain more important. That's why China is investing heavily in them. Although China is the proximate cause for renewed interest in the UN and other international organizations, rekindling U.S. commitment to these institutions is worthwhile regardless of whether China is placing its candidates in positions of authority within those institutions. In other words, the U.S. should pursue its own affirmative agenda.

Second, the United States should carefully weigh the costs and benefits of participating in alternative institutions. In retrospect, the U.S. overreaction to the AIIB appears to have been an unforced error. U.S. criticism likely encouraged the AIIB to proceed cautiously, but the larger positive impact stemmed from the involvement of U.S. partners and allies in standing up the institution. Participation is not always the answer, but being at the table usually provides more opportunities to gather intelligence and exert influence. Vociferously opposing alternative institutions can also have the perverse effect of making them appear more important than they are in reality.

Third, the best answer to China's bilateral deal-making along the BRI is authentic multilateralism. For political and fiscal reasons, the United States does not have the public resources to match Chinese spending dollar-for-dollar on foreign infrastructure, nor should it. But the United States has other strengths, including deep pools of private capital, talented companies, and a network of allies and partners, many of whom are already deeply engaged in areas where the BRI is unfolding. Although important operational details need to be worked out, the Blue Dot Network is an encouraging development because it aims to bring together these strengths and expand the availability of higher-quality alternatives.³⁸

Strategic engagement is the theme that runs through these principles, and Congress has an important role to play in making that engagement possible. Important steps include, for example: preserving U.S. influence by funding activities at the United Nations, World Bank, Asian Development Bank, and other multilateral development banks; investing in the State Department; and expanding the presence of U.S. commercial service officers in key markets globally. China's diplomatic footprint now exceeds that of the United States, and it is this footprint that it draws from to move projects from concept to reality along the BRI.³⁹ Congress should also consider steps to improve the new Development Finance Corporation's ability to take equity positions. This was a major selling point for the DFC, which received bipartisan support, and could be a much more powerful tool.

³⁸ Matthew Goodman, Daniel Runde, and Jonathan Hillman, "Connecting the Blue Dots," *Center for Strategic and International Studies*, February 26, 2020, <https://www.csis.org/analysis/connecting-blue-dots>.

³⁹ Lowy Institute, "Global Diplomacy Index" (Sydney: Lowy Institute, 2019), <https://globaldiplomacyindex.lowyinstitute.org/>

Finally, while it cannot solve this challenge alone, Congress should encourage the Executive branch to correct the troubling trend of U.S. disengagement from multilateralism. Since 2017, the United States has withdrawn from the Trans-Pacific Partnership, the Paris Agreement, the Iran nuclear agreement, and paralyzed the WTO's dispute resolution mechanism. Sadly, this is not an exhaustive list. To be sure, multilateralism is difficult by definition. It requires skill and a guiding strategy. The United States does not need to pursue multilateralism for the sake of it. But as U.S.-led multilateralism becomes rarer, it becomes more difficult for the world to distinguish between authentic multilateralism and China's shallow alternatives.

**PREPARED STATEMENT OF BRADLEY MURG, PH.D., ASSISTANT PROFESSOR
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**China's Activities to Revise Global Governance Norms:
Emerging Trends from Mainland Southeast Asia**

Testimony to the U.S.-China Economic and Security Review Commission Hearing:
"A 'China Model?' Beijing's Promotion of Alternative Global Norms and Standards"

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March 13, 2020

Chairs Talent and Goodwin, Distinguished Members of the Commission, it is an honor to testify here today. Thank you very much for the invitation to discuss China's activities aimed at the revision of global governance norms – this is a vital topic with serious implications for U.S. public diplomacy, aid policy, and global economic engagement.

Beijing's view of the norms that buttress the formal institutions of governance is indeed a global one; however, its actions have, at this point, most strongly influenced one region: Southeast Asia. This should come as no surprise in that China has long viewed Southeast Asia in general and mainland Southeast Asia in particular as being both essential to its rise towards Great Power status¹ and as something of a testing ground for the rolling out of new initiatives and institutions that, if successful, can subsequently be applied in other regional contexts. It is the place of Southeast Asia as a "testing ground" and the implications thereof for understanding the next steps in China's approach to global governance that I would like to highlight today.

Over the last two years, China's much vaunted Belt and Road Initiative (BRI) began to experience serious popular blowback in light of concerns ranging from debt-trap diplomacy to the lack of transparency in BRI programming to regular violations of OECD Development Assistance Committee (DAC) best practice guidelines. The appeal of enormous sums of investment and aid alone proved to be insufficient to moot criticism of Beijing in recipient states in light of its various missteps or miscalculations in BRI's implementation. This reality has yielded a recognition in Beijing – as announced by President Xi Jinping last year - that BRI needs to be reformed if it is to achieve its mission.

The sheer scale of BRI and its status as President Xi's signature foreign policy initiative places it at the center of any discussion of China's approach to the revision of global governance norms and the development of alternative institutions challenging the status quo equilibrium. However, at present, there is a distinct lack of clarity as to how "BRI 2.0" is likely to develop and how Beijing will respond to criticisms by BRI partner states of the initial implementation of the

¹ Zhang Yunling. 2016. "China and Its Neighborhood: Transformation, Challenges, and Grand Strategy," in *International Affairs* 92, no. 4.

initiative. While China has recognized that the roll out of BRI was problematic and significant changes to that initiative are necessary, how it will be reformed and the implications of those changes remains an open question.

Importantly, the issues with BRI directly parallel the situation in Southeast Asia four years ago, when Beijing established the Lancang-Mekong Cooperation (LMC) mechanism partially in response to growing negative perceptions of China within the Mekong states. The allocation of billions of dollars of funding, alone, was insufficient. If Beijing is to successfully take on the role of regional hegemon in Southeast Asia, it requires either an alternative set of institutions to legitimize its role in the eyes of local elites and the population at large or to redeploy existing institutions to support its own interests. Furthermore, it requires a clear, framing narrative to support these institutional changes.

As China climbs the learning curve of public diplomacy and local engagement and attempts to improve its efficacy in those areas across the globe, Beijing's recent initiatives in Southeast Asia are usefully viewed as a set of pilot programs – the outcomes of which are likely to significantly influence how BRI will develop. Uniquely, China's actions in Southeast Asia are able to provide newinsight into the direction of Chinese policy globally in both the short and long terms as Beijing seeks to achieve its own interests while avoiding the perceptions of heavy-handedness and control that have damaged the country's brand in recent years.

Establishing Alternative Institutions: The Development of the LMC

Nearly a decade ago, after years of neglect, China actively re-entered a Southeast Asia where multilateral and bilateral cooperation institutions were already thick on the ground – the Asian Development Bank's Greater Mekong Subregion (GMS) initiative and the Western-supported Mekong River Commission (MRC) being two of the longest standing. Moreover, Beijing has had to engage with ASEAN, which, while suffering from continuing capacity issues, has sought to serve as an entrepreneur of regional norms and as the primary focal point for regional cooperation.

Beijing has been diligent in working to frame its own institutions as entirely complementary with ASEAN – a core element of an official discourse that seeks to frame China as an actor seeking continuity and stability rather than disruptive change. In light of its role as an economic engine for the region since the 2008 financial crisis, Beijing seeks to use the positive externalities of its economic growth and its substantial investment and aid in the region in order to present itself as the status quo player, contra a revisionist, inward-looking United States. While that narrative might seem absurd in Washington, for a generation of Southeast Asians – an ever-growing China that increasingly drives the economies of the region is the only experience they have had of their northern neighbor. The dynamics of China's approach are particularly well depicted by the development of the LMC.

Established through the 2016 Sanya Declaration, the LMC is the most straightforward exemplar of the creation and development of a Chinese-led alternative to established institutions – albeit

one actively designed to avoid precisely that perception. The LMC framework is grounded in three pillars: (i) public policy and security cooperation; (ii) economic and sustainable development cooperation; and (iii) social, cultural, and people-to-people exchanges. These directly parallel ASEAN's pillars, as institutionalized through the ASEAN Political-Security Community (APSC), the ASEAN Economic Community (AEC), and the ASEAN Socio-Cultural Community (ASCC) with the LMC regularly framed as contributing to ASEAN integration as a whole and consistent with the goals of that institution.

Rather than a process of rapid institutional displacement, Beijing's approach in building the LMC has been gradual – the creation of a new, exclusive institution, one with membership rules precluding the participation of the United States and Japan, that progressively adds more and more layers of activity and investment over time until such time as it quietly displaces or undermines pre-existing institutions.

It is in the third LMC pillar, covering socio-cultural matters, that China's actions best demonstrate its new utilization of think tanks and other official and unofficial entities in Southeast Asian states to attempt to legitimize its process of alternative institution building. The Global Center for Mekong Studies (GCMS) – the think tank network of the LMC – was launched in September 2018 with what a representative of a participating partner state think tank (GCMS national centers) have called “breakneck speed.” These were created concomitantly with and in parallel to the LMC national secretariats.²

The various national centers undertake research projects, engage in academic exchanges, coordinate participation of civil society in LMC programming, and provide guidance as to the development of policy initiatives by the LMC. Each national center is delegated the role of “thought leader” and has the responsibility to strengthen advocacy for and awareness of the LMC itself and to coordinate with government institutions in their respective states.³ The credibility of these institutions, all long-standing and influential actors both at the track 2 level internationally and in their respective states, provide an immediate façade of legitimacy for a very new, untested institution.

Each national center has also developed its own advisory committee that brings prominent figures from a very wide range of civil society organizations into the LMC's orbit. These include individuals and entities that by no stretch of the imagination could be considered to be “pro-China;” many of whom have long-standing professional relationships in the United States and whose organizations are recipients of American financial support. Just as the LMC has sought to co-opt leading local think tanks, it has sought to co-opt leading individuals.

However, there has been disquiet among the Southeast Asian member states as to the structure and development of the LMC and GCMS. Action items are generally driven by Beijing's priorities, rather than those of the partner states that have little influence over agendas that

² Discussions with LMC partner institution in Southeast Asia, Summer 2019.

³ Documents provided to the author by LMC partners in Southeast Asia, Winter 2019.

are perceived to be overwhelmingly “China-led.”⁴ However, GCMS guidance is regularly highlighted as a core element of LMC ministerial meetings in an attempt to create a perception of genuine, bottom-up cooperation between China and local civil society thereby legitimating programs and policies that serve China’s interests rather than those of its partner states.

In late February of this year, at the most recent meeting of LMC foreign ministers, discussions were held as to how to link the LMC Plan of Action on Connectivity with the Master Plan on ASEAN Connectivity (MPAC) – the region-wide framework seeking to promote collaboration in hard and soft infrastructure development. In media throughout the region, two points were consistently underlined: (i) the role of local think tanks and GCMS in providing direction towards the ultimate decisions taken and (ii) the LMC’s consistency with the goals set out for the region by ASEAN.

More vividly, the LMC’s recent response to the coronavirus outbreak illustrates the practical operation of its think tank network and its growing utility to Beijing. Cooperation related to public health issues falls within the remit of the LMC as set out in the Sanya and Phnom Penh declarations – however, concrete achievements have so far been minimal. In the two weeks prior to the LMC ministerial meeting, partner institutions were consulted and many brought in new collaborating institutions with expertise in public health.⁵ Following a conference call bringing together various entities from across the region, a proposal was prepared by one of the China-based institutions and subsequently circulated to the various national centers for approval. Included in that document were myriad, highly ambitious initiatives: the construction of new infectious disease hospitals that adhere to Chinese standards, the establishment of a LMC Emergency Management Cooperation Mechanism, the creation of a LMC Logistics Management Cooperation Mechanism, and so on.

This incident is extremely telling as regards the operation of the LMC. First, the role of ASEAN in the coronavirus outbreak – either as a coordinator or partner – was never mentioned, despite ASEAN’s already leading role in the crisis. LMC would operate alone – entering a policy space previously the sole domain of ASEAN. Second, programming and funding to be carried out in various member states were proposed without any actual input from some of the national centers – further depicting the Beijing-led nature of LMC and its think tank network. Third, several of the suggestions in the document, specifically the establishment of a LMC Emergency Management Cooperation mechanism, were then proposed by Chinese foreign minister Wang Yi at the LMC ministerial meeting in Vientiane with the role of local partners again vigorously highlighted to depict cooperation and locally-led decision-making despite the Beijing-led nature of the entire process and the proposals.

⁴ Discussions with LMC partner state officials, Summer 2019.

⁵ Data related to the coronavirus response comes from documents provided to the author from various sources in Southeast Asia in February 2020.

Utilizing the coronavirus as an opportunity for strengthening the LMC – and sidelining other regional entities – Beijing was able to both broaden and deepen the role of LMC in the region while framing that process as locally-driven and an illustration of “win-win” cooperation between China and the various Mekong states.

China has also begun to utilize its LMC think tank partners as a source of much-needed information in order to determine where its aid programming has been problematic as well as to map the landscape of media, academia, civil society, and prominent local actors in Southeast Asia. As part of the 2019 GCMS programming, national centers were requested to: analyze Chinese technical assistance programming; compare these initiatives to aid provided by other countries; summarize media response of any major issues or problems; name local journalists and civil society actors who spoke out or criticized Chinese programming; and clarify how Beijing could improve the implementation of technical assistance projects on the ground⁶.

At the same time, however, it is important to note that despite the request to provide this information – which requires significant data as to the technical assistance provided from the Chinese side – local participants from across the region have noted that Chinese embassies were in no way forthcoming or willing to cooperate, depicting a serious lack of continuity and coordination across the various institutions responsible for China’s public diplomacy efforts.

Institutional Redeployment and Institutional Capture

China’s efforts at building the LMC appear to have been most successful in working to undermine the role of Mekong River Commission (MRC), the entity with purview over the fraught topic of dam construction along the river. While rejecting the MRC, Beijing has been able to utilize the LMC in order to attempt to legitimize its upstream dam construction activities and to bring in Chinese state-associated firms to build dams in the downstream states. By presenting dam construction as a topic over which the LMC itself has purview, the MRC is gradually being diminished and displaced as the focal point for negotiation over the future of the Mekong river. A vital institution to preserve the sustainability of a river that plays a central role in the development and food security of the region is increasingly ignored and caught in a downward spiral of institutional drift as a well-funded LMC, just entering its consolidation phase, barrels forward.

A quieter success for China stems not from the creation of alternative institutions, but from a form of “capture” of existing institutions that are generally viewed as pillars of the status quo equilibrium. While international civil servants employed by the IMF and World Bank are expected to maintain professional objectivity and political neutrality, increasingly Chinese staff at these institutions – particularly in local representative offices – parrot talking points from the Chinese Ministry of Foreign Affairs in public forums rather than provide objective analysis. Thus, China’s narrative of particular events receives the Good Housekeeping Seal of Approval of

⁶ Interviews with LMC partner institutions in Southeast Asia, Summer 2019.

leading multilateral financial institutions despite clear bias and a Beijing-driven agenda. It should be highlighted here: alternative institutions are not necessary if existing institutions can be redeployed to legitimate China's own national interests and policies.

In addition to exploring the creation of alternative institutions, a more systemic analysis of China's diversion of existing institutions to support its own interests is necessary. In the context of Cambodia – increasingly viewed as the main site of contestation between China and the U.S. in Southeast Asia – it is remarkable to find that the country representative of IMF is an official from the People's Republic of China. In a 2019 UNDP forum in Phnom Penh examining the question of BRI, debt trap diplomacy, and the efficacy of Chinese aid in the region – that official regularly and fully promoted Beijing's perspective on the questions at hand.⁷

The Discourse of Legitimation: Media, Elites, and Inevitability

While China now regularly highlights “win-win” cooperation, local cooperation, and partnership with local institutions – its effectiveness in the influencing of local media remains widely varied. Cambodia provides a useful case in point, particularly as the kingdom is widely regarded as China's closest ally in the region. Cambodia's independent, Chinese-language media – several newspapers based in Phnom Penh, each of which maintain a significant online presence – regularly and actively report on all aspects of Chinese aid, investment, education, cultural exchange, and the work of China-supported international institutions. Coverage is overwhelmingly positive and supports a narrative of “inevitability,” i.e., that China's influence and hegemony over the region are a *fait accompli* regardless of any short-term problems. However, this does not appear to have had significant impact on the views of China held by the country's Sino-Khmer population, which recognizes the economic benefits of partnership with China, remain distinctly wary of dependence on Beijing. Impacts on the broader Cambodian population also appear to minimal – recent survey work carried out in Cambodia with local colleagues indicates a generally negative view of China.

This theme of inevitability is also consistently found in articles and editorials placed by Chinese-run institutions and the Chinese embassy in the local Cambodian and English language press. Following a review of hundreds of articles either placed by Chinese entities in the Cambodian press or that include comments from Chinese officials or representatives of China-backed local institutions, the framing that Beijing employs augments the discourse of “inevitability” with a consistent framing of the United States as either: (i) a disruptive state seeking to overturn Southeast Asia's years of growth, for which China frames itself as the source and/or (ii) a state that while currently experiencing tension with China as illustrated by the trade war, will return to close cooperation with Beijing once a new administration enters office.⁸ Interviews with officials and scholars from across the region who regularly engage with their Chinese

⁷ The author was in attendance at this event in April 2019.

⁸ Analysis conducted by the author and research assistants, Summer 2019 (full study currently under review for publication)

counterparts indicate that this inevitability narrative and framing of the United States is quite consistently deployed across mainland Southeast Asia.

While these efforts have had a somewhat limited impact on the ground, the fact that Beijing is developing a serious media strategy in countries such as Cambodia needs to be recognized. Where previous Chinese interaction with local media was limited to Chinese-speaking audiences – as has been consistent with United Front work in other countries - a more comprehensive approach seems to have been adopted over the last two years as is depicted by significant increase in engagement with local journalists and active promotion of the activities of new institutions, such as the LMC.

While China has had only limited success so far in gaining general popular support for the legitimization of its interests in Southeast Asia, it has more effectively targeted local elites – almost to the point of saturation. As is well known, Confucius Institutes continue to play a significant role here – in the case of Cambodia with one even having been established specifically for the country’s officer corps at the Ministry of Defense. At the same time, local academic institutions, think tanks, and development organizations continue to be nearly overwhelmed by visiting Chinese delegations, offers to study in China, etc. One highly placed official working at a state-led think tank in the region noted: “I cannot recall a single week over the last year when we did not have at least one delegation visiting from China.”⁹ Party-to-party contacts through the CCP Central Committee’s International Department have also further deepened ties between China and ruling elites in Laos and Cambodia in particular.

The “inevitability” narrative that supports the legitimization of China’s interests is also undergirded through the growing role played by China’s provinces. Historically, Southeast Asia has been a particular interest of neighboring Yunnan province – regularly referred to by Chinese officials as the country’s “bridgehead” to the region. However in recent years economic cooperation, aid, and official engagement is also driven by many other provincial governments as well as provincial and even city-level chambers of commerce – many of which have representative offices in Southeast Asian capitals. The ubiquity of China’s presence – whether through the donation of road building funds to Cambodia’s city of Siem Reap by the Chinese province of Zhejiang or the donation of hundreds of computers to rural schools by a Chinese-business association – further deepens the perception of China’s inevitable rise and the legitimacy of its interests.

Implications and Recommendations

Concerning recommendations for the commission, in light of the realities on the ground in Southeast Asia in particular, I recommend consideration of the following:

- Continued reinvigoration of the Lower Mekong Initiative and the development of significantly deeper engagement with local think tanks and civil society actors;

⁹ Interviews with Southeast Asian government officials, Summer 2019.

- Greater support for and engagement with other existing, multilateral institutions, e.g., ASEAN, at all levels, in order to prevent encroachment by China’s own set of alternative institutions and to guarantee the maintenance of the positive feedback mechanisms that ensure the stability of these institutions themselves;
- The drawing of bright line distinctions between the United States and China as regards support for existing institutions, as was well-illustrated in 2019 when Secretary Pompeo stated American support for the principle of ASEAN centrality;
- Utilization of U.S. influence in multilateral institutions such as IMF and the World Bank to ensure that these entities (and their local representative offices in particular) are not “captured” through the appointment of Chinese officials;
- A more rapid roll out of the economic pillar of the Indo-Pacific Vision in order to respond to the China inevitability narrative as well as Beijing’s own framing of the United States and to limit the efficacy thereof.

**PREPARED STATEMENT OF NAOMI WILSON, SENIOR DIRECTOR OF POLICY,
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Testimony before the U.S.-China Economic and Security Review Commission

“A ‘China Model?’ Beijing’s Promotion of Alternative Global Norms and Standards”

Introduction

The Information Technology Industry Council (ITI) represents over 70 of the world’s leading information and communications technology (ICT) companies. We are the premier advocate and thought leader around the world for the ICT industry. ITI’s membership comprises companies from all corners of the technology sector, including hardware, software, digital services, semiconductor, network equipment, and internet, as well as “technology-enabled” companies that rely on ICT to transform their businesses. We engage with governments and associations around the globe to share information and work collaboratively to develop effective policy approaches that enhance cybersecurity, protect privacy, and enable businesses to thrive in an ever-changing and dynamic global market.

Standardization Systems: China, the U.S., and Europe

The standards development processes in the United States, Europe, and China are all based in the premise of bringing stakeholders and technical experts together to develop standards that are most appropriate for the current technology and market needs. However, the systems differ primarily in terms of openness and the degree of government direction. Generally speaking, China’s system has the greatest degree of government involvement and direction and is the least open to foreign participants, while the U.S. system is based in the principles of industry-led, consensus-driven, voluntary, and open standards development.

The European Union’s model is distinct from that of the United States in that standards development participation tends to be more exclusive to EU-based participants, particularly when those standards are to be used to provide the de facto means of demonstrating compliance with mandatory regulatory requirements. In those cases, the government may mandate one or more of three European standards organizations (ESOs) to develop European regional standards that would provide a means of meeting certain regulatory objectives, allowing regulators choose from a broader array of global, industry-driven standards. In other instances, the EU will develop regional standards on the basis of a subset of international standards, rather than mandating the creation of entirely new standards.

China’s standards system has undergone substantial changes and improvements in the past decade, for example with enactment of a new standards law in 2017. The system has become more open but remains challenging for foreign participants. Foreign participation in certain technical committees is limited in many important areas, excluding them from full participation including decision making and approval levels. Where access is more open, China’s rapid pace of drafting and approving standards does not typically allow for substantive deliberation. This process adds to the impact of China’s policies

for indigenous innovation, that often leads to “China-unique” standards that are based on the specifications already in use by Chinese companies – providing Chinese companies with a clear competitive advantage, especially where China’s standards are mandatory or strongly recommended for market entry. While Chinese companies continue to distribute their products and services in the market, foreign companies often need to modify their products and services (which typically implement global technical standards) before entering the market. This not only creates market access barriers, but it also impedes interoperability of products and services across markets.

The Role of Standards in Regulation

The relationship between standards and regulation marks another key difference among the three systems. In the U.S. and European models, regulations are typically developed in areas of government interest such as health, safety, and consumer protection. Standards are used differently to inform specific elements of certain regulatory requirements and are effectively rendered mandatory by their reference in regulation.

In the United States, regulators follow Office of Management and Budget (OMB) guidance¹ in choosing from a broad range of global standards that they may use to underpin regulatory requirements through a practice known as “incorporation by reference.” Notably, U.S. regulators can determine that more than one standard satisfies a corresponding regulatory requirement, and such standards do not need to be developed in the United States or by a governmental or intergovernmental body.

In the EU, the European Commission accords a “presumption of conformity” to a single, European regional standard – a “harmonized standard” – that corresponds with a regulatory requirement or set of regulatory requirements. A company can then build to that standard to benefit from this presumption, or otherwise demonstrate compliance through the more onerous means of working with a designated testing body. Compliance with the standards remains voluntary, but use of these “harmonized standards” is often seen as easiest way to show conformance with legislation/regulation. The European Commission’s preference for certain standards developed by specific European bodies to fulfill regulatory requirements is sometimes viewed by industry as overly-directive and may deter companies from using standards that they believe are better suited to implementing regulatory requirements. This may be especially true in cases where the government is not familiar enough with the technology to determine all of the most appropriate standards or simply cannot keep up with the rapid pace of development of new and relevant standards.

The Chinese commercial market is more regulated than EU or U.S. markets, and standards are often used to implement specific regulatory requirements, most notably for security-related regulations. In some cases, Chinese standards are developed and implemented prior to finalization of a regulation, causing significant confusion among industry regarding how to implement a given standard – or whether it should be classified as a “standard” at all.

China’s Standards Development System: Relevant Agencies and Organizations

As part of a larger government reorganization in 2018, including implementation of the 2017 revision to the Standardization Law, China reorganized several government agencies and offices to align standards-

¹ OMB A-119. <https://www.govinfo.gov/content/pkg/FR-2016-01-27/pdf/FR-2016-01-27.pdf>

related work with quality control and other market supervision offices, placing the Standardization Administration of China (SAC) under the new State Administration of Market Regulation (SAMR).

Historically, most standards in China are developed in technical committees and subcommittees that are housed under SAMR, SAC, and the Ministry of Industry and Information Technology (MIIT). Below are key technical committees for the high-tech sector.

- SAMR/SAC
 - National Technical Committee on Information Technology (TC260)
 - National Technical Committee on Communications (TC485)
 - China National Institute of Standardization (CNIS)
 - China Association for Standardization (CAS)
- MIIT
 - China Communications Standards Association (CCSA)
 - China Electronic Standards Institute (CESI). Both CCSA and CESI participate in the TC260 and TC485.

These groups can have a broad purview, often fulfilling dual roles as expert standards developers and playing a part in the governance of standards and regulation. For example, CESI is responsible for technical research and standards development, while also providing product and organizational certifications based on those standards. MIIT is the primary regulator for ICT. As such, it drafts technology regulations that often prescribe the creation of standards.

With the implementation of the 2017 revision to the standards law, “social organizations” have been authorized to develop standards, which is already resulting in growth in Chinese standards activity. While there are a few hundred technical committees, there are expected to be thousands of social organizations. Social organizations are loosely modeled on U.S. standards consortia, but do not rely on the same U.S. model of accrediting bodies to ensure rules-based procedures and processes.

Chinese Reform Efforts

As part of reform efforts stemming from the amended Standardization Law, the Chinese government has been working to reduce the overall number of mandatory standards, increase voluntary standards (especially for “social organization” industry developed technical standards) as well as streamline and clarify the process of standards development. The Standardization Law encourages Chinese authorities and firms to participate in international standards activities, which industry and other governments have long encouraged China to do.

China’s 2019 Foreign Investment Law attempts to address foreign industry concerns regarding equal participation. The Law establishes that technical committees responsible for standards shall be open to participation of foreign entities. This is a notable response to foreign industry criticism that the Chinese system had been closed, or that companies had been prohibited from participating in only organizations relevant to their work and staff bandwidth; thus, if a company could not participate in the full suite of standards development activities within a technical committee, including reviewing hundreds of pages of technical specifications in Mandarin Chinese at a single meeting, they were not welcome to participate at all. As with all laws, the proof will only be seen in the implementation, but it is nevertheless an important step for China to recognize and codify the need for equal participation.

Though China claims it has increased the rate of adoption of international standards, China often adopts international standards with substantial modifications, such as mandating use of only China approved methods of encryption, including the TCM^{2 3} and the ZUC⁴. This requires companies to adapt products and services to the Chinese market, creating interoperability and potential cybersecurity concerns when the national algorithms/standards developments are not open to global expert peer reviews. Estimates indicate that only about a third of Chinese national standards from SAC are adopted from international standards, and the extent to which these are incorporated over time continues to decrease.⁵

Chinese Benchmarks for Success

Chinese policymakers have repeatedly stated that the amended Standardization Law is part of an overall push to introduce better quality control, transparency for consumers, and make the standards system more responsive to the needs of the market. However, a technical standard document is not necessarily helpful in assessing “quality control,” especially if the target audience is consumers. The conflation of “quality control” laws and regulations and the interoperability and market appropriateness objectives of technical standards is most clearly seen in China’s launch of the “Pioneer” (also called “Top Runner”) standards system.

Released in July 2018, the *Pioneer system* focuses on the public disclosure of “enterprise standards,” a concept unique to China, and seeks to award disclosure of technical information in certain high-tech or key industries.⁶ Outside of China, the term “enterprise standards” as a corporate term of art, means internal, business-sensitive, requirements. Thus, the notion of disclosing “enterprise standards” is quite precarious to non-Chinese companies. While the Chinese government has acknowledged in meetings that the focus is only on quality control, not internal company practices, they have been reluctant to clarify the Chinese meaning of “enterprise standards” in law or other guidance. While disclosure of so-called “enterprise standards” is voluntary, the Standardization Law and the *Pioneer system* incentivize and reward companies for disclosing their enterprise standards on an online public platform.

The Pioneer system was created primarily with the goal of developing and increasing the quality of products in specific sectors that have been problematic in China, particularly healthcare and commercial household goods. While the system has only targeted Chinese enterprises thus far, it adds confusion and worrisome precedent to an already complex topic. The Pioneer system demonstrates China’s preference to use standards as a regulatory tool first and a market facilitating tool second. This is largely driven by the Chinese view that the government should be liable for issues with implementing standards, rather than individual companies.

Chinese policymakers also tend to value the quantity of standards over quality as a measure of success. This drives Chinese presence in international standards and production of both domestic standards and international standards proposals. While Chinese participation in international standards bodies is by and large a good thing, the number of submissions is not a valuable metric in standards work, where

² Center for Strategic & International Studies. “How Chinese Cybersecurity Standards Impact Doing Business in China,” (August 2018).

https://csis-prod.s3.amazonaws.com/s3fs-public/publication/180802_Chinese_Cybersecurity.pdf?EqyEvuhZiedaLDFDQ.7pG4W1IGb8bUGF

³ Dell Technologies. “Trusted Platform Module (TPM) Overview.” <https://www.dell.com/support/article/en-au/sln55441/trusted-platform-module-tpm-overview?lang=en>

⁴ U.S. Trade Representative. “2019 Report to Congress on China’s Commitments to the WTO,” p86. <https://ustr.gov/sites/default/files/2018-USTR-Report-to-Congress-on-China%27s-WTO-Compliance.pdf>

⁵ U.S.-China Business Council. “Standards Setting in China – Challenges and Best Practices,” (2019) <https://www.uschina.org/reports/standards-setting-china-challenges-and-best-practices>

⁶ U.S.-China Business Council.

contributions are adopted based on technical merit to meet the objectives of the standard, and success is ultimately determined by the level of adoption in the market.

In the last three years, China has emphasized standards development for autonomous vehicles (AV), which rely on both artificial intelligence (AI) and 5G capability and are linked closely to development of IoT and connected devices policies and standards. While Chinese standards bodies have generated a bulk of research and many standards in this area, China is not set to be the market leader. In KPMG's 2019 assessment of AV readiness, the U.S. takes fourth place, while China trails behind in the 20th place.⁷ U.S. industry does, of course, participate in research and standards development efforts internationally. However, U.S. policy and infrastructure help to foster innovation in AVs by letting industry properly test the technology to determine what is most effective, and then develop the standards rather than the other way around. The success is not in the number of standards, but in the product and the policy informing widely adopted standards.

China in International Standards Development and Organizations

As standards development activity has increased in China over the past two decades, industry and government stakeholders around the globe have encouraged Chinese stakeholders to increase their participation in established international standards development bodies, rather than staying home and developing unique domestic standards. After many years of Western technical experts and policymakers urging China to join international standards development efforts, China is now involved in most of the major international SDOs.

Persistent Problems with China-Unique Standards

Following WTO accession in 2001, China was required to conduct significant review of its many domestic standards with a view to either adopting international standards or otherwise revising existing standards to bring them in line with international standards. However, China still continues to favor "China-unique" standards, which contravene World Trade Organization (WTO) commitments on Technical Barriers to Trade (TBT). The WTO TBT Agreement stipulates avoidance of unnecessary obstacles to trade, including through use and development of international standards. At a broader level, WTO rules mandate non-discrimination and national treatment as concerns standards, technical regulations and product testing, and institutes requirements for transparency and notification of standards and measure that deviate from international norms or stand to have an impact on trade.⁸ In addition to concerns about openness to participation, China's public notification of standards and other measures is often shorter than the length recommended by the WTO TBT Agreement for adequate stakeholder consultation (60 days). Moreover, numerous Chinese standards that are categorized as "recommended," are often treated by the Chinese government as mandatory or de facto mandatory.

There are several examples where China has promoted standards of its own as alternatives to or deviations from widely adopted international standards. This has not only resulted in market access barriers for non-Chinese industry, but also often proved harmful to Chinese companies. Two key examples were China's security standard for WiFi (WAPI) and its 3G standard (TD-SCDMA), both of

⁷ KPMG. "2019 Autonomous Vehicles Readiness Index." <https://assets.kpmg/content/dam/kpmg/xx/pdf/2019/02/2019-autonomous-vehicles-readiness-index.pdf>

⁸ World Trade Organization. "Technical information on Technical Barriers to Trade." https://www.wto.org/english/tratop_e/tbt_e/tbt_info_e.htm

which were found to be incompatible with global technologies, leading significant difficulties in adopting the standard across the Chinese market.⁹ China's insistence on promoting TD-SCDMA slowed its ability to move toward developing and deploying 4G technologies, and China has subsequently moved towards involvement in international standards development for 5G.

Concerns with Chinese Participation in International Bodies

The international standards community has largely viewed increased Chinese engagement in international standardization activities as a positive development. However, it has also raised some concerns, as the Chinese government and companies learn the ropes and protocols of international standards development. While industry believes that most SDOs have well-established processes and rules that safeguard against undue influence or manipulation, China's tactics have sometimes created frustration among participants. For example, the Chinese government's efforts to incentivize contributions in international bodies has resulted in numerous low-quality Chinese contributions. Because of the incentive structure, Chinese stakeholders have sometimes provided irrelevant contributions or divided a single contribution into numerous pieces in order to earn rewards from the government. While SDO protocols and processes are designed to eliminate bad proposals in favor of good ones, an overwhelming number of submissions can of course cause frustration among participants and make the process less efficient.

While increased Chinese participation and government involvement has created some procedural challenges, it has not created undue influence or tipped the competitive scales in favor of the Chinese. In fact, U.S. and multinational companies are still largely regarded as the most influential participants in ICT-related standards bodies – based on their technical leadership and expertise, deep understanding of standards processes and rules, quality of contributions, and consistent participation over time. The greatest number of accepted contributions in widely adopted standards continue to come from non-Chinese companies. Where Chinese companies are technology leaders, their contributions to standards bodies are considered high quality and provide value to the ICT sector writ large by helping to ensure that technical standards are best suited for the current technology and consumers.

Policymakers often raise concerns with the Third-Generation Partnership Project (3GPP), which focuses on developing technical specifications for telecommunications, including 5G, and has significant participation by Chinese technology companies. 3GPP has hundreds of members representing the partnership economies and functions under comprehensive rules and procedures that provide protections against dominance and ensure fairness for all participants. It has an engineering culture where technical contributions are often supported by substantial R&D investments focused on telecommunications standardization and are discussed and debated based on technical merit.

While the ICT community benefits from Chinese companies sharing the fruits of their R&D and expertise, concerns have been raised regarding China's participation in 3GPP, including: large numbers of participants, large numbers of contributions which can dominate meeting agendas, meetings held by CCSA to review Chinese proposals and to coordinate positions, and cases of perceived undue influence from certain individual participating companies, etc. Enforcing established 3GPP rules and procedures, such as voter qualification rules, has significantly reduced issues. Some working groups have instituted new rules to limit contributions to one per company, per agenda item. The tech sector believes these

⁹ U.S. Trade Representative

issues to be manageable, though appropriate oversight from governance bodies is key. For U.S. companies, the Alliance for Telecommunication Industry Solutions (ATIS) is responsible for representing industry in assessing potential concerns and proposing a response.

Recommended U.S. Response

Foster, don't impede, U.S. industry participation in international bodies

Given concerns with respect to China's technological and economic ambitions, industry has seen a proliferation of U.S. policies and bills with significant implications for standards participation and competitiveness. For example, May 2019 updates to the U.S. Entity List, managed by the Department of Commerce, and the inclusion of standards in the associated Temporary General License and Advisory Opinion had significant unintended – and negative consequences – for industry. As written, the guidance inadvertently prevents participation of U.S. companies in ICT-related standards bodies in which a listed entity also participates. This has led to the unfortunate consequences of decreasing U.S. company participation in key standards bodies and ceding ground to Huawei and other Chinese companies.

- Policy should seek appropriate engagement with industry in formulating tech policies to ensure that the policy will achieve its objective and not unintentionally undermine U.S. competitiveness and leadership.

Visa Processing for Foreign Attendees

Holding standards meeting in the United States supports U.S. standards leadership. Foreign participants in standards meetings sometimes experience long delays in receiving visas to travel to the United States or do not receive them in time to travel. This sometimes precludes key standards' drafters from participating in meetings held in the United States or dissuades organizations from hosting meetings in the U.S. at all.

- Respecting the U.S. visa adjudication and security screening processes, it would be advantageous for industry to have a point of contact within the State Department – or direction regarding the process – to provide a list of anticipated participants in standards meetings and facilitate timely processing, to the extent possible.

Counter Country-Unique Standards

Countries creating their own unique standards (instead of adopting or developing international standards in appropriate fora) is a significant problem for U.S. companies, as country-unique standards create barriers to market access and prevent interoperability of products and services globally. Though not exclusive to China (as we note above, even the EU tends to base its regulatory requirements on Europe-specific regional standards), China's creation of unique standards – because of the market size and influence – has significant impact on the region and can potentially drive international standards in favor of Chinese standards.

- The U.S. government should coordinate with like-minded countries to encourage use of international standards and encourage countries to bring their contributions and efforts to international standards bodies, where U.S. companies and other stakeholders can influence the direction of the standards.

- The U.S. government should also continue to use international trade policy to expand the acceptance of rules that foster reliance on international standards rather than country- or region-specific alternatives.

Leadership Positions in International Standards Bodies

While chairmanships and other leadership positions are not necessarily indicative of influence, they are important avenues to protect the integrity of the international standards system and processes. It is valuable to have increased coordination and information sharing among U.S. participants in leadership roles, including U.S. government representatives substantively engaged in the standards system.

- Annually convene U.S. representatives that hold positions (chairs, conveners, secretaries) in international standardization bodies and interested U.S. government representatives to meet and share information. The meeting could be hosted by the NIST Director and include panels to collaborate and discuss best practices and issues of concern.

Consistent U.S. Government Participation

Consistent and sustained engagement in standards bodies is exceptionally important to long-term value and success. U.S. government staff often find it difficult to receive consistent funding for participation and travel or to be able to undertake a leadership role that may require a multi-year commitment.

- Establish consistent U.S. government standards participation as a U.S. priority related to maintaining U.S. technological competitiveness and innovation.
- To the extent possible, establish multi-year funding lines for U.S. government staff to participate in standards bodies and streamline process for sustained participation of designated staff.

Conclusion

Effective international standards development relies on a consensus-based, global system to develop standards that facilitate interoperability, open markets, and increase economies of scale benefits. It is a competitive and cooperative process in which no country or company can succeed by acting alone, and therefore does not lend itself to definitive “winners” or “losers.” Global experts collaborate and compete, independent of nationality or company, because their companies recognize the strategic advantages of the model. In the United States, competing technical contributions to standardization activities fuel collaboration and innovation to produce high-quality standards.

Ultimately, the market decides what technology, products, and services will be the most successful. Standards simply ensure that technology that the market deems most appropriate for the consumer operates effectively across companies and markets. Ensuring that China – and other countries – recognize these benefits and continue to support and participate in the process will benefit companies, countries, and consumers alike.

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China's Alternative Cyber Governance Regime

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Before the

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Hearing on A 'China Model?' Beijing's Promotion of Alternative Global Norms and Standards

China's cyber governance regime is designed to achieve four goals. First, Beijing desires to maintain tight control over the flow of information to ensure domestic stability, regime legitimacy, and the continued rule of the Chinese Communist Party. Second, China wants to reduce security vulnerabilities in critical networks and defend the country against a range of cyber operations, including espionage as well as disruptive and destructive attacks. Third, Chinese leaders want to ensure technological autonomy, diminish reliance on foreign suppliers, and help Chinese companies dominate markets in emerging technologies. Finally, Beijing looks to expand its influence over cyberspace and limit the room for maneuver for the United States and its partners. Under President Xi Jinping, China has set itself the goal of become a "cyber superpower" and governance has shifted from being primarily focused inward to more actively projecting outward. In short, Chinese leaders decided that controlling the domestic internet was necessary but not sufficient. They would also have to shape the global internet.

To accomplish these goals, China has developed a matrix of interlocking cybersecurity strategies, laws, measures, regulations, and standards at home. Abroad, it has used diplomatic efforts to enshrine and expand the concept of cyber sovereignty in international organizations and forum. As described by President Xi at the 2015 World Internet Conference in Wuzhen, cyber sovereignty means "respecting each country's right to choose its own internet development path, its own internet management model, and its own public policies on the internet."¹ This position has been held out in contrast to the vision held by the United States and its partners that cyberspace should remain an open, global platform.

These multilateral efforts are bolstered by the Belt and Road Initiative and other tools of commercial diplomacy as well as the global activities of Chinese technology firms. Beijing also coordinates with the companies in efforts to define technology standards in pursuit of economic and political interests. The result of Chinese efforts will be a less open and less free internet. Beijing will strengthen the capacities of other states looking to block the flow of information and tighten their control over their populations. In addition, intelligence and cyber offensive gains will flow to China with the widespread adoption of Chinese technologies and standards. The domination of global information and communication technology markets by American technologies and standards certainly strengthened U.S. intelligence and cyber offensive capabilities. As former NSA director Michael Hayden once put it when justifying some of the agencies intelligence gathering activities, “This is a home game for us. Are we not going to take advantage that so much of it [data] goes through Redmond, Washington? Why would we not turn the most powerful telecommunications and computing management structure on the planet to our use?”² Chinese intelligence and military agencies will certainly look to exploit familiarity with Chinese technology and standards in search of home field advantage.

Domestic Cybersecurity Governance

China’s domestic cyber governance system consists of overlapping and interlinked strategies, laws, measures, regulations, and standards focused on critical infrastructure, data storage, security reviews, and the protection of personal data.³ Launched in 2006, updated in 2018, and administered by the Ministry of Public Security (MPS), the Multi-Level Protection System ranks networks by sensitivity on a scale of one to five, with stricter security reviews as third-party certification and source-code delivery for networks ranked at higher levels. While the original version only covered government systems, the update of the MLPS covers all networks, private sector and foreign firms included.

The Cyber Security Law, which officially went into effect in June 2017, also includes a focus on what it terms critical information infrastructure (CII) but the definition of CII was initially unclear. Early documents identified sectors like “public communication and information services, power, traffic, water resources, finance, public service, and e-government,” but following draft regulations added media, healthcare, and cloud computing and big data providers.

The Cybersecurity Law also requires the storage of “personal information” and “important data” inside of China, creating review procedures for transferring certain information out of China if it can “impact national security, damage public interest or is not fully secured.” As with CII, the contours of what constitutes “important data” are uncertain and being set by follow up regulations. In addition, the Cybersecurity Law established a regime to review “critical network equipment and specialized cybersecurity products.” Certification was required for 15 types of products, including routers and servers, to access domestic the market. Foreign companies such as Cisco, IBM, Juniper, Dell, and Siemens AG provided feedback to the Ministry of Industry and Information Technology, which drafted this set of rules.⁴

While the Cybersecurity Law is the most authoritative law protecting personal information, Beijing is also in the process of building out a framework for user consent and the collection, storage, processing, and use of personal data.⁵ The “Personal Information Security Specification” came into effect in May 2018, and includes requirements that data must be de-identified before sharing, imposes limits on “secondary uses” of data beyond the original purpose, and requires third-party vendors handling data to undergo security assessments.⁶ Under its guidelines the Ministry of Industry and Information Technology has called out and fined hundreds of companies for apps and websites that excessively collected private data.

The bureaucratic lines of authority over cybersecurity and data protection are multiple and conflicting. The Cyberspace Administration of China, MIIT, and MPS as well as China Electronic Standards Institute, China Academy of Information and Communications Technology, and National Information Security Standardization Committee (TC260) all have some say over standards, regulations, and implementation. CSIS estimates TC260 has issued close to 300 standards related to cybersecurity since 2015.⁷ Its membership was expanded from 48 members to 81 members, mainly Chinese officials and representatives of Chinese technology companies, though foreign companies have occasionally been allowed to participate in working groups. The committee's seven working groups are focusing on encryption, big data and other cybersecurity issues.

The immediate impact of these overlapping jurisdictions and authorities is to create uncertainty for Chinese and foreign firms, as well as to impose cost through security audits and IP and source code submissions. An additional outcome of the standards framework is to bring companies under greater supervision and control. In the longer term, Beijing hopes that data privacy laws will increase trust in Chinese firms, helping them compete globally.

Domestic regulations shape global governance through two mechanisms. First, China does provide training to officials from the developing world in internet management and cybersecurity, and some countries have consciously tried to mirror Chinese regulations in their own laws.⁸ In 2015, for example, Tanzania passed cybersecurity laws that resembled China's.⁹ Second, there is a more indirect effect, as China can position itself, along with Europe, as having a robust governance model for data and security.

The Diplomacy of Cyber Sovereignty

China has promoted "cybersovereignty" as an organizing principle of internet governance, in direct opposition to U.S. support for a global, open, and secure internet. China envisions a world of national internets, with government control justified by the sovereign rights. Beijing also wants to weaken the bottom-up, private-sector-led model of internet governance, known as the multistakeholder approach championed by the United States and its allies. In 2017, for example, China called for "a multilateral approach to governing cyberspace, with the United Nations taking a leading role in building international consensus on rules."¹⁰

While China endorsed the norms of responsible state behavior included in the 2013 and 2015 reports from the UN Group of Government Experts (GGE) on the Developments in the Field of Information and Telecommunications in the Context of International Security, it has resisted U.S. efforts to apply international law, especially the laws of armed conflict and the right of self defense, to cyberspace.¹¹ In 2017, the participating countries in the GGE failed to issue a follow-on report in part because China and Russia opposed language endorsing the right of self-defense.

In the wake of the failure to reach consensus, Russia proposed an Open-Ended Working Group (OEWG) to study the existing norms contained in the previous UN GGE reports, identify new norms, and study the possibility of "establishing regular institutional dialogue ... under the auspices of the United Nations." At the September 2019 meeting of the OEWG, the division between those supporting state sovereignty in cyberspace and those emphasizing an open, free, and secure internet was clear. In their opening statement, for example, the Chinese representative noted that it was "widely endorsed by the international community that the principle of sovereignty applies in cyberspace" and argued that the group "should enrich and elaborate on the specification of the principle, thus laying solid foundation for order in cyberspace."¹²

Beijing can also be expected to work in concert with Moscow in promoting a new UN cybercrime treaty. Russia has long wanted to replace the Council of Europe's Budapest Convention, which is the one international agreement subject to human rights safeguards that criminalizes computer crimes such as fraud and child pornography and prohibits illegal access and interception, data and system interference, and intellectual property theft. Although 64 countries have now signed the treaty, including Argentina, Australia, Japan, Turkey, and the United States, Moscow has consistently argued that the convention is only a regional agreement that violates principles of state sovereignty and non-interference. In December 2019, member states approved a Russian-backed resolution that established a committee of experts to consider a new treaty. In the run up to the vote, U.S. officials warned that the proposal was an opportunity for Russia, China, and others to create UN approved standards for controlling the flow of information, but large democracies such as Nigeria and India have found Russia and China's arguments on the need to fight cyber crime and terrorism convincing.¹³

Beijing also uses cyber sovereignty to reinforce its regional position and to bolster its leadership role in regional and developing country groupings. In 2015 the Shanghai Cooperation Organization submitted a Draft International Code of Conduct for Information Security to the United Nations General Assembly, which was an update of a code submitted by China, Russia, Tajikistan, and Uzbekistan in 2011.¹⁴ The code call on states to agree that they will not "use information and communications technologies, including networks, to carry out hostile activities or acts of aggression, pose threats to international peace and security." The code also reaffirmed "that policy authority for Internet-related public issues is the sovereign right of States, which have rights and responsibilities for international Internet-related public policy issues." Similarly, the 2017 BRICS (Brazil, Russia, India, China, and South Africa) Leaders Declaration stressed "the paramount importance of the principles of international law enshrined in the Charter of the United Nations, particularly the state sovereignty, the political independence, territorial integrity and sovereign equality of states, non-interference in internal affairs of other states and respect for human rights and fundamental freedoms."¹⁵

BRI and Commercial Diplomacy

These multilateral efforts are bolstered by the Belt and Road Initiative (BRI) and other tools of commercial diplomacy as well as the global activities of Chinese technology firms. Chinese companies have played a large role in building the "digital silk road" in BRI countries, investing in cross-border optical cables and other communications trunk line networks, transcontinental submarine optical cable projects, and spatial (satellite) communication.¹⁶ The large-scale investment in hardware is being followed up with increasing investment in e-commerce, cloud services, fintech, and big data.

This investment is being driven by bottom-up and top-down forces. Chinese companies are searching for new markets and customers while the government is providing support in pursuit of economic, strategic, and political goals. Beijing has provided credit lines to the companies as well as credit to BRI partners. China's Export-Import Bank financed 85% of the China-Pakistan Fiber-Optic Project, for example, and loaned to Nigeria the full cost of a Huawei-built 5G network.¹⁷ The Mercator Institute estimates that China has made \$7 billion in loans and investment in cables and telecoms networks, and over \$10 billion on e-commerce and mobile payments systems, and more on research and data centers.¹⁸

Two sets of technologies--5G and surveillance—are at the center of competition over the future of cyberspace. Huawei equipment is now behind two-thirds of the commercially launched 5G networks outside China, although these networks may combine products from several suppliers.¹⁹ ZTE and Huawei, leaders in 5G, are significant contributors to BRI. ZTE, for example, operates in over fifty of the sixty-four countries on the route of the Belt and Road Initiative. The two companies have training centers

in 9 African countries, for example, and Huawei is building Zambia's communications infrastructure from the ground up.²⁰

Chinese companies are on the front lines of setting up smart cities that combine facial recognition and video surveillance with big data and advanced analytic capabilities, competing with suppliers from France, Germany, Israel, UK, and US. In addition, Chinese firms, led by Huawei, are the world's leading suppliers of AI surveillance technology used for public security.²¹ Hikvision, for example, partnered with Zimbabwe's Nations Hardware and Electrical to implement broader CCTV coverage in the country, and Cloudwalk Technology Co. is providing facial recognition cameras and developing a national facial database.²²

While Chinese companies often export these technologies to liberal democracies, their sales to developing countries puts surveillance technologies in the hands of government lacking their own capabilities, strengthening control over information and populaces.²³ Along with the hardware, Chinese firms also pass on training and techniques. According to reporting by the *Wall Street Journal* and *Associated Press*, Chinese technicians from Huawei worked with government security forces in Uganda and Serbia to install advanced facial recognition cameras for surveillance purposes. Embedded Huawei technicians also helped Ugandan and Zambian security forces intercept encrypted communications and use cell data to track opponents.²⁴

As noted above, Chinese commercial diplomacy will lead to increased use of surveillance and internet filtering technologies by repressive regimes that lack their own technological capabilities. The on-the-ground presence of Chinese firms gives them influence over decisions on how tightly controlled the internet is in partner countries. There is also the possibility of the diversion of data back to China from countries along the BRI to enhance economic competitiveness and intelligence gathering. Many, for example, have pointed to the African Union's headquarters, built by the Chinese, reportedly sending confidential data back to China.²⁵

Technology Standards

Beijing is expending significant effort to shape global standards in emerging technologies, especially 5G, AI, and the Internet of Things, believing they convey market and political influence. For example, as Jeffrey Ding, Samm Sacks, and Paul Triolo note, the New Generation Artificial Intelligence Development Plan has a large focus on standard-settings not only for technological interoperability but also for safety procedures and ethical norms of deploying AI-enabled systems.²⁶

In recent years, as noted earlier, Beijing has issued hundreds of domestic standards, generally excluding foreign companies from participating in the process. Standards development is directed by the Standardization Administration of China, and research is often conducted in institutes linked to ministries. This state-led process contrasts with the European model of private actors coordinating under the auspices of national non-governmental organizations, and the American model, where there are more than 600 standards organizations, most of them industry associations.

Chinese technology companies have become more active and effective participants in international standards-setting forums. At the 3rd Generation Partnership Program, an international coalition of seven standards organizations working on 5G, representatives from Chinese companies and institutions reportedly have 10 of 57 chair and vice-chair positions.²⁷ Of the 200 participants in an International Telecommunications Union (ITU) study group on protocols for fixed and mobile networks, between 40

and 50 delegates were from Huawei.²⁸ ZTE, Huawei, Hikvision, and Dahua have submitted all of the surveillance standards—20 since 2016—to the ITU.²⁹

China has also worked to expand its influence over international standard boards such as the ITU, the International Organization of Standardization (ISO), and the International Electrotechnical Commission. China, after France and Germany, has the third highest participation in IEC technical committees and holds 10 secretariats. At the ISO it has 79, and, though China holds no formal chairmanships of study groups at the ITU, representatives of Huawei, ZTE, China Telecom, China Mobile, Alibaba, and CAICT hold vice chairmanships.³⁰

Beijing has made standards part of bilateral agreements and the BRI. Memorandums of understanding on standardization have been signed with Mexico, Vietnam, Myanmar, and Indonesia, and Chinese standards are likely to be adopted in many developing economies both because of they are cheaper than Western alternatives and the draw of the Chinese market. Since 2015, China has also integrated standards work with the development of the BRI. The Standards China Unicom Joint Construction One Belt One Road Action Plan calls for uniform technical standards to be used across BRI. At a 2017 Belt and Road Forum, for example, China signed agreements on mutual standard recognition with 12 countries, including Russia, Cambodia, Malaysia, Switzerland, and Greece. By 2019, there were 85 agreements with 49 countries and regions.³¹

The ability to define international standards is a tool of both market and political influence. While European, Japanese, and U.S. companies have traditionally dominated global standards, Beijing is making a concerted push on the standards of emerging technologies such as 5G and AI. This is likely to increase the intelligence and cyber offensive capabilities of Chinese intelligence agencies and the People's Liberation Army. Chinese officials are certain to know of NSA's efforts to weaken the random number generator in the encryption standard Dual_EC_DRBG and alleged payments to RSA Security to include it in its BSAFE software library.³² There is no reason to believe Chinese intelligence agencies will not try to do the same thing to Chinese standards.

Policy Recommendations

In order to push back against China's influence of global cyber governance, Washington must renew and reinvigorate its own cyber diplomacy. The State Department should move forward as quickly as possible with plans to create a Bureau of Cyberspace Security and Emerging Technologies headed by a Senate-confirmed assistant secretary of State, who would report to the Secretary of State or Deputy Secretary of State.

U.S. efforts should be focused on combatting Chinese efforts to promote cyber sovereignty through the United Nations and other international organizations. This would require a rethinking of the U.S. internet freedom agenda and a re-engagement with international organizations. In the wake of the interference in the 2016 election, the United States and its allies have increasingly called for online content moderation and other controls on disinformation. While Washington might stress that these processes occur transparently and through the rule of law, they do not look dissimilar to Chinese and Russian calls for cyber sovereignty to third countries who face similar pressures.

In the competition over 5G, the United States should offer countries alternatives to Huawei that can compete on price and efficiency. Through the U.S. International Development Finance Corporation, Washington should provide loans or loan guarantees for telecommunications equipment in developing economies. Washington also should work with allied governments to improve their cybersecurity,

developing shared standards for inspecting and deploying 5G equipment, similar to the joint statement issued by thirty countries in Prague, Czech Republic, in May 2019.³³ And it should invest in research in order to master both 5G technologies and the ones that will come after that. The federal government should fund several 5G R&D centers at universities in areas where the United States might lead, including security and merging communications, storage, and computation in 5G. Those centers should also begin research into 6G technologies that are likely to roll out fifteen years from now.³⁴

The U.S. standards process is industry-led, and Washington should not re-create Beijing's top-down, national-plan approach. There are, however, technologies and international forums where American companies could use additional government support. The National Institute of Standards and Technology should do a comprehensive study and suggest standards dialogues for emerging technologies where the federal government can play a more active supporting role.

In addition, the Department of Commerce should work with major trading partners to promote the secure and free flow of data and the development of common technology standards. Washington and its partners should look for common principles on privacy that would allow for the secure, privacy-protected flow of data in the near term, with a longer-term goal of developing new multilateral agreements.

¹ Remarks by H.E. Xi Jinping President of the People's Republic of China at the Opening Ceremony of the Second World Internet Conference, December 16, 2015, http://www.fmprc.gov.cn/mfa_eng/wjdt_665385/zyjh_665391/t1327570.shtml.

² Michael Hirsch, "How America's Top Tech Companies Created the Surveillance State," *National Journal*, July 25, 2013, <http://www.nationaljournal.com/magazine/how-america-s-top-tech-companies-created-the-surveillance-state-20130725>.

³ Paul Triolo, Samm Sacks, Graham Webster, and Rogier Creemers, "China's Cybersecurity Law One Year On," *DigiChina*, New America, November 30, 2017 <https://www.newamerica.org/cybersecurity-initiative/digichina/blog/chinas-cybersecurity-law-one-year/>

⁴ Yuko Kubota, "American Tech Shudders as China Cyber Rules Are Expected to Get Tougher," *Wall Street Journal*, July 29, 2019, <https://www.wsj.com/articles/chinas-cybersecurity-regulations-rattle-u-s-businesses-11564409177>

⁵ Mingli Shi, Samm Sacks, Qiheng Chen, and Graham Webster, "Translation: China's Personal Information Security Specification," *DigiChina*, New America, February 8, 2019, <https://www.newamerica.org/cybersecurity-initiative/digichina/blog/translation-chinas-personal-information-security-specification/>

⁶ Samm Sacks, "China's Emerging Data Privacy System and GDPR," *CSIS Commentary*, March 9, 2020, <https://www.csis.org/analysis/chinas-emerging-data-privacy-system-and-gdpr>

⁷ Samm Sacks and Manyi Li, "How Chinese Cybersecurity Standards Impact Doing Business In China," *CSIS Briefs*, August 2, 2018, <https://www.csis.org/analysis/how-chinese-cybersecurity-standards-impact-doing-business-china>

⁸ He Huifeng, In a remote corner of China, "Beijing is trying to export its model by training foreign officials the Chinese way," *South China Morning Post*, July 14, 2018, <https://www.scmp.com/news/china/economy/article/2155203/remote-corner-china-beijing-trying-export-its-model-training>

⁹ Jessica Chen Weiss, "Understanding and Rolling Back Digital Authoritarianism," *War on the Rocks*, February 17, 2020, <https://warontherocks.com/2020/02/understanding-and-rolling-back-digital-authoritarianism/>

¹⁰ Adam Segal, "When China Rules the Web," *Foreign Affairs*, September/October 2018, <https://www.foreignaffairs.com/articles/china/2018-08-13/when-china-rules-web>

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¹² <https://unoda-web.s3.amazonaws.com/wp-content/uploads/2019/09/china-submissions-oewg-en.pdf>

¹³ Ellen Nakashima, "The U.S. is urging a no vote on a Russian-led U.N. resolution calling for a global cybercrime treaty," *Washington Post*, November 16, 2019, https://www.washingtonpost.com/national-security/the-us-is-urging-a-no-vote-on-a-russian-led-un-resolution-calling-for-a-global-cybercrime-treaty/2019/11/16/b4895e76-075e-11ea-818c-fcc65139e8c2_story.html

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PREPARED STATEMENT OF RAY BOWEN, PH.D., SENIOR ANALYST, POINTE BELLO



Written Testimony for

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of the United States Congress

For Friday 13 March 2020 Hearing on

A 'China Model?' Beijing's Promotion of Alternative Global Norms and Standards

Panel III: Technological Competition and Driving New Standards

Beijing's Promotion of PRC Technical Standards

Presenter: Dr. J. Ray Bowen II, Pointe Bello LLC

13 March 2020

The views expressed in this testimony are those of the author.



**Pointe
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The Communist Party of China (CPC) intends to promote PRC technical standards—which Beijing refers to programmatically as “China Standards [中国标准]”—though a multipronged, all-of-party-government-and-nation, domestic and international, campaign. Beijing views standards as foundational to its goals to reshaping global governance and expand geostrategic power. In Beijing’s strategies, “China Standards” form essential technical connective tissue for the Belt and Road Initiative (BRI) and the Digital Silk Road (DSR), expanding PRC control of global information and communication technology (ICT). Combined with the standards requirements of Military-Civil Fusion (MCF), these strategies pave the way for projection of PRC military power.

Beijing’s top party state bodies—the CPC, the State Council, and the Central Military Commission (CMC) drive high-level strategic planning and policy initiatives for the promotion of the PRC’s “China Standards” campaign, domestically and overseas. In keeping with CPC practice for its priority action items, Beijing assigns the lead in the “China Standards” campaign to key steward ministries, commissions, and PLA departments. These bodies also liaison with and lead influence operations targeting foreign multinational and sectoral standards setting organizations.

- Key PRC standards agencies including the Standards Administration of the PRC (SAC), and the “China Standardization Expert Committee” (CSEC).
- Staff and technical personnel of dedicated sub-ministerial units, party-state controlled enterprises, and partnerships create and revise standards, and serve in leadership roles on international multilateral and sectoral standards associations, and their committees and working groups.¹
- SAC coordinates “China Standards” setting and revision on a dedicated website.² Policy directives promote PRC technical standards throughout the “Belt and Road Initiative” (BRI), and integrate technical standards with military/dual use requirements and Beijing’s “Military-Civil Fusion” (MCF) campaign (see discussion of MCF further below).³

¹ PRC grass-roots units and partnerships implementing the “China standards” campaign include the SAC—Beijing’s flagship agency for coordinating the development the PRC’s industrial and commercial technical standards—the SAMR’s China National Institute of Standards (CNIS [中国标准化研究院]), and the SAC’s National Center of Standards Evaluation (NCSE [国家市场监督管理总局国家标准技术审评中心]). The CPC Committee Chairman of top SASAC energy SOE “China Huaneng Group” is the new 2019 president of the IEC.

² Standards Administration of the PRC Standards Information Center “The National Standardization Business Management Platform (Experimental Version) Is Formally Announced” [国家标准化业务管理平台（试用版）正式发布], published Jan. 18, 2017, observed 31 January 2019 at root URL: <http://home.sacinfo.org.cn/home/rc?infold=594> ; see also the platform’s login homepage at <http://home.sacinfo.org.cn/>

³The CPC’s MCF Development Committee and the CMC’s Equipment Development Department implement working-level MCF and mobilization.

Beijing views its campaign to create and implement PRC technical standards domestically and abroad as a foundational component of its strategies to develop the PRC and expand the CPC's geostrategic power through reshaping global governance. Speeches during 2014-2016 attributed to CPC General Secretary Xi Jinping assert that for the PRC to become a leading nation it will have to become a rule-maker, and that standards are "first chess move" of global expansion. Xi said that the CPC must strengthen its "leadership over standardization work" and "hard power of China's Standards."⁴⁵

- The PRC State Council's 2015 "Plan to Deepen Reform of Standardization Work" set a 2020 goal to take a greater lead in international standards setting organizations.⁶
- Signaling Beijing's elevation of standards in its overall geostrategy, new content in the "PRC Standardization Law" updated by the NPC in 2017 explicitly aims at protecting national security and increasing the CPC's ability to influence international technology standards. The new language which guides PRC enterprises and other institutions to participate in international standards formulation, cooperation, exchanges, and in the "transformation and utilization between Chinese standards and foreign standards."⁷⁸

⁴ Xi Jinping "Accelerating from Factor Driven, Investment Scale Driven Development to Innovation Driven Development [加快从要素驱动、投资规模驱动发展为主向以创新驱动发展为主的转变]" (June 9, 2014), Selected Works of Important Documents since the Eighteenth National Congress (centre), Central Literature Publishing House 2016 Year edition, pages 22-23.

⁵Tian Shihong, "Create a New Situation for China's Standardization Enterprise: Study and Implement Comrade Xi Jinping's Important Treatise Regarding Standardization Work (开创我国标准化事业新局面-学习贯彻习近平同志关于标准化工作的重要论述)," People's Daily, September 6, 2016, observed 11 June 2019 at root URL: <http://opinion.people.com.cn/n1/2016/0906/c1003-28693193.html> ; earlier at but now scrubbed from: <http://theory.people.com.cn/n1/2016/0906/c40531-28693273.html>.

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⁸ Official website of the PRC National People's Congress [全国人民代表大会]: "PRC Standardization Law [中华人民共和国标准化法]" posted 1 April 1989, observed 17 July 2019 at root URL: http://www.npc.gov.cn/wxzl/wxzl/2000-12/05/content_4514.html

Why is setting and control of technical standards important?

ANSI: Standards are metrics or procedures which make economic interchange possible, affect 96% of global trade. **UN ITU:** Standards make phone, satellite, Internet possible.

- Technical specifications for much of emerging technology are—or will be—determined by foundational ICT standards, and in turn shape the information technology industrial revolution to come.
- Nations that set and deliver these standards will own the IP and formation, development, and control of relevant supply chains.
- Control of key supply chains creates capabilities to access and control broad systems. For example, the PRC has built up a lead in 5G; as the world’s ICT and backbone networks become dependent on PRC 5G technology, which will be significantly comprised of software. Hence, Beijing acquires the capability to control countries’ access to technology, equipment, and services upon which their consumers and industry depend.

The “China Standards” campaign is essential technical connective tissue for the BRI, for the DSR—aimed at expanding PRC control of global ICT—and for MCF. The CPC’s vision of exploiting PRC standards to gain leverage over the international community is illustrated by the PRC’s action plans for “Harmonization of Standards for Construction of ‘OBOR.’”^{9 10}

- The 2018-2020 action plan calls for PRC authorities to insert technical standards clauses into its diplomatic, science and technology, business, and customs inspections agreements, and advance Beijing’s control over technical standards in BRI projects across many sectors.¹¹

⁹ National Development and Reform Commission [中华人民共和国国家发展和改革委员会]: “Harmonization of Standards for ‘OBOR’ Action Plan (2015-2017) [标准联通“一带一路”行动计划 (2015—2017)],” posted 22 October 2015 observed 26 February 2020 at root URL: https://www.ndrc.gov.cn/fzggw/jgsj/kfs/sjdt/201510/t20151022_1085956.html

¹⁰ State Council Information Office (SCIO) [国务院新闻办公室]: “Harmonization of Standards for Construction of ‘OBOR’ Action Plan (2018-2020) [标准联通共建“一带一路”行动计划(2018-2020年)]” posted 19 January 2018, observed 25 January 2019 at root URL: <http://www.scio.gov.cn/xwfbh/xwfbh/wqfbh/37601/39274/xgzc39280/Document/1641459/1641459.htm>

¹¹ Listed sectors include information and communications technology (ICT) and ICT infrastructure, railway construction, industrial communication, satellite navigation, roads, waterways, civil aviation links, energy (oil, gas, and nuclear) power stations, electric grids, infrastructure and construction machinery, urban IT infrastructure projects aka “smart cities”, digital

- The MIIT Science and Technology Department’s implementation guidance for the 2018-2020 action plan—directed at all levels of government and economy—calls on all PRC entities to exploit PRC “first mover advantage” to promote application of PRC standards in ICT infrastructure.¹²
- The guidance calls for increased cooperation and work with international and foreign nations’ standards bodies including the ISO, ITU and IEC (see below for further discussion). In an example of a PRC-interagency international liaison, the NDRC National Internet Information Office and Zhejiang Province formed the “DSR Industrial Alliance” comprising foreign government officials and major PRC firms.¹³¹⁴¹⁵

Building dual-use capabilities into technical standards—a vital component of Beijing’s Military-Civil Fusion (MCF) strategy—aims to bolster PRC technical and logistics backbone for military mobilization at home and abroad. “Standards harmonization” in the BRI and within MCF—along with Beijing’s pursuit of influence over international standards-setting—together pave the technological way for projection of PRC military power. The MCF of standards—unification of industry and commercial standards with military requirements—is stewarded by SAMR, the PLA’s services’ respective equipment departments, and SOEs under SASAC, and other agencies.

television services, movie theaters, building materials, textiles, steel, non-ferrous metals and new materials, explosives, agriculture, home electronics, aerospace, shipbuilding, marine transport and logistics, engineering equipment, online shopping networks, green products, media, publishing, radio, movies, television, the arts, medical equipment, pharmaceuticals, and international banking and financial services. State Council Information Office (SCIO) [国务院新闻办公室]: “Harmonization of Standards for Construction of ‘OBOR’ Action Plan (2018-2020) [标准联通共建“一带一路”行动计划(2018-2020年)]” posted 19 January 2018, observed 25 January 2019 at root URL:

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¹² Science and Technology Division of the Ministry of Industry and Information Technology (MIIT [工业和信息化部]) “MIIT Document (2018) 231 Ministry of Industry and Information Technology Opinion on the Implementation of Standardization of the Industrial Communication Industry for Construction of the ‘Belt and Road’ [工信部科 [2018] 231 号工业和信息化部关于工业通信业标准化工作服务于“一带一路”建设的实施意见],” published 12 November 2018, observed 29 February 2020 at Root URL: <http://www.miit.gov.cn/n1146295/n1652858/n1652930/n3757016/c6480388/content.html>

¹³ “Digital Economy and Digital Silk Road International Conference Propose Joining Hands to Construct Digital Silk Road” [数字经济暨数字丝绸之路国际会议提出 携手共建数字丝路], General Office of the Zhejiang Provincial Government website, September 19, 2018, observed on 2 January 2019 at root URL: http://www.zj.gov.cn/art/2018/9/19/art_41146_2291184.html

¹⁴ “International Conference on Digital Economy and Digital Silk Road” [数字经济暨数字丝绸之路国际会议] website, observed on January 8, 2019 at root URL: <http://ficdedsr.medmeeting.org/Content/103894>

¹⁵ Foreign government officials from Malaysia, Laos, Serbia, Bangladesh, Czech Republic, Cuba, Kazakhstan, and South Korea were in attendance. More than 40 companies joined the DSR Industrial Alliance including Alibaba, Tencent, WeChat, iFlytek, Sugon, Inspur, Baidu, Bilibili, China Electronic Technology Group, and Zhejiang Robot Industry Group. See “International Conference on Digital Economy and Digital Silk Road” [数字经济暨数字丝绸之路国际会议] website, observed on January 8, 2019 at <http://ficdedsr.medmeeting.org/Content/103894>.

- “By 2020, military-civil standards will be compatible and dual-use,” according to a 12 April 2017 joint “13th Five-Year Action Plan for the Development of MCF in Science and Technology (2016-2020)” by the MOST and the CMC Science and Technology Committee.¹⁶
- “The SAC has put military-civil fusion (MCF) in its annual major project work plan every year since 2011”—highlighting the attention to the standardization needs of MCF by PRC agencies.¹⁷ National projects and forums on standardization of MCF were held in 2016 and 2018 and attended by a wide swath of ministry and other PRC organizations.^{18,19}
- 2017 State Council guidance on advancing MCF exhorts CPC organizations to encourage military industry personnel to participate in standards setting and revision, suggesting PLA personnel occupy some leadership roles in standards setting organizations.²⁰
- The PLA should continually exploit the ability of PRC “civilian” companies to access the international market because “internationalization of military-civil fusion standards is advantageous for continuing the PRC’s defense buildup, in terms of its international

¹⁶ “Notice regarding the release of ‘The 13th Five-Year Action Plan for the Development of Military-Civil Fusion in Science and Technology’” [关于印发‘十三五科技军民融合发展专项规划’的通知], Ministry of Science and Technology (original source no longer available), April 12, 2017, observed at root URL: <http://kyy.nuaa.edu.cn/2018/0109/c5794a96521/page.htm>.

¹⁷ Wu Nanning, Liu Xinjian, Zhu Hong, and Yang Tian, “Reflections on Accelerating the Advancement of Standardization in Military-Civil Fusion’s Deep Development [加快推进标准化军民融合深度发展的思考],” *China Standardization*, No. 8, 2018, p. 15.

For more detail on SAMR refer to “02 PRC State Council Agencies Steward All-of- Nation Standardization Campaign”

¹⁸ The CMC Equipment Development Department and SAC October 2016 official “Military-Civil Standards Dual-Use [Universalization] Project” launch event was attended by a including the NDRC, MOST, MIIT, MOF, SASTIND, the National Weather Bureau, the National Survey and Mapping Bureau, the National Oceanic Administration, each PLA service and branch’s equipment department, the relevant bureaus and offices of the CMC, the Academy of Military Science’s Science Research Direction Bureau, the National Defense University Science Research Department, the National University of Defense Technology Science Research Department, the China Academy of Sciences, the China Academy of Engineering Physics, each SASAC military industry corporation, related industry associations and federations of trade unions; and related technology organizations. See: “The Project to Make Military and Civil Standards Dual-Use is Officially Launched [军民标准通用化工程正式启动],” *The Standardization Administration of the PRC*, October 13, 2016, observed at root URL: http://www.sac.gov.cn/szhywb/gzdt/201610/t20161014_218107.htm.

¹⁹ In December 2018, China inaugurated its first national forum on the standardization of MCF [标准化军民融合]. Held in Qingdao, the forum was attended by over 500 representatives from CPC central organizations, national ministries, national administrations, local governments, military units, the military industry, research institutes, universities, and civilian companies. Wang Wenhui and Zhang Tiannan, “Annual National Forum on the Standardization of Military-Civil Fusion Held [全国标准化军民融合年会举行],” PRC Ministry of National Defense, December 24, 2018, at root URL: http://www.mod.gov.cn/mobilization/2018-12/24/content_4832739.htm. For a list of participating government organizations and military units see, “The ‘Qingdao Consensus’ for the Standardization of Military-Civil Fusion Issued on the 20th [标准化军民融合‘青岛共识’20日发布],” Sina News, December 20, 2018, at <https://finance.sina.com.cn/roll/2018-12-20/doc-ihqhqcir8616896.shtml>.

²⁰ The PRC State Council “Office of the State Council Opinion on Advancing the Deep Development of Military-Civil Fusion in Science, Technology, and Industry for National Defense (国务院办公厅关于推动国防科技工业军民融合深度发展的意见),” Office of the State Council, November 23, 2017, observed at root URL: http://www.gov.cn/zhengce/content/2017-12/04/content_5244373.htm.

compatibility and modernization”, according to a 2018 article in the SAMR journal “China Standardization.”²¹

Beijing’s nascent action plan “China Standard 2035” likely aims to enable CPC-controlled agency and enterprise personnel to further dictate technical standards, allowing Beijing to capture broad commercial and security advantages.

“National high-level think tanks”—including entities in SAMR, SAC, the Chinese Academy of Engineering (CAE), and others—are working together to consolidate existing standardization strategies into a higher profile program of action deemed “China Standard 2035,” possibly to be rolled out in early 2020.²²

- Building on work to date, “China Standard 2035” developers planned to present it to the Central Committee of the CPC in January 2020. This suggests they had also planned public elevation of the project would follow, such as publication by the PRC State Council and mentions in top leader speeches at the National People’s Congress, originally scheduled to meet March 2020.
- Disruption of government work and postponement of the NPC meeting as a consequence of the coronavirus public health emergency may delay planned rollout of “China Standard 2035” until later.

Implementing “China Standards” is an obligation for PRC enterprises—particularly those operating internationally. They depend on financial support from the state to pursue state-mandated programs.²³ Since they do not need to make a profit-based calculation, they can enter markets that other companies—such as U.S., European, or Japanese—have less interest in.

PRC SOE’s are not necessarily “operating at a loss,” rather they are able to take on projects without any promise of near-term financial return. Instead, they focus on gaining market share

²¹ Zhu Hong, Xian Kuitong, Yang Tian, and Zhang Yurun, “An Initial Examination of China’s Standardization of Military-Civil Fusion Developments [我国标准化军民融合发展初探],” *China Standardization*, No. 9, 2018, p. 145.

²²China News Service reporter Liu Yuying, “National Standards Committee: Currently Setting ‘China Standard 2035’ [国家标准委：正制定“中国标准2035”],” posted on the website of Xinhua News Agency, January 10, 2018, observed 22 July 2019 at root URL: http://www.xinhuanet.com/fortune/2018-01/10/c_129787658.htm.

²³ “China Export Import Bank “One Belt, One Road” [进出口银行“一带一路”贷款余额已超万亿元] loans already exceed one trillion yuan,” The State Council The People’s Republic of China, (18 April 2019), observed 26 February 2020 at root URL: http://www.gov.cn/xinwen/2019-04/18/content_5384274.htm

in CPC-designated strategic sectors and regions. The majority of reported OBOR activity is in energy and transport construction.²⁴

- The NDRC and China Development Bank announced on 17 September 2018 the signing of the “Comprehensive Support for Developing the Digital Economy and Developmental Finance Cooperation Agreement” [全面支持数字经济发展开发性金融合作协议] pledging over RMB 100 billion (\$14.57 billion) in investment over the next five years to support big data, IoT, cloud computing, construction of new smart cities, and overall DSR construction.²⁵
- PRC enterprises meeting CPC objectives are not necessarily evaluated on accounting profit performance. In November 2018, senior researchers at MIIT’s China Academy of Information and Communications Technology (CAICT) introduced a range of actions to accelerate the “going out”—international expansion—of PRC ICT firms and construction of DSR. Proposed actions include developing new assessment policies for PRC telecom companies (e.g., network layout and market share) and removing profit as a key indicator to encourage PRC firms to enter and occupy key markets as part of China’s foreign strategy, especially where there is competition with Western countries to secure the dominant position in cyberspace.²⁶

The PRC’s large key central state-owned enterprises (SOEs) carry out the engineering, procurement, and construction work for these projects, effectively exporting Chinese construction standards in the process.

- Some notable enterprises include State-owned Assets Supervision and Administration Commission (SASAC) SOEs the China Communication Construction Company—known internationally through the work of its subsidiaries China Harbour Engineering and China Road and Bridge—China Railway Engineering, China Railway Construction and Power Construction Corporation, better known through its subsidiary Sinohydro.

²⁴ “Chinese Global Investment Tracker”, AEI, (undated), observed 26 February 2020 at root URL: <https://www.aei.org/china-global-investment-tracker/>.

²⁵ “NDRC and China Development Bank sign Comprehensive Support for Developing the Digital Economy and Developmental Finance Cooperation Agreement [国家发展和改革委员会与国家开发银行签署《支持数字经济发展开发性金融合作协议》],” PRC State Council website, (September 19, 2018), observed January 2, 2019 at http://www.gov.cn/xinwen/2018-09/19/content_5323492.htm

²⁶ Chen Hui and Dong Jianjun, “Accelerating the Promotion of the One Belt, One Road Information and Communication Industry Going Out [加快推进“一带一路”信息通信业走出去],” CAICT website, (November 14, 2018), observed January 9, 2018 at http://www.caict.ac.cn/kxyj/caictgd/201811/t20181114_188712.htm



Construction is the dominant mode of reported PRC involvement in BRI projects, suggesting that Chinese companies may not have final ownership control over all finished BRI projects.²⁷ PRC companies are portrayed as builders which will exit upon completion of the construction project. However, in large engineering projects, SOEs often linger, offering maintenance and operation services that promote the adoption of China standards.

- The Kenyan Standard Gauge Railway (SGR), for example—“a model project of the BRI”—the Mombasa-Nairobi SGR was constructed by China Road and Bridge Corporation (CRBC) and adopted Chinese standards and technology. China also financed 90 percent of the project.”²⁸ Following the end of the construction, rollingstock company CRRC won a contract to provide the trains and the maintenance for the railway, effectively extending PRC presence on-site and reinforcing Chinese standards for operation in the project.²⁹

²⁷ Derek Scissors, “China’s Global Investment in 2019: Going Out Goes Small,” AEI, (14 January 2020), observed 26 February 2020 at root URL: <https://www.aei.org/wp-content/uploads/2020/01/Chinas-global-investment-in-2019-1.pdf>.

²⁸ “China’s train maker to provide maintenance services to Kenya railway,” China Daily, (30 September 2017), observed 26 February 2020 at root URL: http://www.chinadaily.com.cn/business/2017-09/30/content_32677633.htm.

²⁹ “Kenya’s new China-built railway carries 150,000 in two months,” CRRC, (31 July 2017), observed 26 February 2020 at root URL: <https://www.crrcgc.cc/en/g7389/s14333/t287289.aspx>.

The PRC makes diplomatic agreements—such as memorandums of understanding—incorporating PRC technical standards extensively within the BRI realm as a major policy component of its action plans. The PRC approach to promoting its standards in major industrial economies such as the United States and Europe also includes participation in standards setting bodies and organizations, discussed further below.

A 2018 strategy briefing by the SAMR CPC Committee’s China National Institute of Standardization (CNIS) on “Harmonization of Standards for Construction of ‘OBOR’” touts successful inclusion of PRC technical standards in international agreements.³⁰

- The CNIS briefing states that the 2018-2020 action plan will promote integration of standardization into bilateral and multilateral cooperation framework agreements on diplomacy, science and technology, commerce, and quality inspection.
- PRC bilateral and multilateral standardization cooperation has made good progress, which cites 45 cooperation documents signed with the national and regional standardization organizations of 32 nations, of which 22 cooperation documents were with countries and regions along the BRI, and 28 countries and regions signed cooperation agreements explicitly promoting mutual recognition of standards.

Target regions and countries for the PRC’s standardization goals, specified by the action plan, include:

- Europe, ASEAN, BRICS (Brazil, Russia, India, China and South Africa), Northeast Asia, North America, Africa and Oceania.³¹ It also aims to extend regional standardization cooperation channels to countries in Central and Eastern Europe, Central Asia, West Asia and the Middle East.
- To promote international standardization cooperation relating to broadband access and quality, e-commerce, technological skills training, and information and communications technology investment promotion, Beijing secured agreements from at least six countries—

³⁰ Li Aixian [李爱仙], SAMR CPC Committee’s China National Institute of Standardization (CNIS[中国标准化研究院]): “Harmonization of Standards for Construction of ‘OBOR’ [标准联通共建“一带一路”]” dated October 2018, observed 26 February 2020 at Google Cache URL: http://webcache.googleusercontent.com/search?q=cache:w5U6nK_n2rAJ:www.china-cas.org/u/cms/www/201811/08213922tqdp.pptx+&cd=1&hl=en&ct=clnk&gl=us]

³¹ National Development and Reform Commission [中华人民共和国国家发展和改革委员会]: “Harmonization of Standards for ‘OBOR’ Action Plan (2015-2017) [标准联通“一带一路”行动计划 (2015—2017)],” posted 22 October 2015 observed 26 February 2020 at root URL: https://www.ndrc.gov.cn/fzggw/jgsj/kfs/sjdt/201510/t20151022_1085956.html
See also: “Harmonization of Standards for Jointly Constructing ‘One Belt and One Road’ Action Plan (2018-2020) [标准联通共建“一带一路”行动计划 (2018-2020年)],” Belt and Road Portal [中国一带一路网], (January 11, 2018), observed December 18, 2018 at root URL: <https://www.yidaiyilu.gov.cn/zchj/qwfb/43480.Htm>

Laos, Saudi Arabia, Serbia, Thailand, Turkey, and United Arab Emirates—under the “One Belt, One Road” Digital Economy International Cooperation Initiative, which was launched in December 2017.³²

- The PRC Embassy in Rome participated in the October 2017 Silk Road Digital Connectivity Round Table that brought together diplomatic leaders from Italy and the PRC, including the PRC Ambassador to Italy Li Ruiyu [李瑞宇].³³ At the roundtable, Lu Yiji [鲁乙己] Chairman of the PRC Ministry of Civil Affairs-registered China-Europe Digital Association (ChinaEU; 中欧数字协会)^{34,35}—an organization dedicated to among other things “promoting the establishment of common standards for ICT”—stressed that China and the European Union (EU) must collaborate to promote the development of next-generation technologies. Mr. Lu highlighted that companies such as Alibaba and Huawei are actively seeking new markets in Europe and aim to not only localize operations in Italy, but also present themselves as model examples of successful Sino-Italian cooperation.³⁶

In addition to the ostensible incentives of promised technological collaboration and nominally low prices, the PRC may be the only foreign party willing to do business in many BRI countries. Such BRI countries stand to gain from building ties to China and working with SOEs because they may be able to start on infrastructure projects otherwise altogether unavailable, or at a lower financial cost than would be possible with other partners. Although the number of BRI

³²“7 countries jointly agreed to initiate a new chapter in ‘Digital Silk Road’ cooperation [7国共同发起倡议开启“数字丝绸之路”合作新篇章],” Xinhua News [新华社], (December 3, 2017), observed December 17, 2018 at http://www.xinhuanet.com/world/2017-12/03/c_1122050732.htm

³³The meeting also convened representatives from large PRC firms such as Huawei, Tencent, and Alibaba. Ambassador Li at the October 2017 roundtable stated that China and Italy should form a strategic partnership to collaborate on the development of new technologies and expand digital economic cooperation. “People from all walks of life in China and Italy: The Sino-Italian ‘Digital Silk Road’ has broad prospects for construction [中意各国人士：中意“数字丝绸之路”建设前景广阔],” Economic Daily [经济日报], (October 30, 2017), observed December 12, 2018 at <https://www.yidaiyilu.gov.cn/xwzx/hwxw/32098.htm>; and “The Embassy in Italy hosted the ‘Silk Road Digital Interconnection’ Round Table [驻意大利使馆举办“丝绸之路·数字互联互通”院周会],” Ministry of Foreign Affairs of the People’s Republic of China [中华人民共和国外交部], (October 26, 2017), observed December 12, 2018 at https://www.fmprc.gov.cn/web/zwbdt_673032/gzhd_673042/t1504740.shtml; and “New era, new opportunities, speeding up digital interconnection [新时代，新机遇，提速数字互联互通],” Ministry of Foreign Affairs of the People’s Republic of China [中华人民共和国外交部], (October 26, 2017), observed December 13, 2018 at https://www.mfa.gov.cn/web/dszlsjt_673036/ds_673038/t1504738.shtml

³⁴“China-EU Digital Association (ChinaEU) [中欧数字协会]” China Internet Development Foundation [中国互联网发展基金会], (undated), observed January 15, 2019 at http://www.cidf.net/2015-11/10/c_1117090534.htm

³⁵“Introduction to the China Internet Development Foundation [中国互联网发展基金会简介],” China Internet Development Foundation [中国互联网发展基金会], (undated), observed 15 January, 2019 at <http://www.cidf.net/jjhj.htm> (Text: “. . . The China Internet Development Foundation (CIDF) is a national public fundraising foundation approved by the State Council and registered with the Ministry of Civil Affairs . . .”)

³⁶The meeting also convened representatives from large PRC firms such as Huawei, Tencent, and Alibaba. Ambassador Li at the October 2017 roundtable stated that China and Italy should form a strategic partnership to collaborate on the development of new technologies and expand digital economic cooperation.

partners has more than doubled through the lifetime of the initiative, this hasn't translated into construction projects for every country.

Beijing has developed a long-term strategy that coopts standard-setting bodies to harness the global economy to CPC goals. Beijing action plans and programs have successfully placed PRC personnel into leadership roles in pre-existing international sectoral and technical standards-setting bodies and sectoral associations, as well as creating new entities—which Beijing portrays as having similar sectoral goals—into which it invites foreign government and corporate representatives. This strategy has also heavily recruited organizations and personnel in the U.S.' and U.S. allies' NGO and corporate sectors.

The PRC State Council's 2015 "Plan to Deepen Reform of Standardization Work" spotlights the priority that the CPC and the PRC government places on standards setting and the growing role of PRC personnel in international, national and sectoral standards setting bodies.³⁷ The plan:

- Calls on PRC entities to **"construct a brand around China standards"** and **mandates integration of PRC standards** into "engineering contracts abroad, major equipment and infrastructure exports, and foreign construction assistance projects...to propel the going out of China's products, technologies, equipment, and services."
- Set forth as goals for 2016 and 2020 to **increase the PRC's "ability to exercise control over international standards-setting"** and tallied PRC interim success in gaining power on international standardization bodies, while also noting that work remained to be done to achieve Beijing's objective.
- Exhorted PRC entities to "aim to play a leading role in the setting of 50% of all international standards by the end of 2016..." so that **by 2020 "the PRC will be in a leading position in more international standards setting organizations"** and "the international influence of China's standards will continually expand."
- The same PRC State Council 2015 plan states that **"China has successively become a permanent member of the ISO and IEC, and member nation in the ITU."** By 2020, PRC personnel serving in these international standards setting bodies' leadership positions

³⁷ State Council of the PRC [国务院]: "State Council Notice Regarding Promulgation of the Plan to Deepen Reform of Standardization Work, State Council 2015 document number 13 [国务院关于印发深化标准化工作改革方案的通知, 国发〔2015〕13号]", posted on the official website of the PRC government, observed 14 June 2019 at root URL: http://www.gov.cn/zhengce/content/2015-03/26/content_9557.htm

included the top position of each, and many secretary/chairperson person positions for committees in key emerging technologies. For example:

- An SOE vice chairman who had served as the President of the UN’s International Organization for Standardization (ISO) during 2015-2017;^{38 39}
- A PRC ICT planner who serves as the Secretary General of ITU, and Huawei and MIIT personnel who serve as committee leaders at the UN International Telecommunications Union (ITU);^{40 41}

³⁸ The current ISO President is Kenyan Eddy Njoroge. Dr Zhang Xiaogang 张晓刚 of China served as of President of ISO during 2015-2017 according to root URL: https://isotc.iso.org/livelink/livelink/fetch/-15620321/15620323/15620665/ISO_past_Officers.pdf?nodeid=18595424&vernum=-2 ; Dr Zhang is/was a Vice Chair of key central SOE Ansteel (#32 SASAC SOE 鞍钢集团有限公司), and the “China Standardization Expert Committee” (CSEC), and chaired and ISO technical committee for 13 years, according to root URL: https://www.chinadaily.com.cn/m/qingdao/2017-06/23/content_29862586.htm

³⁹ Li Aixian [李爱仙], SAMR CPC Committee’s China National Institute of Standardization (CNIS[中国标准化研究院]): “Harmonization of Standards for Construction of ‘OBOR’ [标准联通共建“一带一路”]” dated October 2018, observed 26 February 2020 at Google Cache URL: http://webcache.googleusercontent.com/search?q=cache:w5U6nK_n2rAJ:www.china-cas.org/u/cms/www/201811/08213922tqdp.pptx+&cd=1&hl=en&ct=clnk&gl=us [observed 26 February 2020at root URL: <http://www.china-cas.org/u/cms/www/201811/08213922tqdp.pptx>.

⁴⁰ The International Telecommunications Union (ITU) is under the UN. PRC experts in ITU key roles include:

- ITU Secretary-General Houlin Zhao [赵厚麟], an ICT engineer who previously worked at the PRC’s Designing Institute of the Ministry of Posts and Telecommunications. “Biography – Houlin Zhao, ITU Secretary-General,” International Telecommunications Union (ITU) official website, (undated), observed March 7, 2019 at root URL <https://www.itu.int/en/osg/Pages/biography-zhao.aspx>
- Huawei USA Future Networks Chief Scientist Renwei (Richard) Li is the Chairman of the ITU Focus Group on Technologies for Network 2030. “FG NET-2030,” International Telecommunications Union (ITU) official website, (undated), observed March 7, 2019 at root URL: <https://www.itu.int/en/ITU-T/focusgroups/net2030/Pages/default.aspx>
- Chairman of ITU-T’s SG16 Noah Luo is a senior standards and strategic expert at Huawei in the UK where he concurrently serves as the Director of Huawei’s Department of Industry and Standards for Western Europe. “Luo Noah,” International Telecommunications Union (ITU) official website, (undated), observed March 7, 2019 at root URL <https://www.itu.int/en/ITU-T/Workshops-and-Seminars/bigdata/Pages/LUONoah.aspx>
- Yang Xiaoya—who serves as the head of the World Telecommunication Standardization Assembly (WTSa) Programmes Division, as well as an ITU councilor for numerous ITU-T study groups--previously worked as a division director for Internet regulation and information security at MIIT from 1998 to 2004. “Yang Xiaoya,” International Telecommunications Union (ITU) official website, (undated), observed March 7, 2019 at root URL: <https://www.itu.int/en/ITU-T/Workshops-and-Seminars/bsg/082014/Pages/YANGXiaoya.aspx>

⁴¹ Li Aixian [李爱仙], SAMR CPC Committee’s China National Institute of Standardization (CNIS[中国标准化研究院]): “Harmonization of Standards for Construction of ‘OBOR’ [标准联通共建“一带一路”]” dated October 2018, observed 26 February 2020 at Google Cache URL: http://webcache.googleusercontent.com/search?q=cache:w5U6nK_n2rAJ:www.china-cas.org/u/cms/www/201811/08213922tqdp.pptx+&cd=1&hl=en&ct=clnk&gl=us

- An SOE CPC Party Committee Chairman (and CEO) was the VP—and is now the President—of the International Electrotechnical Commission (IEC).^{42 43}
- CNIS provides the “chairman, secretary and convener of 30 international technical institutions,” supports 63 PRC units in their capacity as “technical counterparts” to ISO, and leads the development of 49 international ISO standards, according to the CNIS “introduction” posted on its website.⁴⁴
- CNIS claimed in its previous—now defunct—introduction that its representatives provide services “as vice-chair, secretary, and 22 key duties in the ISO technology committee [or committees]” (see comments in footnote).^{45 46} CNIS also claimed to be involved with “36 standards projects such as energy conservation, statistics technology, human work efficiency, graphics symbology, information technology, technical terms, language training service, and emergency security” in the ISO.⁴⁷

⁴² At the 83rd IEC conference during October 2019 in Shanghai, a Massachusetts attorney who had served as the IEC president during 2016-2019—was succeeded in that role by Shu Yinbiao [舒印彪]—the Chairman of the Communist Party Committee and CEO [党组书记 董事长] of PRC SASAC’s number sixteen central state-owned enterprise (SOE) “China Huaneng Group Co., Ltd. [中国华能集团有限公司].” See: “IEC Blog” and “About the IEC –Who We Are—Officers” pages on the organization’s official website, the IEC (International Electrotechnical Commission), observed 12 November 2019 at root URLs: <https://blog.iec.ch/2019/10/iec-general-meeting-set-to-open-in-shanghai/> and <https://www.iec.ch/about/profile/officers.htm>; and see: “About Us > Our Enterprise [关于我们 > 我们的企业]” and “About Us > Our Leadership Team [关于我们 > 我们的领导团队]” on the official website of “China Huaneng Group Co., Ltd., [中国华能集团有限公司]” in Chinese vernacular, observed 12 November 2019 at root URLs: <http://www.chng.com.cn/n31529/index.html> and <http://www.chng.com.cn/n31529/n31555/index.html>

⁴³ Li Aixian [李爱仙], SAMR CPC Committee’s China National Institute of Standardization (CNIS[中国标准化研究院]): “Harmonization of Standards for Construction of ‘OBOR’ [标准联通共建“一带一路”]” dated October 2018, observed 26 February 2020 at Google Cache URL: http://webcache.googleusercontent.com/search?q=cache:w5U6nK_n2rAJ:www.china-cas.org/u/cms/www/201811/08213922tqdp.pptx+&cd=1&hl=en&ct=clnk&gl=us

⁴⁴ CNIS website “CNIS Introduction” [中国标准化研究院简介], China National Institute of Standardization homepage, undated, observed 31 July 2019 at root URL: <https://www.cnis.ac.cn/bygk/byjj/>

⁴⁵ CNIS website “Institute Introduction” [本院介绍], China National Institute of Standardization homepage, undated, observed 31 May 2019 at root URL: <http://www.cnis.gov.cn/bzygk/byjs/> but defunct as of 31 July 2019. [Original text: “承担了国际标准化组织(ISO)的技术委员会副主席、秘书等22个关键职务,并在节能、统计技术、人类工效、图形符号、信息技术、术语、语言培训服务、应急安全等领域主持制定ISO标准36项。”].

⁴⁶ This reference did not specify which “technology committee” (or plural committees) are the ones that CNIS served in. The ISO maintains 324 technical committees, each focused on a particular type of product or service. “Technical Committees,” International Organization for Standardization, undated, observed 7 July 2019 at root URL: <https://www.iso.org/technical-committees.html>

⁴⁷ CNIS website “Institute Introduction” [本院介绍], China National Institute of Standardization homepage, undated, observed 31 May 2019 at root URL: <http://www.cnis.gov.cn/bzygk/byjs/> but defunct as of 31 July 2019.

- According to an October 2018 strategy briefing by the CNIS on “Harmonization of Standards for Construction of ‘OBOR’”:⁴⁸
 - 67 PRC personnel acted as ISO and IEC technical agencies’ chairman or vice chairman.
 - 85 PRC personnel supported the ISO and IEC (including SC) secretariat.
 - The PRC published 425 ISO or IEC international standards.
 - The PRC proposed 750 ISO or IEC international standards.
 - Nearly 500 PRC personnel served as registered international standardization experts.
- Beijing also has targeted U.S. standards institutions—such as the US Department of Commerce National Institute of Standards and Technology (NIST)⁴⁹ and the U.S. public-private partnership American National Standards Institute (ANSI).⁵⁰
- During 2009 The US Department of Commerce and AQSIQ (SAMR predecessor) signed, and in 2016 updated, a NIST-SAC collaboration protocol.⁵¹ NIST works closely with ANSI, including on projects involving PRC institutions and persons.⁵²

⁴⁸ Li Aixian [李爱仙], SAMR CPC Committee’s China National Institute of Standardization (CNIS [中国标准化研究院]): “Harmonization of Standards for Construction of ‘OBOR’ [标准联通共建“一带一路”]” dated October 2018, observed 26 February 2020 at Google Cache URL: http://webcache.googleusercontent.com/search?q=cache:w5U6nK_n2rAJ:www.china-cas.org/u/cms/www/201811/08213922tqdp.pptx+&cd=1&hl=en&ct=clnk&gl=us

⁴⁹ NIST—first established in 1901 as a bureau of measurement standards or metrology—today is a U.S. Department of Commerce laboratory with a mission to promote U.S. innovation and industrial competitiveness by advancing measurement science, according to the NIST website. “NIST Mission, Vision, Core Competencies, and Core Values” observed 1 November 2019 at root URL: <https://www.nist.gov/about-nist/our-organization/mission-vision-values>

⁵⁰ ANSI—originally founded in 1918 by the U.S. War Department, U.S. Navy, U.S. Commerce Department and five American engineering associations—today is the main NGO standards coordinating body in the United States, is a crossroads for public and private sectors, and represents U.S. interests in key global standards bodies, according to the ANSI website. “The ANSI Federation is comprised of government agencies, organizations, corporations, academic and international bodies, and individuals. In total, the Institute represents the interests of more than 125,000 companies and 3.5 million professionals.” See ANSI official website: “About ANSI” observed 30 October 2019 at root URL: https://www.ansi.org/about_ansi/overview/overview?menuid=1

⁵¹ NIST official website: “Department of Commerce (DOC) Metrology, Standards and Conformity Assessment Program” posted 21 July 2009 and updated 25 August 2016, observed 2 November 2019 at root URL: <https://www.nist.gov/iaao/departments-commerce-doc-metrology-standards-and-conformity-assessment-program>

⁵² Xinhuanet: “Chinese AI teams win big in global facial recognition competition” posted 21 November 2018, observed 2 November 2019 at root URL: http://www.xinhuanet.com/english/2018-11/21/c_137622674.htm; and: Tom Simonite: “Why Chinese Companies Plug a US Test for Facial Recognition” posted 6 March 2019 on WIRED, observed 2 November 2019 at root URL: <https://www.wired.com/story/china-earns-high-marks-us-test-facial-recognition/>

- ANSI works closely with PRC entities, including a 2017 agreement with SAC to “twin”— sharing leadership of ISO Secretariat roles and chairs of working level technical committees.⁵³ The ANSI website maintains an English language content behind a pay/membership wall, but provides free-access to Chinese language content.
- ANSI’s president/CEO and his Canadian, French, German, and UK counterparts are CPC-appointed members of the SAC’s “China Standardization Expert Committee” (CSEC).⁵⁴
- ANSI as of September 2019 has reportedly held 45 conferences in China.⁵⁵ 252 The conferences support U.S. government initiatives and U.S. business interests. Indeed, a review of selected conference proceedings reveals that American officials and industry representatives are often sponsors, participants, and speakers.⁵⁶

⁵³ “ANSI and SAC Sign Updated MOU, Host Executive Roundtable” posted 16 June 2017 on ANSI’s official website, observed 12 November 2019 at root URL: https://www.ansi.org/news_publications/news_story?menuid=7&articleid=ec6025c2-387a-45fe-b761-6023181de2ba

“At the conclusion of the meeting, ANSI and SAC signed two agreements. The first was an updated Memorandum of Understanding (MOU). The English version of the signed MOU can be viewed here. The last version was signed in 2002. The updates included in the 2017 version reinforce ANSI and SAC’s commitment to dialogue on the sidelines of international and regional meetings, as well as regular visits to each other’s countries. The MOU also includes new language on information sharing and reinforces ANSI’s commitment to facilitating cooperation between ANSI members, SAC, and other Chinese standards-related entities. ANSI and SAC also signed a “twinning” agreement, in which they agreed to share the role of Secretariat for International Organization for Standardization (ISO) Technical Committee (TC) 301, Energy Management and Energy Savings. The agreement reflects a partnership that has been in place since February 2016.”

⁵⁴ See http://www.aqsiq.gov.cn/zjxw/zjxw/zjftpxw/201609/t20160914_474066.htm; and https://www.ansi.org/news_publications/news_story?menuid=7&articleid=a94c3165-6eed-4a77-aeaf-f8a9f6585859. Note also that CSEC serves as the Chinese government’s highest-level expert group on standardization work, according to an authoritative source. CSEC’s official mission is to “Implement the CPC’s and the nation’s decisions regarding standardization work...and implement China’s Standardization Strategy” according to the SAMR official website, observed 15 September 2019 at root URL: http://www.aqsiq.gov.cn/zjxw/zjxw/zjftpxw/201609/t20160914_474066.htm

⁵⁵ ANSI official website, observed 15 September 2019 at root URLs: https://standardsportal.org/usa_en/toolbox/us_chinascpp.aspx; https://standardsportal.org/usa_en/toolbox/proceedings-news-us-china-phase-4.aspx; https://www.standardsportal.org/usa_en/toolbox/proceedings-news.aspx#Proceedings-from-Phase-III

⁵⁶For example, see ANSI official website, observed 15 September 2019 at root URL: [https://share.ansi.org/Shared%20Documents/Standards%20Activities/International%20Standardization/Regional/Staff/LMM/SCCP%20Materials/Networking%20Workshop%20on%20Energy%20Performance%20Contracting%20\(EPC\)%20Proceedings.pdf](https://share.ansi.org/Shared%20Documents/Standards%20Activities/International%20Standardization/Regional/Staff/LMM/SCCP%20Materials/Networking%20Workshop%20on%20Energy%20Performance%20Contracting%20(EPC)%20Proceedings.pdf); ANSI official website, observed 15 September 2019 at root URL: <https://share.ansi.org/Shared%20Documents/Standards%20Activities/International%20Standardization/Regional/Staff/LMM/SCCP%20Materials/U.S.-China%20Green%20Data%20Center%20and%20Big%20Data%20Industry%20Development%20Summit.pdf>; <https://share.ansi.org/Shared%20Documents/Standards%20Activities/International%20Standardization/Regional/Staff/LMM/SCCP%20Materials/U.S.-%20China%20Medical%20Devices%20Workshop.pdf>; and ANSI official website, observed 15 September 2019 at root URL: <https://share.ansi.org/Shared%20Documents/Standards%20Activities/International%20Standardization/Regional/Staff/LMM/SCCP%20Materials/Sino-U.S.%20Smart%20Green%20Infrastructure%20Cooperation%20Forum%20Proceedings%208.30.pdf>

- Most (if not all) of the ANSI China conference topics fall into categories highlighted by Beijing’s “Made in China 2025” strategy, the PRC Standardization Law, and China’s national standardization plans.⁵⁷
- For example, conference topics have included healthcare, environmental protection, logistics and transportation, energy, electronics, cognitive computing, hybrid micro grids, and smart infrastructure and food safety.⁵⁸

PRC entities also participate in specific industry and sectoral associations which may contribute to the development of standards. For example, the development of the industrial Internet (II) and the industrial Internet of Things (IIoT) is taking place with a high degree of international interaction and openness on the part of participants based in the U.S. and its allies, on the assumption of a globally open market, but thereby giving the PRC entities access to the efforts and processes of U.S. and allies’ government agencies, firms, and standard-setting bodies.

- The multinational association “Industrial Internet Consortium” (IIC) was founded in March 2014 “to bring together the organizations and technologies necessary to accelerate the growth of the Industrial Internet by identifying, assembling and promoting best practices,” according to the IIC’s “about us” webpage.⁵⁹
- “Founding and contributing members” of the IIC include Bosch, Dell, EMC, GE, Huawei, Microsoft, and the Purdue University College of Engineering, according to the IIC’s “member directory” webpage.⁶⁰ Over 200 U.S. and non-U.S. entities are listed in the association’s full “Member Directory.”

⁵⁷See “Made in China 2025 (中国制造2025),” PRC State Council, posted May 8, 2015, observed 15 September at root URL: http://www.gov.cn/zhengce/content/2015-05/19/content_9784.htm; See “Standardization Law of the People’s Republic of China (中华人民共和国标准化法),” and Standardization Administration of the People’s Republic of China, November 8, 2017, at http://www.sac.gov.cn/sbgs/flfg/fl/bzhf/201711/t20171108_318652.htm; and “Office of the State Council notice regarding release of The National Standardization System Construction Development Plan (2016-2020) (国务院办公厅关于印发国家标准化体系建设发展规划 (2016-2020年) 的通知),” Office of the State Council, Document 89, 2015, December 17, 2015, , observed 15 September 2019 at root URL: http://www.gov.cn/xinwen/2015-12/30/content_5029624.htm.

⁵⁸ANSI official website, observed 15 September 2019 at root URLs: https://standardsportal.org/usa_en/toolbox/us_chinascpp.aspx; https://www.standardsportal.org/usa_en/toolbox/proceedings-news-us-china-phase-4.aspx; and https://www.standardsportal.org/usa_en/toolbox/proceedings-news.aspx#Proceedings-from-Phase-III

⁵⁹ Official website of the Industrial Internet Consortium: “THE INDUSTRIAL INTERNET CONSORTIUM: A GLOBAL NOT-FOR-PROFIT PARTNERSHIP OF INDUSTRY, GOVERNMENT AND ACADEMIA”, observed 7 April 2019 at root URL: <https://www.iiconsortium.org/about-us.htm>

⁶⁰ Official website of the Industrial Internet Consortium: “MEMBER DIRECTORY”, observed 7 April 2019 at root URL: <https://www.iiconsortium.org/members.htm>

- The IIC Member Directory lists at least 15 PRC-headquartered entities, which include government entities such as: the PRC Ministry of Industry and Information Technology’s (MIIT) strategy research think tank the China Academy of Information and Communication Technology (CAICT), the China Electronics Standardization Institute, and the China Industrial Control Systems Cyber Emergency Response Team (CICS-CERT); PRC university engineering departments; SASAC central state-owned enterprise (SOEs) telecoms such as China Mobile, China Unicom, and China telecom; and “non-state-owned” (but nevertheless CPC-controlled) firms Huawei and Wanxiang.
- At the same time, the IIC Member Directory also lists US government entities and affiliated entities such as the Space and Naval Warfare Systems Center Pacific (SPAWAR, *aka* SPAWAR Systems Center Pacific (SSC Pacific)), and the Oak Ridge National Laboratory.^{61 62}

The majority of new PRC standards appear to be PRC set, not adopted from foreigners. In line with its stated objectives, Beijing grows increasingly determined to use—and have others adopt—its own standards.

The PRC Ministry of Industry and Information Technology (MIIT) standards revision plan published in 2018 overwhelmingly favored and adopted PRC-set standards; less than 2 percent were existing international standards.⁶³

- In 2018, Beijing also dedicated nearly one-quarter of its national translation budget to making PRC standards available in foreign languages.⁶⁴

⁶¹ Official website of the Space and Naval Warfare Systems Command (SPAWAR) observed 14 April 2019 at root URL: <https://www.public.navy.mil/spawar/NIWC-Pacific/Pages/default.aspx>

⁶² Official Website of the Oak Ridge National Laboratory, observed 14 April 2019 at root URL: <https://www.ornl.gov/>

⁶³The “2018 Standard System Revision Plan for the Fifth Batch of Sectors [2018 年第五批行业标准制修订计划]”— published December 2018 by MIIT—lists the planning and management roles for specific branches within MIIT in determining or revising 158 standards in ten major economic sectors; only three of the 158 standards comprised adoption of existing international standards.

⁶⁴ According to a report on a Beijing municipal government website, Beijing Chaoyang District participated in the Action Plan II “National Standard Foreign Languages Program” which aims to promote the international recognition of the PRC’s technical standards through foreign language translation of those standards. 12 standard translation projects of 5 units including China Building Materials Inspection and Certification Group Co., Ltd., China Leather Shoes Research Institute Co., Ltd. and China Building Science Research Institute Co., Ltd. in Chaoyang District were selected as the first batch of national standard foreign language plans in 2018, and accounted for 23% of the total 51 foreign language tasks in the national plan. Beijing Municipal Government Information Publicity Webpage [北京市政府信息公司专栏] :

PRC engineering enterprises are exporting standards through their construction work. Those PRC enterprises that act as investors or long-term partners or service providers gain indefinite presence in the target country and have a lot more leeway to promote PRC standards in the long run.

- The mainstay of construction projects are transport and energy. According to the CGIT Chinese companies have won \$174 billion of energy contracts and \$150 in transportation contracts since October 2013. Within transportation, rail leads at \$59 billion, roads and bridges follow closely at \$54 billion, and ports at \$24 billion. Within energy most of the contracting focuses on hydropower projects at \$43 billion followed by coal-fired power plants at \$35 billion.
- The sectors that draw the most PRC financing on the investment side are energy at \$110 billion followed distantly by metals and transport at \$42 billion and \$38 billion, respectively. Within energy, coal and oil draw around \$21 billion each. PRC companies have also invested in electrical grid services and in some cases, such as the State Grid's investment in the Philippines⁶⁵, this activity predates the BRI announcement.⁶⁶
- The PRC is working towards exporting its technical standards in the telecommunications sector as through DSR. Pointe Bello's data shows that Chinese companies are engaged in building fiber optic cables overseas and exporting surveillance technology through initiatives like Huawei's safe cities.^{67 68}

Beijing views its progress in promoting “China Standards” as promising, but likely fears that the window of opportunity may be closing.

“Chaoyang District actively participates in the foreign language work for “Harmonization of Standards for Jointly Constructing ‘One Belt and One Road’ Action Plan” [朝阳区积极参与国家标准外文版工作助力标准联通共建“一带一路。]” observed 25 January 2019 at root URL: http://zfxgk.beijing.gov.cn/11E028/zwxw52j/2018-08/24/content_2ffd43229fc04d8eb073509e0669e699.shtml

⁶⁵ http://www.sgcc.com.cn/html/sgcc_main_en/col2017112406/2019-12/24/20191224113952191413189_1.shtml

⁶⁶ “State Grid Corporation of China Granted 25 Years-Franchise of National Grid of the Philippines,” State Grid Corporation of China, (18 January 2009), observed 26 February 2020 at root URL: <http://www.sgcc.com.cn/ywlm/gsyw-e/183534.shtml>.

⁶⁷ “Cambodia grants rights to Chinese firm to build submarine cables, landing station,” People's Daily, (2 March 2016), observed 26 February 2020 at root URL: <http://en.people.cn/n3/2016/0302/c90883-9024154.html>.

⁶⁸ “New Safe City Technology Safeguards the Colón Free Trade Zone in Panama,” Huawei, (undated), observed 26 February 2020 at root URL: <https://e.huawei.com/us/case-studies/industries/2019/new-safe-city-technology-safeguards-colons-free-trade-zone-in-panama>.

Beijing's standards campaign advances the IDDS and related policies to acquire and control technology further by giving Beijing control over the technical standards which ultimately govern key markets. Beijing appears to be encouraged by the sometimes successes of its IDDS in acquiring and expropriating ICT and other emerging technologies and applications from the U.S. and its allies.

- The director of SAC's Industrial Standards Second Department, Dai Hong [戴红], stated that international technology R&D and patents arrangements are "incomplete" and that globalized technology standards are still being settled upon, according to the China News Service (CNS) report "China Standard 2035."⁶⁹ Dai said "this presents China with an opportunity to have its industries and technology standards maneuver around and race ahead of competitors."
- "5G critical components" are among the target areas particularly promising for China "to realize transcendence"—along with artificial intelligence, big data, cloud computing, integrated circuits, artificial reality, smart health and elderly care, logistics networks, Internet of Things, and solar photovoltaic technology—according to the CNS report."
- The PRC has built up a lead in 5G, capturing large shares of the global infrastructure market and the related patents. 5G lies at the center of the future technological and industrial world, in which ICT and networks will no longer merely be for communication, but will increasingly become the central nervous systems of all of the information technology industrial revolution to come. As the world's ICT and networks become dependent on PRC technology, Beijing acquires the capability to shut countries off from technology and equipment upon which their consumers and industry depend. The same can be said for the flow of communications, goods and other services, including scientific and medical developments.⁷⁰
- U.S. power exercised today through its sponsorship of consensual global economic governance as well as sanctions and global financial systems will pale by comparison to the leverage the PRC's technical standards-controlled capabilities could exercise in this future,

⁶⁹China News Service reporter Liu Yuying, "National Standards Committee: Currently Setting 'China Standard 2035' [国家标准委: 正制定"中国标准2035"]," posted on the website of Xinhua News Agency, January 10, 2018, observed 22 July 2019 at root URL: http://www.xinhuanet.com/fortune/2018-01/10/c_129787658.htm. China News Service (CNS also sometimes referred to as China News Agency CNA [中国新闻社, 简称"中新社"]) is a Beijing-based state-run news agency in China charged by Beijing with broadcasting to Chinese language audiences both domestically in the PRC and worldwide as its main task, according to its "about us" observed 22 July 2019 at root URL: <http://www.chinanews.com/common/footer/aboutus.shtml>

⁷⁰ William Barr, U.S. Attorney General: "China Initiative Conference Keynote Address" *Center for Strategic & International Studies*, posted and observed 6 February 2020 at root URL: https://csis-prod.s3.amazonaws.com/s3fs-public/event/200206_Keynote_Address_William_Barr.pdf?R0G7Wa05hL6kbqX1kEtOrjp2udfcK8id

with the ability to access technologies and infrastructures worldwide wired or programmed into PRC-provided or processed equipment and technologies worldwide.

- The issue is not just one of cybertechnology, however, but extends to most realms of the economy because IT is increasing pervasive in goods and services, not only in the consumer sector but in industrial goods, services and commerce across the board. Consider the railway industry—an apparently traditional heavy industrial good but one we still rely heavily on. Beijing already promotes state-controlled railway enterprises through subsidies, as well as through trade barriers, allowing CCCC, CRRC and other PRC companies to underbid others overseas. If the PRC also determined technical standards for railway rolling stock and rail infrastructure globally—both physical hardware and ICT—it would significantly increase Beijing’s ability to monopolize relevant markets—as “Made in China 2025” calls for—by either denying other suppliers access to physical equipment and technologies or by charging high premiums for access.⁷¹
- The threat extends beyond the U.S. and its allies’ companies, however. Monopoly also becomes a national security matter when sectors such as rail are integrated into smart manufacturing and logistics infrastructure. Violations of U.S. company IP, and the security of supply chains and information are guaranteed by Beijing’s cybersecurity and counterespionage laws, which require all firms operating in or with connections to the PRC to share any information with the PRC government when requested and to share source codes with Beijing security authorities. These threats apply generally across information and communications technology, sectors.⁷²

Beijing is aware of these national security implications and is concerned that the United States and its allies are growing wary of its strategy and tactics. For these reasons, Beijing is likely concerned that the PRC’s window of opportunity to utilize standards setting to steal the technology lead from Washington and its allies may be closing.

- “The ‘China standards threat theory’ becomes more obvious by the day” and “presents one of the PRC’s key challenges” warns the 2018 strategy briefing by the SAMR CPC Committee’s China National Institute of Standardization (CNIS) on “Harmonization of Standards for Construction of ‘OBOR’”.⁷³

⁷¹ Pointe Bello: “PB Insights: China Standard 2035: Beijing’s plan to dictate global market, IT through *standards*” posted 24 December 2019, observed 20200303 at root URL: <https://www.pointebello.com/briefs/china-standard-2035/>

⁷² Pointe Bello: “PB Insights: China Standard 2035: Beijing’s plan to dictate global market, IT through *standards*” posted 24 December 2019, observed 20200303 at root URL: <https://www.pointebello.com/briefs/china-standard-2035/>

⁷³ Li Aixian [李爱仙], SAMR CPC Committee’s China National Institute of Standardization (CNIS[中国标准化研究院]): “Harmonization of Standards for Construction of ‘OBOR’ [标准联通共建“一带一路”]” dated October 2018, observed 26 February 2020 at Google Cache URL: http://webcache.googleusercontent.com/search?q=cache:w5U6nK_n2rAJ:www.china-cas.org/u/cms/www/201811/08213922tqdp.pptx&cd=1&hl=en&ct=clnk&gl=us

Alphabetic Glossary of Acronyms: PRC

BRI	<i>Belt and Road Initiative</i> [一带一路] ⁷⁴
CAE	<i>Chinese Academy of Engineering</i> [中国工程院]
CAICT	<i>China Academy of Information and Communications Technology</i> [中国信息通信研究院], subordinate to the MIIT
CMC	<i>Central Military Commission</i> [中央军事委员会] ⁷⁵
CNIS	<i>China National Institute of Standards</i> [中国标准化研究院] ⁷⁶
CPC	<i>The Communist Party of China</i> [中国共产党] ⁷⁷
CRBC	<i>China Road and Bridge Corporation</i> [中国路桥工程有限责任公司]
CRRC	<i>CRRC Corporation Limited</i> [中国中车股份有限公司]
CSEC	<i>China Standardization Expert Committee</i> [中国标准化专家委员会] ⁷⁸
DSR	<i>Digital Silk Road</i> [数字丝绸之路]
IDDS	<i>Innovation Driven Development Strategy</i> [创新驱动发展战略] ⁷⁹

⁷⁴ Beijing originally deemed the BRI the “One Belt One Road” (OBOR) strategy. OBOR is a more literal translation of the Mandarin Chinese vernacular [一带一路] than is BRI.

⁷⁵The military commission of the CPC Central Committee.

⁷⁶ CNIS is subordinate to SAMR.

⁷⁷The English appellation “Communist Party of China” is the grammatically accurate translation—as well as the official PRC translation—of 中国共产党, which is the vernacular Mandarin Chinese name for the political party that controls the PRC. The unfortunately common misusage “Chinese Communist Party” reflected by “CCP” is neither an accurate translation nor the PRC party’s self-designated name in English.)

⁷⁸ “China Standardization Expert Committee” (CSEC [中国标准化专家委员会]). CSEC serves as the Chinese government’s highest-level expert group on standardization work. The committee’s official mission is to “Implement the CPC’s and the nation’s decisions regarding standardization work...and implement China’s Standardization Strategy” according to the SAMR official website, observed 15 September 2019 at root URL: http://www.aqsiq.gov.cn/zjxw/zjxw/zjftpxw/201609/t20160914_474066.htm

⁷⁹ Innovation Driven Development Strategy (IDDS [创新驱动发展战略]); Xinhua News Agency [新华社]: “The Central Committee of the Communist Party of China and the State Council Issue the ‘Outline of the National Innovation Driven Development Strategy’ [中共中央 国务院印发《国家创新驱动发展战略纲要》],” posted 19 May 2016, observed 2 March 2020 at root URL: http://www.xinhuanet.com//politics/2016-05/19/c_1118898033.htm

MCF	<i>Military-Civil Fusion</i> [军民融合] ⁸⁰
MIC2025	<i>Made in China 2025</i> [中国制造2025] ⁸¹
MIIT	<i>Ministry of Industry and Information Technology</i> [工业和信息化部]
MOST	<i>Ministry of Science and Technology</i> [中华人民共和国科学技术部英语] ⁸²
NPC	<i>National People's Congress</i> [全国人民代表大会]
OBOR	<i>One Belt One Road</i> [一带一路] ⁸³
PLA	<i>People's Liberation Army</i> [中国人民解放军]
PRC	<i>People's Republic of China</i> [中华人民共和国]
SAC	<i>Standards Administration of the PRC</i> [国家标准化管理委员会] ⁸⁴
SAMR	<i>State Administration for Market Regulation</i> [国家市场监督管理总局]
SASAC	<i>State-owned Assets Supervision and Administration Commission</i> [国有资产监督管理委员会], subordinate to the State Council
SOE	<i>State-owned enterprise</i> [国有企业]

⁸⁰ Qiushi Magazine [求是杂志]: "What does Xi Jinping say about 'MCF' [关于“军民融合”，习近平怎么说]" posted 16 March 2018, observed 3 March 2020 at root URL: http://www.qstheory.cn/zhuanqu/rdjj/2018-03/16/c_1122547199.htm Note that MCF is one of the "Seven major strategies for building a well-off society in an all-around manner."

⁸¹ "Made in China 2025:" is the program of action for the first decade of Beijing's' implementation of its "manufacturing power strategy [制造强国战略]." See "Made in China 2025 [中国制造2025]," PRC State Council, posted May 8, 2015, observed 15 September at root URL: http://www.gov.cn/zhengce/content/2015-05/19/content_9784.htm

⁸² <http://www.most.gov.cn/>

⁸³ Beijing originally deemed the BRI the "One Belt One Road" (OBOR) strategy. OBOR is a more literal translation of the Mandarin Chinese vernacular [一带一路] than is BRI.

⁸⁴The Standards Administration of the PRC (SAC; [国家标准化管理委员会]) serves as the flagship for coordinating the development of the PRC's industrial and commercial standards and representing Beijing's interests in standards internationally. According to SAC's official website, "...the SAMR has retained SAC's brand. In the name of SAC, the National Standards Plan will be issued, national standards will be approved, and important documents such as standardization policies, management systems, plans, and announcements will be reviewed and issued; external reporting of mandatory national standards will be carried out; coordination, guidance, and supervision will be conducted for industry, localities, and group and enterprise standards work; [SAC will] participate in the International Organization for Standardization, International Electrotechnical Commission and other international or regional standardization organizations on behalf of the state; undertake the signing of relevant international cooperation agreements; and undertake the daily work of the State Council standardization and coordination mechanism." Official SAC website in vernacular Chinese: "Organization Responsibilities [机构职责]," observed 30 July 2019 at root URL: <http://www.sac.gov.cn/zsjg/jgzj/>

Alphabetic Glossary of Acronyms: Technical and Non-PRC

ANSI	<i>American National Standards Institute</i> ⁸⁵
ASEAN	<i>Association of South East Asian Nations</i>
BRICS	<i>Brazil, Russia, India, China and South Africa</i>
CGIT	<i>China Global Investment Tracker</i> [American Enterprise Institute and Heritage Foundation joint endeavor]
ICT	<i>information and communication technology</i>
IEC	<i>International Electrotechnical Commission</i> ⁸⁶
IP(R)	<i>intellectual property (rights)</i>
ISO	<i>International Organization for Standardization</i> ⁸⁷
ITU	<i>International Telecommunications Union, a UN organization</i> ⁸⁸

⁸⁵ANSI-administered and sponsored website StandardsLearn. Org: “Introduction to Standards” online course, observed 1 November 2019 posted at root URL: <https://www.standardslearn.org/introtostandards.aspx>
More than 100 years ago, the US government established the standards agencies which evolved into the public-private partnerships which set and accredit standards of concern to the U.S. today. According to ANSI training materials, today there are more than 100,000 recognized standards in the US alone, including voluntary, de facto, consortia, regulatory, and other types of standards. Among voluntary standards there are product-based, performance-based, management system, and personnel certification standards.

⁸⁶ According to the “About the IEC” page on the organization’s official website, the IEC (International Electrotechnical Commission)—founded in 1906—is the “world’s leading organization for the preparation and publication of International Standards for all electrical, electronic and related technologies. These are known collectively as “electrotechnology”. IEC provides a platform to companies, industries and governments for meeting, discussing and developing the International Standards they require. All IEC International Standards are fully consensus-based and represent the needs of key stakeholders of every nation participating in IEC work. Every member country, no matter how large or small, has one vote and a say in what goes into an IEC International Standard. The IEC is also the world’s leading organization that prepares and publishes International Standards for all electrical, electronic and related technologies. Close to 20 000 experts from industry, commerce, government, test and research labs, academia and consumer groups participate in IEC Standardization work. . . . The IEC is one of three global sister organizations (IEC, ISO, ITU) that develop International Standards for the world. When appropriate, IEC cooperates with ISO (International Organization for Standardization) or ITU (International Telecommunication Union) to ensure that International Standards fit together seamlessly and complement each other. Joint committees ensure that International Standards combine all relevant knowledge of experts working in related areas.” Observed 31 July 2019 at root URL: <https://www.iec.ch/about/?ref=menu>

⁸⁷ According to the “All about ISO” description on the organization’s official website, the Geneva, Switzerland-based International Organization for Standardization (ISO) is “an independent, non-governmental international organization with a membership of 164 national standards bodies,” observed 31 July 2019 at root URL: <https://www.iso.org/about-us.html>.

⁸⁸ According to the “About the ITU” page on the organization’s official website, the International Telecommunications Union (ITU) “. . . is the United Nations specialized agency for information and communication technologies – ICTs. Founded in 1865 to facilitate international connectivity in communications networks, we allocate global radio spectrum and satellite orbits, develop the technical standards that ensure networks and technologies seamlessly interconnect, and strive to improve access to ICTs to underserved communities worldwide. Every time you make a phone call via the mobile, access the Internet or send an email, you are benefitting from the work of ITU. ITU is committed to connecting all the world’s people – wherever they live and



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whatever their means. Through our work, we protect and support everyone's right to communicate," observed 15 February 2020 at root URL: <https://www.itu.int/en/about/Pages/default.aspx>

"ITU is the United Nations specialized agency for information and communication technologies – ICTs. Founded in 1865 to facilitate international connectivity in communications networks, we allocate global radio spectrum and satellite orbits, develop the technical standards that ensure networks and technologies seamlessly interconnect, and strive to improve access to ICTs to underserved communities worldwide. Every time you make a phone call via the mobile, access the Internet or send an email, you are benefitting from the work of ITU. ITU is committed to connecting all the world's people – wherever they live and whatever their means. Through our work, we protect and support everyone's right to communicate."

QUESTIONS FOR THE RECORD

RESPONSES FROM NADÈGE ROLLAND, SENIOR FELLOW FOR POLITICAL AND SECURITY AFFAIRS, NATIONAL BUREAU OF ASIAN RESEARCH

1. *Everyone agrees that Beijing's discourse power -- the narrative by which it tries to extend its influence -- depends on its claim that China's model of economic development is and continues to be a stunning success. What happens if the Chinese economy stagnates in a way the regime cannot completely hide? Will that make Beijing more or less aggressive in trying to control international institutions and norms?*

China's more assertive international push, clearly visible since the launch of One Belt One Road in 2013, is partly a response to China's economic slowdown following the 2008-09 global financial crisis, and partly an effort to push back against the U.S. especially after the "rebalancing to Asia" was announced in 2011. If China's material power does not continue to grow as fast, the leadership will not necessarily scale back their ambitions but make more use of "discourse power" (capturing and shaping international institutions and influencing the behaviors of others indirectly in ways that suit China's interests) to try to pursue their goals. It is likely that Beijing will become even more assertive in using this instrument in an attempt to close the gap between its material power and its ambitions.

2. *To what extent is Beijing's current policy the result of Xi's personal leadership, or at least the result of the change in leadership dynamic which Xi instituted? In other words, would the policy Beijing is following even be possible if not for one very strong leader at the head of the Party? Had the CCP maintained the more collegial and decentralized model which prevailed before Xi, would they be as aggressive internationally as they are today?*

This poses the broader question of whether Xi Jinping is an aberration or a continuation of the CCP system. I believe that Xi has been chosen by his peers for a reason, and that he is fulfilling the mission that has been bestowed upon him. He has accelerated tendencies that were apparent under Hu Jintao. To borrow from Aaron Friedberg's formulation, Xi has delivered a "clarification of ends and intensification of means."¹ If Xi's methods are considered as failing or counterproductive, it might lead to an adjustment of tactics, but that doesn't mean that the CCP leadership's objectives will change. Considering Xi as an aberration may give us some false hope that Beijing's assertiveness over the past decade is only temporary, and that things will eventually go back to "normal" once he is gone. At this point, there is no evidence that this would be the case. By being more openly assertive internationally, the leadership has created expectations and set a high bar for its own international standing. It will be extremely difficult to

¹ Aaron L. Friedberg, Testimony before the Senate Committee on Armed Services Hearing on U.S. Policy and Strategy in the Asia-Pacific Region, April 25, 2017, https://www.armed-services.senate.gov/imo/media/doc/Friedberg_04-25-17.pdf

return to a low-profile posture even in what appears for the moment to be the unlikely event of a CCP leadership change.

- 3. Our hearing asks what kind of new system China envisions for the world as a replacement or modification of the current system. But a system implies established institutions operating according to settled rules, and rules constrain everyone in the system. Does Beijing want any system as so defined? Or do they want a world where they operate above and independent of any rules when it is expedient for them to do so? If so, how important is it to Beijing that other countries acknowledge China's right to act arbitrarily it suits them? Is that why they are pushing so strongly a narrative of Chinese exceptionalism?*

There is no available explicit description of the organization of the world that Beijing would favor. From what I could find during my research, there seems to be no preference for the construction of formal institutions. Regarding rules, just as the CCP does not accept the existence of any binding law or rules outside of the Party at home, so also internationally it is safe to assume that the CCP rejects anything that binds and constrains the Party and China. Party elites have studied the rise and fall of great powers in great detail, and in particular the rise of the United States. The conclusion they have reached is that despite its lofty rhetoric, the U.S. breaks the rules it has created whenever it chooses to (it can do so because it is the most powerful country), and that its international behavior is basically based on self-interest, not on moral principles or values. This appears to be a projection of Beijing's sentiment about rules: it is possible that the CCP would push for new rules, but ultimately, it is China's power and interests that will prevail. As Yang Jiechi famously declared in 2010, "China is a big country and other countries are small countries, and that's just a fact."

- 4. How does the CCP view the ability of the international system to constrain its ambitions? How is this reflected in its foreign policy and strategy?*

From Beijing's perspective, there are two main constraints on the CCP's international ambitions: 1) the U.S. alliances system, which constricts China's "strategic space" and positions American hard power right on their doorstep ; 2) the "so-called universal values" embodied in existing international institutions that call into question the legitimacy of the CCP system.

The CCP's foreign policy strategy is focused on addressing both. It tries to undermine and weaken U.S. alliances in order to push the U.S. out of East Asia (shows of force in the East and South China Sea, alternating charm offensive towards Tokyo and Seoul,...). It also tries to take the "universal" out of universal values and pushes for a new definition of human rights ("right to development").

- 5. Does the CCP now see the international success of its domestic governance model – or at least facets of its model gaining traction in other countries – as critical to its own domestic legitimacy and survival?*

Beijing's "vision of victory" is not that other countries WILL exactly replicate China's political system, model of governance or "development path." What the CCP leaders want from the world

is mostly a degree of respect, deference and acceptance of their political and governance system that they can showcase to their own population. When other countries look up to China and praise the CCP's achievements and success instead of criticizing the CCP system for what it is (inefficient, ruthless and corrupt), they help bolster the CCP's domestic moral authority and legitimacy. There is no need for everybody else to be just like China in order for the CCP to be strengthened at home. That is why "discourse power" is so important: it shapes external perceptions in a way favorable to the Party's preferences, regardless of the reality.

6. *How important is to the CCP it for China to be credited with having a good system now? What examples are there outside of its promotion of the success of its model in combating COVID-19?*

The CCP has long sought credit for China's economic success: being perceived as economically successful not only allowed the leadership to attract foreign capital, intellectual property and businesses, but also provided the basis for a worldwide campaign of cooption and influence. Equally importantly, it helped the Party support the claim that its development model works as efficiently as (or even better than) the Western liberal model, and therefore strengthened the legitimacy of its rule. Implicit in the messaging is that China does not need to liberalize or transform its political system in order to be successful, prosperous and stable. The current propaganda campaign follows the same logic: it seeks to show that China brought its epidemic under control thanks to the CCP, and that democratic governments have not managed the crisis in any better way, thereby reinforcing its own legitimacy while undermining the credibility of others.

7. *Is the CCP's motivation genuinely to lead and export its model, or is it more aimed at building legitimacy at home?*

I think we need to distinguish between being perceived as a leader and exporting a model. Asking whether the CCP wants to "export its model" is, to me, a misleading formulation. People tend to be hung up on this phrase because it is the most familiar and striking form of ideological competition, as was the case during the Cold War. But it's also the highest standard: there are other ways the CCP is trying to compete with the West in the ideological realm, short of wanting other countries to replicate its model.

The CCP's first and foremost objective, its enduring number one priority, is to maintain its power at home. Legitimacy is key. This doesn't mean that the CCP is merely inward-focused: under Xi, it has demonstrated time and again that international standing is crucial. But it is the CCP's quest for domestic legitimacy that explains much of its external behavior and objectives: whenever China is considered internationally as successful, respected, and looked up to, it contributes to empowering and strengthening the CCP's legitimacy at home.

8. *Given the "idiosyncratic mix of canonical Marxist-Leninism, socialism 'with Chinese characteristics,' nationalism, and sprinkled elements of Confucianism" that characterizes the "China model," what internal challenges, if any, is this approach encountering in domestic Chinese politics?*

This odd amalgamation is not the equivalent of a coalition government in which several parties try to form a temporary alliance by placating other political factions, sometimes with very different views, therefore creating internal tensions. Rather, it is the result of the CCP's ability to reinvent itself in order to retain its primacy, even as Chinese society is evolving, and as its external environment is changing.

9. *You argue the core of the CCP's system of beliefs is "not benevolence, virtue or harmony, but power." Does "power" here refer specifically to China's power, the CCP's power, Xi Jinping's personal power, or some combination of these?*

Power refers to the primacy of the CCP's power. The leader embodies the CCP's power (the Party "with comrade Xi Jinping at its core") which, in turn, infuses him personally with all power and legitimacy. The CCP claims to represent and embody China and the Chinese people. It claims that the power of the nation derives from the power of the Party.

10. *You argue Xi's vision threatens those "estranged, disaffected, or threatened by the prospect of liberal democracy." Are those in question threatened by the prospect of democracy, or its actuality?*

I argued that Xi's vision is designed to appeal to those who feel threatened by the prospect of liberal democracy. I had in mind authoritarian governments who fear the prospect of "peaceful evolution" or political liberalization as much as the CCP does, and elites from developing countries who may not want to be constrained by Western standards of good governance. It could also apply to those who feel threatened by the actuality of democracy, such as populist governments whose approach tends to favor strong leaders and the limitation of democratic and universal rights.

11. *Why would other countries think China's model is acceptable or in their interests?*

Not entire populations, but local elites may think China's model has lessons if they want to hold on to power, control and intimidate their population, and reject the West's lectures about human rights records and corruption, the need for transparency, good governance and empowerment of civil society.

12. *Is "discourse power" a term Beijing has created to describe a unique field of IR which China is developing so that it might then be a leader in the field? Or put differently, when the CCP feels its discourse power is inadequate, by what standard does it make that judgment? If it a self-defined PRC standard, which it can then use to drive its efforts to have "more discourse power"?*

"Discourse power" is not China's response to the Harvard-born concept of "soft power." It is not a new field of IR, but a term that designates a real form of power, a domain of struggle, a threat to the CCP (sometimes described in Chinese-language sources as a "Damocles sword"), but also a weapon that Beijing has now acknowledged can be turned into China's advantage to serve its own objectives. The standard is the one set by the United States, whose discourse power (ability to influence the perception and political decisions of others, to make others accept and identify

with certain ideas and values, to exert influence over the formulations and ideas that underpin the international order) is unrivaled. The measure of its efficiency is whether it helps the CCP bring other people and countries to exert the same influence as the U.S. does. What is new is that the CCP now appears to see itself at a point where it can engage openly and actively in this struggle, whereas a decade ago, it used to see itself mostly as a victim of the West's discourse power.

13. How do you reconcile a “loose, partial and malleable hegemony” with the broad and expansive CCP ambitions found in the notion of a PRC-led “community of common destiny”?

To me, the CCD is the embodiment of the “loose, partial and malleable hegemony” idea. It does not envision a direct control over government or territories of the “community's” members, but a loose level of influence over political decisions that matter to Beijing (I purposely do not use “soft” because there can be hard, coercive edges to China's actions). It looks like a sphere of influence that China dominates, but it is not universal or global, only partial. The “community's” membership is malleable: candidates can become part of the community whether they are close or distant from Beijing (geographically, ideologically, culturally), as long as they agree that China is the dominant power, respect its authority, and do not oppose its objectives or act against its interests.

**RESPONSES FROM DAVID SHULLMAN, PH.D., SENIOR ADVISOR,
INTERNATIONAL REPUBLICAN INSTITUTE**

- 1. Everyone agrees that Beijing’s discourse power -- the narrative by which it tries to extend its influence – depends on its claim that China’s model of economic development is and continues to be a stunning success. What happens if the Chinese economy stagnates in a way the regime cannot completely hide? Will that make Beijing more or less aggressive in trying to control international institutions and norms?**

Economic stagnation would prompt Chinese leaders to undertake a more aggressive effort to control both the domestic and international narrative concerning China’s rise and growing centrality in global governance, even as it pulls back from certain resource commitments in international bodies. Beijing recognizes the relationship between maintaining the perception of continued economic success and its leverage in shaping norms and institutions, and China will continue to deploy discourse management tools and aggressive diplomacy – relatively cheap even in an economic slowdown – to foster the impression of any slowdown as a temporary bump on its road to surpassing the US as the world’s top economy. China’s leaders will go to great lengths to avoid domestic perceptions that economic stagnation will prevent the Chinese Communist Party (CCP) from attaining the more central global role promised as part of the country’s national rejuvenation.

The Chinese government’s information campaign regarding its fumbled response to containing the coronavirus serves as a model for the “offensive defense” approach that the CCP is likely to take amidst such economic stagnation. The CCP will seek to reframe China’s stagnation in the context of the international community’s collective difficulties amidst a global economic downturn likely to accompany any significant Chinese slowdown – making it a “common challenge for mankind”. Comparisons will be made to countries, preferably developed democracies, that are struggling as much or more than China, and Chinese leaders will highlight evidence of the benefits of China’s economic engagement in helping other countries to cope with challenges. The Party’s all-out effort to boost economic growth at home will also be touted.

China’s economic stagnation relative to the rest of the world is unlikely to be so dire that it chooses to pull back from most of its accumulated roles in international institutions and the norm-shaping opportunities that accompany them, given that Chinese leaders view influence in these bodies as benefiting Beijing’s future economic prospects and helping to defend against Western efforts to capitalize on China’s difficulties to undermine Party control. However, in the extreme event China’s stagnation reaches the point where is unable to project confidence in its ability to manage the economy, the government may abandon efforts to control the global narrative, turn inwards, and frame its economic challenges as a result of struggles against foreign forces as it shores up domestic nationalist support to preserve regime control.

- 2. To what extent is Beijing’s current policy the result of Xi’s personal leadership, or at least the result of the change in leadership dynamic which Xi instituted? In other words, would the policy Beijing is following even be possible if not for one very strong leader at the head of the Party? Had the CCP maintained the more collegial**

and decentralized model which prevailed before Xi, would they be as aggressive internationally as they are today?

Xi's personal leadership atop the CCP is a significant accelerant to trends that began more than a decade ago and are rooted in the Party's longstanding presumptions about the superiority of its system. The turn in China's foreign policy toward more assertive behavior took place under Hu Jintao's leadership in the aftermath of the 2008 global financial crisis, from which China emerged relatively unscathed compared to much of the developed democratic West. Since that point, Chinese government officials have taken a more aggressive approach to regional security issues as well as to accumulating international influence, including through underscoring the manifest failure of the Western model while gradually increasing references to what the China model can offer, leading up to Xi's remarkable statement at the 19th Party Congress noted in my and others' testimony. The Party's obsession with preserving its rule—a theme which both predated and facilitated Xi's elevation to power in 2012—has also driven China's growing drive for economic and political influence abroad as its interests expand.¹ As Dan Tobin notes, this uptick in China's willingness to assert the relative value of its model as its relative power grows is also based in decades of presumed superiority of China's socialist system and the assumption that it would one day eclipse the model offered by the developed West.

Nevertheless, Xi Jinping's personal vision for a more muscular external approach has been critical to China's push to realize many of the Party's longstanding foreign policy goals. Xi has centralized power across all policy domains, including foreign affairs. Xi has used this power at the apex of foreign policymaking to accelerate China's push for global influence. Through the Belt and Road Initiative (BRI), Xi's signature foreign policy initiative, China has aggressively branded itself as central to the future of globalization, development, and human progress across fields including health, technology, and sustainability. As a geostrategic initiative, the BRI has been critical to China's more active approach in international institutions, influence across the developing world, and expanding global military reach. Under Xi China has rapidly accelerated military modernization and aggressive behavior regarding territorial sovereignty issues like the South China Sea, taken a harder line with Taiwan, established its first overseas military base, unapologetically taken a central role in the international system, and adopted a tougher approach with the United States. Pursuit of such an ambitious and abrasive foreign policy would undoubtedly have been rendered more difficult or impossible if Xi had to navigate potent factional interests that advocated a more cautious approach.

- 3. Our hearing asks what kind of new system China envisions for the world as a replacement or modification of the current system. But a system implies established institutions operating according to settled rules, and rules constrain everyone in the system. Does Beijing want *any* system as so defined? Or do they want a world where they operate above and independent of any rules when it is expedient for them to do so? If so, how important is it to Beijing that other countries acknowledge China's right to act arbitrarily it suits them? Is that why they are pushing so strongly a narrative of Chinese exceptionalism?**

¹ <https://www.brookings.edu/articles/protect-the-party-chinas-growing-influence-in-the-developing-world/>

China envisions an international system characterized more by the exercise of power than by binding rules or laws. Chinese leaders do recognize that, even in the expected future in which China has more “comprehensive national power” than any other country, it will benefit from operating in a system in which established rules help, for example, to guide international commerce, enforce established non-proliferation regulations, or prevent inadvertent conflict at sea or in the air. The CCP nevertheless envisions a system in which the rules and procedures that underpin the current order’s normative presumptions around universal values will be jettisoned or watered down to the point of irrelevance. Many other rules will be retained but ignored when expedient for China. As demonstrated by China’s response to the UN Convention on the Law of the Sea (UNCLOS) arbitral tribunal’s 2016 ruling on its claims in the South China Sea, China will selectively apply international laws and rules depending on its interests, particularly around “core interests” deemed critical to Party legitimacy. China expects its prerogative to selectively interpret such rules to only expand as it becomes more powerful. Chinese leaders, having studied closely the behavior of the United States and the Soviet Union, view great powers as having the right to adopt and discard international rules and regulations when it suits them.

In shaping existing institutions and creating new ones, China seeks an order in which its centrality presupposes that Beijing’s actions to advance its interests are legitimate and necessary for the good of all, justifying China’s arbitrary violation of set rules. In the case of the BRI, China’s centrality means settled rules are not required. The BRI has no established charter or neutral dispute settlement mechanisms, and nations are expected to negotiate issues bilaterally with China instead of following common rules and standards. In this way, China can exert power and influence in the name of furthering globalization, development, and realizing the Community of Common Destiny.

4. How does the CCP view the ability of the international system to constrain its ambitions? How is this reflected in its foreign policy and strategy?

Chinese leaders view the current international system, rooted in universal values and the presumed link between democracy and development, as fundamentally advantaging Western democracies and constraining a CCP-led China’s drive toward a more central global role. Chinese leaders take a highly realist view of international relations and judge that the US, as an established power seeking to prevent the rise of a challenger, both blocks China from acquiring its rightful place in many existing institutions and also cynically uses the liberal elements of the order to constrain China’s rise under the CCP. Relatedly, Chinese leaders view the United States’ alliance structure and continued presence and support for democracies in East Asia – particularly Taiwan -- as a fundamental constraint on China’s accomplishing of both ‘national reunification’ and regional preeminence, critical goals along the CCP’s timeline for realizing great power status.

Chinese leaders view the existing system as a vestige of a former balance of power that China’s rise has fundamentally upended. Beijing intends to use its growing power – primarily economic leverage – to revise the system and smooth the path for China’s promised rise and rejuvenation as a great power. To do so, China must expand its normative power abroad. As described in my testimony and that of my fellow panelists, Beijing is aggressively looking to shape international

institutions and take a leadership role in global gatherings in order to water down universal values anathema to the Party.

Chinese leaders also recognize that to achieve legitimacy as a responsible great power without democratizing—a prospect not welcomed by the developed West—they must first popularize China’s model in the developing world. This is accomplished through demonstrating China’s economic success under authoritarianism, supporting friendly illiberal leaders and offering training on topics such as governance, civil society management, Internet controls, and surveillance. China’s influence in a growing number of countries around the world, both as a natural result of its economic engagement at a \$14 trillion economy and its more malign influence through elite capture and operations to manipulate information and political environments to its advantage – or “sharp power” – is at the heart of its strategy to revise the international system from the bottom-up.²

5. Does the CCP now see the international success of its domestic governance model – or at least facets of its model gaining traction in other countries – as critical to its own domestic legitimacy and survival?

The CCP views the international success of its governance model as key to its longer-term success in achieving a central role in global governance and integrating with the global economy while protecting against threats to regime control. Relative to the many domestic challenges they face today, China’s leaders probably do not view popularizing its model abroad as critical to the regime’s current legitimacy or survival. Nevertheless, evidence of growing adoption of authoritarian governance methods and the related reduction in normative challenges to the Party’s role in international institutions will undoubtedly be heralded domestically as demonstrating the government’s success internationally and reflecting global recognition of the “correct” path the Party is following at home.

Longer term, Chinese leaders recognize that successful promotion of its authoritarian governance model is key to achieving “national rejuvenation”, wherein China returns to its central position of global preeminence that it claims to have occupied preceding the Century of Humiliation. To achieve this central role in global governance, Chinese leaders judge it will be increasingly important for nations to recognize the legitimacy of the CCP’s Leninist system.

As the Party drives Chinese society toward more state-sponsored ideological conformity to create a lasting basis for authoritarian Party rule, it will also desire greater ideological control abroad. Despite increased efforts to limit “infiltration” of outside values and ideas, people in China have growing access to Western news, content, and culture. The CCP judges that, as China continues to “open up” to reap the benefits of playing a more central role in the global economy, it will need to “sanitize” the external information environment to ensure that such opening does not invite ideological challenges to Party control. Deng Xiaoping, commenting on allowing dangerous foreign influences to circulate in China as it opened to the world, once remarked, “If you open the window for fresh air, you have to expect some flies to blow in.” By popularizing authoritarianism and sharing tools of information control with illiberal leaders, the

² <https://www.ned.org/sharp-power-rising-authoritarian-influence-forum-report/>

CCP will help ensure dangerous ideas around universal values in the countries it engages are silenced before they have a chance to disturb the Party's ideological control at home.³

6. How important is to the CCP it for China to be credited with having a good system now? What examples are there outside of its promotion of the success of its model in combating COVID-19?

Chinese leaders ultimately seek to demonstrate that their system is not only competent, but that it outperforms all other models of governance. Chinese leaders continue to describe the country as a developing one that continues to catch up to fully modernized societies, but they are increasingly willing to offer China's rapid development as an economic superpower as evidence of its successful model.⁴ China's propaganda of its model's success is a key source of its global influence; nations' expectations of benefit from economic engagement with China translate to political influence, making them more likely to support CCP positions on issues like Taiwan or to defend China's human rights offenses. Furthermore, getting other nations to believe in China's economic success and prospects as a technological superpower creates a self-fulfilling prophecy by convincing those nations to become early investors in China's future.

Apart from its handling of the COVID-19 crisis and its general economic development, China regularly touts that its system has facilitated advancements in science and technological innovation, including in artificial intelligence and telecommunications. The regime also increasingly promotes itself as a standard bearer for globalization and free trade, as well as for combating climate change, to build confidence and trust in China as a responsible rising power under authoritarian rule. Lastly, China promotes aspects of its system likely to appeal to authoritarians and even some illiberal democracies, including its 'revolutionary' social credit system, its massive domestic security architecture enabled by extensive surveillance infrastructure—or "smart cities"—and its ability to stamp out domestic terrorism – including through the detention of more than one million Uighur and other Muslim ethnic groups in detention camps.

7. Is the CCP's motivation genuinely to lead and export its model, or is it more aimed at building legitimacy at home?

Building regime legitimacy at home remains the priority, but China's export of its model supports that goal as well as others. In the near term, China's goal is to promote its model to the extent that it supports the Party's domestic legitimacy and protects its expanding interests abroad. The popularization of its model and increasing global leadership are markers of success for the CCP to demonstrate competence and assuage challenges to its domestic legitimacy. Increasing its influence and undercutting norms is key to advancing China's ability to advance and defend its interests in international bodies. And the more popular authoritarian approaches to governance become, the less of a role democratic values can be said to play as the foundation of international order.

³ <https://www.brookings.edu/articles/protect-the-party-chinas-growing-influence-in-the-developing-world/>

⁴ http://www.xinhuanet.com/english/2017-10/18/c_136688475.htm

As noted in #4 above, the Party's drive to export its model also serves the purpose of creating a lasting basis for authoritarian Party rule through greater ideological control abroad. The CCP judges that, as China continues to "open up" to reap the benefits of playing a more central role in the global economy, it will need to "sanitize" the external information environment to ensure that such opening does not invite ideological challenges to Party control. China's support for illiberal governments and sharing of information control tools supports this goal.

8. What makes China's approach to international governance a "zero-sum" competition?

China's approach to international governance is rooted in its sense that the current system advantages Western values and systems of governance with which the CCP's Leninist model is incompatible. The CCP views both the liberal values that constitute the current foundation of global governance and the United States' exercise of power through global institutions as intolerable restraints on China's rise under its leadership. Chinese leaders therefore seek to institute authoritarian (or values-neutral) approaches to governance at the expense of liberal norms, and to achieve relative gains in China's influence in global institutions that necessarily come at the expense of the United States and other developed democracies that are perceived to have unjustly profited from their control over such bodies.

China does not seek to replace wholesale the current international system, and in many cases merely demands, like all rising powers, that it is afforded the rights, voice, and influence befitting its growing power. But it is the CCP's alternative normative vision for global governance that renders China's approach a revolutionary one. The current system privileges liberal democratic values and universal human rights. Beijing seeks a values-neutral system where authoritarian governance principles are on par with democratic ones and civil and political rights are subject to the whims of sovereign governments. The CCP ultimately seeks to eviscerate the normative underpinnings of the current liberal order.

9. Please provide examples of how China's leadership in UN specialized agencies results in skewing those organizations' activities in favor of China's interests.

China's leadership in UN specialized agencies supports Beijing's effort to set standards, norms, and membership rules that support China's strategic ambitions, advance an increasingly assertive approach to defending national sovereignty—particularly regarding the treatment of Taiwan in international fora—and assist in China's drive to dominate the industries of the future. For example, China has used its leadership position in the International Civil Aviation Organization not only to exclude Taiwan from a globally coordinated response to COVID-19, refusing to share knowledge and coordinate policy with Taiwan authorities, but also to censor critics of China's Taiwan policy.⁵ China has used its leadership role at the UN International Telecommunication Union to shape facial recognition and surveillance standards to align with the technological specification of its own proprietary technology and advance Huawei's standing

⁵ <https://www.axios.com/as-virus-spreads-un-agency-blocks-critics-taiwan-policy-on-twitter-e8a8bce6-f31a-4f41-89e0-77d919109887.html>

as a vendor of 5G telecommunications equipment worldwide.⁶ Chinese leaders have been accused of crossing the line from technology specification to outlining policy recommendations in a process that has included no discussion on human rights, consumer protection, or data protection standards to ensure privacy and freedom of expression.⁷ If China's leadership at these institutions is any guide, Beijing is likely to use its newer leadership of the Food and Agriculture Organization to align the UN's development agenda with BRI priorities, in concert with its leadership at the UN Industrial Development Organization and the UN Peace and Development Fund – where it controls 4 of 5 steering committee seats.

10. Why should the United States increase its involvement in international institutions? What is the value of these institutions in the current "zero-sum" competition?

International institutions are critical not only to forging global responses to many of the world's—and America's—most pressing challenges, including climate change and vulnerability to the sort of pandemic we are facing today, but they are also arbiters of debates over norms and standards that will determine the nature of the international order in decades to come. Chinese leaders understand this. The CCP views attaining a greater “voice” and level of influence in these institutions as critical to replacing or repurposing rules, language, and processes that render universal human rights and democracy as the bedrock of the current international order and constrain China's ability to take a central role in global governance under the CCP. Beijing also recognizes that these institutions set many of the technological and other standards that will shape competition over the industries of the future.

US disengagement from international institutions is a self-inflicted wound that gives China greater opportunity to expand its relative influence over the setting of standards, embed the CCP narrative and interpretation of human rights into their institutional fabric, and bolster Party legitimacy at home and internationally.

The United States' role in international institutions remains a critical platform for US leadership and collaboration with partners to tackle the pressing challenges that, in an increasingly globalized world, will require a global response. For many countries, moreover, America's influence in such institutions is a bellwether of its global leadership. China is primed to seize advantage of America's perceived abdication of such leadership, hold it up as a demonstration of the decline of the U.S., democracy, and the Western development model, and offer instead China's vision for a values neutral order in which it can better exercise its growing power and expand its global interests at US expense.

11. Which countries have accepted China's argument that the United States uses the idea of liberal values as a tool to constrain China?

There are numerous authoritarian countries where China's argument, not surprisingly, is readily accepted. The regimes in Russia, Iran, Venezuela, for example, judge that the United States also

⁶ <https://www.reuters.com/article/us-usa-china-huawei-tech-un/huawei-allegations-driven-by-politics-not-evidence-u-n-telecoms-chief-idUSKCN1RH1KN>

⁷ <https://www.ft.com/content/c3555a3c-0d3e-11ea-b2d6-9bf4d1957a67>

constrains and seeks to overthrow them – and justifies the projection of US power – under the guise of liberal values. Many countries in the post-colonial world are also suspicious that the West uses these values to justify neo-imperialistic relations. In much of Latin America and Africa, historical memory of the West’s rapacious behavior creates a receptive audience for China’s argument. Chinese officials need not convince these countries that the United States is specifically constraining China – simply arguing that the United States is cynically pushing universal values arguments in order to preserve its superpower status and influence in individual countries taps into existing skepticism about US intentions.

Such messaging supports China’s effort to portray Western conditions around development assistance and financing as the imposition of foreign values, and China’s supposed “no strings attached” approach as respecting countries’ sovereignty and right to “chart their own course” – and, if they so choose, adopt an alternative model of development. This argument can have resonance with actors in countries considered US partners but which are resistant to perceived US “lecturing” on governance, human rights, and the risks of engaging with China. Even in Europe, China’s argument that the US is using the language of liberal values to dress up an established power’s attempt to prevent the rise of a peer competitor in the international system – including by pressing its allies to reject Chinese investments and technologies – finds receptive audiences

12. Like Dr. Tobin, you see the U.S. and liberal free democracies as facing an ideological challenge posed by the one-party, authoritarian, state controlled system in China. Can the Congress and Executive Branch separate the technical issues like the internet and the international digital infrastructure from the political aspects of the challenge? What legislation would Congress need to succeed in meeting the challenge that is not already in law?

The technical and political aspects of this challenge cannot be decoupled. As noted in my testimony, China’s success in weakening liberal democratic norms will in large measure be determined by its ability to use leadership in technological innovation to challenge liberal democracy and bolster authoritarian methods. Beijing seeks a greater say over the norms, rules, and structures that govern the internet; digital infrastructure; data; digital privacy; and emerging technologies like bioengineering, quantum computing, and machine learning. China also wants to determine ethics around technologies like facial-recognition and the use of biometrics that it has employed in its detention and control of more than a million Uighur Muslims, in addition to tracking the rest of its population every day, and to share those technologies with governments around the world.

The CCP will use its edge in these technical areas to move towards an order where its own interests and values are synonymous with global interests and values. China’s efforts to align global technological standards with its own domestic industries and proprietary technology will give it the means to determine the principles that undergird digital infrastructure and the coercive leverage to induce compliance to a system of values that reflect the priorities of the CCP. As Dan Tobin notes, the CCP envisions its standards on everything from technology to domestic policing not only exceeding Western ones in influence, but also constituting the sinews of an

even more deeply interconnected world where the benefits of the “Community of Common Destiny” are so attractive that no country wants to be excluded from it.

To address these technical challenges, Congress should increase funding for research that supports US technological innovation and for the digital aspects of the Development Finance Corporation’s work supporting private sector investment abroad and of regional initiatives such as the Indo-Pacific Strategy. Congress should also devote greater resources to initiatives that compete directly with China’s vision for an illiberal digital future. Such efforts include USAID’s digital development strategy, which will help developing democracies employ digital tools rooted in citizen-centered approaches and accountability. Congress should consider creating a Digital Development Fund to level the playing field for US companies competing with Chinese technology companies backed by Beijing and to support information connectivity projects across the developing world.⁸

These types of efforts are only more critical as fragile democracies around the world address challenges in the wake of COVID-19. In this environment, many leaders will be particularly attracted to China-style Internet controls and technologies for monitoring and censorship. Congress should support a global “political resiliency initiative” to defend developing nations’ political integrity, bolster technology that supports democratic solutions, and thwart CCP attempts to exploit the crisis to shape the global political order.

⁸ <https://thehill.com/opinion/cybersecurity/465372-time-for-congress-to-establish-a-us-digital-development-fund>

**RESPONSES FROM ELIZABETH ECONOMY, PH.D., C. V. STARR SENIOR
FELLOW AND DIRECTOR FOR ASIA STUDIES, COUNCIL ON FOREIGN
RELATIONS**

- 1. Everyone agrees that Beijing’s discourse power -- the narrative by which it tries to extend its influence – depends on its claim that China’s model of economic development is and continues to be a stunning success. What happens if the Chinese economy stagnates in a way the regime cannot completely hide? Will that make Beijing more or less aggressive in trying to control international institutions and norms?**

China’s economic success helps explain in large part why its discourse power is successful, but it doesn’t explain entirely why Beijing is trying to expand its influence. The impact of economic stagnation on China’s efforts to shape international institutions depends on how serious the stagnation is. If it falls into a deep recession, the leadership will be focused overwhelmingly on how to bring back economic growth, and will probably recede a bit from the front lines of advancing its normative preferences. More likely, however, parts of the Chinese economy will slow, while others, such as the technology sector may continue to expand. If that is the case, I don’t see any reason why Beijing would stop its push to shape global norms and institutions. It may not be as successful, but I don’t believe it will stop trying, unless there is a new leadership.

- 2. To what extent is Beijing’s current policy the result of Xi’s personal leadership, or at least the result of the change in leadership dynamic which Xi instituted? In other words, would the policy Beijing is following even be possible if not for one very strong leader at the head of the Party? Had the CCP maintained the more collegial and decentralized model which prevailed before Xi, would they be as aggressive internationally as they are today?**

Xi Jinping is representative of one element of the CCP. The sense that China should be playing a larger role on the global stage has emerged periodically over the past decades from various military officials and scholars. Beginning in 2008, there were also signals of such thinking emanating from parts of the Chinese leadership. There was clearly a sense at that time that the CCP was losing the battle for the hearts and minds of the Chinese people, and that China had squandered an opportunity to use its economic success to enhance its stature on the global stage. Nonetheless, had a more “liberal” (in the sense of committed to reform and opening up) official, such as Li Keqiang, Wang Yang, or Li Yuanchao, become General Secretary or had a more “liberal” faction dominated within the standing committee of the Politburo, it is very unlikely that China would be playing the role that it does in the international community. Xi Jinping’s approach was certainly not preordained; China 2010-2012 had a radically different domestic dynamic with much greater Internet openness, civil society engagement, presence form the international community, etc. It was as though a switch was flipped.

- 3. Our hearing asks what kind of new system China envisions for the world as a replacement or modification of the current system. But a system implies established institutions operating according to settled rules, and rules constrain everyone in the system. Does Beijing want *any* system as so defined? Or do they want a world**

where they operate above and independent of any rules when it is expedient for them to do so? If so, how important is it to Beijing that other countries acknowledge China's right to act arbitrarily it suits them? Is that why they are pushing so strongly a narrative of Chinese exceptionalism?

In a sense, China's proposed "rules" around human rights or its behavior patterns in development finance are designed to create an environment in which anything goes—to have the broadest notion possible of what is considered acceptable behavior. In other areas, where technical standards matter, they are trying to advance their own standards, whether in telecommunications or in its push to have historical rights to trump UNCLOS in the South China Sea. And it is pushing for Internet governance norms that, again, allow it to do what it wants without fear of criticism or involvement by others. It is a system in which political norms preference sovereignty over common practice.

4. How does the CCP view the ability of the international system to constrain its ambitions? How is this reflected in its foreign policy and strategy?

I think that there is a long held view that the CCP has been too constrained by the international system. I understand the mentality of the Chinese leadership to be one in which it feels comfortable ignoring any rule if it does not serve its purposes. In terms of what constrains China, I think only significant international outrage from relevant actors appears to be successful. For example, on climate change, China's decision to take action stemmed not only from domestic pressure but also from pressure from small island nations and developing countries. Similarly, if a large grouping of Muslim countries would complain about Xinjiang, there would be a much better chance of China changing its behavior than if simply the U.S., EU, and a few others were to do so. The widespread doubt in the international community around China's COVID-19 reporting has now produced a revision in Beijing's reported deaths. It is probably still not accurate, but China recognizes that it is facing widespread international opprobrium. If it is only the United States that complains, China simply argues that the U.S. is trying to contain China.

5. Does the CCP now see the international success of its domestic governance model – or at least facets of its model gaining traction in other countries – as critical to its own domestic legitimacy and survival?

Certainly the extent to which other countries adopt elements of the CCP model legitimizes Beijing at home. It ensures that there will be less international criticism and more support for China's practices. There may still be significant groups within the Chinese population that disagree with the direction of the CCP, but they will be weakened without support and pressure from the international community.

6. How important is it to the CCP for China to be credited with having a good system now? What examples are there outside of its promotion of the success of its model in combating COVID-19?

Domestically, China's response to the virus is perhaps the only thing the CCP can spin to its own advantage at this moment. With GDP growth down 6.8% in the first quarter and rising

unemployment, Beijing cannot claim performance legitimacy as it did before. Travel restrictions and lockdowns curtail people's ability to enjoy the infrastructure the country once boasted about. Finally, with the CCP failing to contain the outbreak at its outset, the CCP cannot claim an outstanding epidemic prevention system. Therefore, touting its eventual response to COVID (testing accessibility, treatment centers, etc) is its best bet. Internationally, China is using the pandemic to promote elements of its model not involved with pandemic response, in particular its Belt and Road Initiative. In a call with Italian Prime Minister Giuseppe Conte on March 16th, President Xi stated that China is willing to work with Italy to combat the epidemic and construct a "Health Silk Road." On March 18th, a Foreign Ministry spokesman called on the international community to "make positive efforts to build a Health Silk Road." On March 25th, *People's Daily* published an article titled "Health Silk Road Protects Lives of All Mankind" which claims that "The joint construction of a Health Silk Road has expanded the space for cooperation on co-construction of the Belt and Road Initiative." The idea of a "Health Silk Road" was first introduced by President Xi in January 2017, but it soon fell out of use. The COVID-19 pandemic has provided China with an opportunity to potentially reframe its Belt and Road Initiative which is likely to struggle in the future due to the global economic downturn.

7. Is the CCP's motivation genuinely to lead and export its model, or is it more aimed at building legitimacy at home?

By leading, the CCP makes life easier for itself at home and abroad. This is not leadership in the classic sense of seeking to develop policies and forge coalitions in response to global challenges. It is leadership in terms of ensuring that the international system is advancing CCP values and interests. Moreover, it suits Xi Jinping's personal interests. According to one senior Chinese official, the way to get any initiative approved by Xi Jinping is to demonstrate how it elevates Xi and China on the global stage.

8. What are the best examples of countries where China has used "coercive means, such as threatening access to its market or even banning products from recalcitrant countries, to push others to accept elements of its model?"

China often wields domestic market access as a weapon to enforce acceptance of its model abroad. The controversy surrounding the Houston rockets' General Manager Daryl Morey exemplifies this approach. After tweeting support for the Hong Kong pro-democracy protests, Morey, the Houston rockets, and the entire NBA were subjected to a political firestorm in China. Chinese companies, at the behest of the Chinese government, pulled all sponsorship of the Houston Rockets. CCTV stated, "We believe that any remarks that challenge national sovereignty and social stability are not within the scope of freedom of speech." China also threatened to scrap a trade deal and limit imports from the Faroe Islands if the country did not use Huawei technology in its 5G infrastructure. While China's ambassador to the Faroe Islands denied any coercion, a Faroese government transcript describing the meeting contradicts this.

9. What leverage does the United States have over the countries who signed the letter endorsing the camps in Xinjiang that could be potentially used to prevent this kind of support? Is it worth trying to use this leverage? What is the nature and extent of

our bilateral relations with these countries, such as development assistance or defense ties?

I have not seen a full list of countries, but most of the ones I have seen listed are not really within the U.S. wheelhouse, except the Philippines, perhaps the UAE, and a few others. I would woo rather than wield a cudgel. China is making progress because it buys countries off and/or because it is a natural ally with other authoritarian regimes. The United States needs to be more important to these countries than China. At a macro level, this means developing a leadership role once again in the global economy. The alternative would be to try to rally groups or give play to voices inside these countries that take a different position than that of their governments. This would at least help to fracture the strength of China's supporters.

10. Has anyone studied the economic value to host countries of the special economic zones China has established there?

Bräutigam, Deborah, and Xiaoyang Tang. "“Going Global in Groups’: Structural Transformation and China’s Special Economic Zones Overseas.” *World Development* 63, no. C (2014): 78-91. <https://www.sciencedirect.com/science/article/abs/pii/S0305750X13002222?via%3Dihub>

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Zeng, Zhihua. 2015. *Global Experiences with Special Economic Zones: Focus on China and Africa: The World Bank*. <https://documents.worldbank.org/curated/en/810281468186872492/pdf/WPS7240.pdf>

China-Pakistan Economic Corridor: Opportunities and Risks 2018. Brussels: International Crisis Group. https://d2071andvip0wj.cloudfront.net/297-china-pakistan-economic-corridor-opportunities-and-risks_0.pdf

Chou, Bill, and Xuejie Ding. "A Comparative Analysis of Shenzhen and Kashgar in Development as Special Economic Zones." *East Asia* 32, no. 2 (2015): 117-36. <https://link.springer.com/article/10.1007/s12140-015-9235-5>

Zhang, Yinghong. 2015. *The New Engine for China-EU Cooperation: Cooperation on Economic and Technology Parks between China and CEECs: The Case on China-Poland Cooperation on SEZs: German Institute for International and Security Affairs*. https://www.swpberlin.org/fileadmin/contents/products/projekt_papiere/Taiwan2ndTrack_Zhang_Yinghong_2015_Web_final.pdf

11. Greatly appreciate the details on the means by which China is exporting/promoting its model, but how would you succinctly characterize the model that is being exported. Or would the model somehow be defined by the means by which it is promoted?

Here is what I stated in my written testimony: the China model is simply one variant of authoritarian or state capitalism—a single party state whose polity is characterized, as University of Michigan Professor Yuen Yuan Ang has described, by extensive state control over political and social life, including the media, Internet, and education, and whose economy reflects a mix of both market-based practices as well as the strong hand of the state in core sectors of the economy. Much as the United States and other market democracies export their model by advancing regulations and laws that support individual property rights, free speech, and elections—both within countries and at the level of global governance—the export of the China model includes supporting the creation of laws and regulations that enhance state control, limit individual freedoms, and favor state-led economic development.

**RESPONSES FROM DANIEL TOBIN, MEMBER OF THE CHINA STUDIES
FACULTY, NATIONAL INTELLIGENCE UNIVERSITY, AND SENIOR ASSOCIATE
(NON-RESIDENT), FREEMAN CHAIR IN CHINA STUDIES, CENTER FOR
STRATEGIC AND INTERNATIONAL STUDIES**

Since I teach at National Intelligence University (NIU) which is part of the Department of Defense (DoD), I need to begin by making clear that all statements of fact and opinion below are wholly my own and do not represent the views of NIU, DoD, any of its components, or of the U.S. government.¹

1. *Everyone agrees that Beijing’s discourse power—the narrative by which it tries to extend its influence—depends on its claim that China’s model of economic development is and continues to be a stunning success. What happens if the Chinese economy stagnates in a way the regime cannot completely hide? Will that make Beijing more or less aggressive in trying to control international institutions and norms?*

Beijing believes its discourse power derives from both its relative comprehensive national power and its record over the last some forty years moving from a large, backward, poor country, to a large, powerful, moderately prosperous country that is the number two economy in the world and the largest trading nation. More precisely, the Communist Party of China’s leaders believe they ought to enjoy discourse power commensurate with those achievements, though they acknowledge a gap between their aspirations and China’s present level of international influence.² What the Party’s criterion of building comprehensive national power means, however, is that sustaining high rates of economic growth is far from the only determinant of Beijing’s success. What matters is both absolute and relative achievement. If China’s economy slows or stagnates, the international context will be crucial. Is the cause a global depression such that China maintains is relative position? Is China’s economy stalled while others roar ahead?

For the Party, China’s breathtaking absolute and relative gains over the last few decades represents a considerable buffer. Even a serious economic reversal would not necessarily wipe out perceptions of Beijing’s success unless it was so severe that China fell behind other major economies it has eclipsed in recent years, such as Japan. Another cushion is that the goals for global leadership Xi articulated are to be realized almost three decades from now. Xi’s “new era” proclaimed at the 19th Party Congress is not an announcement that China has already become the preeminent power in the world, but rather a call for Beijing to begin cultivating a leadership role if it is to attain the goal of being a global leader in terms of comprehensive national power and

¹ The sources for my views expressed in this document are generally contained in the footnotes to my 13 March 2020 statement: <https://www.uscc.gov/sites/default/files/testimonies/SFR%20for%20USCC%20TobinD%2020200313.pdf>. I have not duplicated those footnotes here.

² Xi Jinping’s speech to a Politburo Collective Study Session in December 2013 is illustrative here. See his “Enhance China’s Cultural Soft Power,” *The Governance of China*, Beijing: Foreign Languages Press, pp. 178-180. The best scholarly overview of this issue is Nadège Rolland, *China’s Vision for a New World Order*, The National Bureau of Asian Research, NBR Special Report #83, January 2020, available at nbr.org/wp-content/uploads/pdfs/publications/sr83_chinasvision_jan2020.pdf, accessed January 27, 2020, pp. 7-13.

influence by mid-century. For a period of economic stagnation to motivate the Party to become less aggressive in its efforts to control international institutions and shape their norms, its impact on China in relative terms would need to be so dramatic as to make the Party change the assessments of the long-term trends that led Xi to maintain China's progress and future prospects entitled it to begin to assume a greater international role.

2. *To what extent is Beijing's current policy the result of Xi's personal leadership, or at least the result of the change in leadership dynamic which Xi instituted? In other words, would the policy Beijing is following even be possible if not for one very strong leader at the head of the Party? Had the CCP maintained the more collegial and decentralized model which prevailed before Xi, would they be as aggressive internationally as they are today?*

I do not ascribe to the view that strategic competition with China owes to a “wrong turn” peculiar to Xi Jinping's leadership. What has changed under Xi reflects Beijing's growing confidence in its progress, not a change in goals. Xi's predecessor, Hu Jintao, in his *Selected Works*, published in Chinese in 2016, went out of his way to include passages from an excerpted 2010 speech affirming the necessity of adhering to Deng Xiaoping's “hide and bide” foreign policy guideline.³ By contrast, the 2014 Central Foreign Affairs Work Conference Xi presided over signaled the end of that policy guideline in its call for a diplomacy befitting China's status as great power. What is crucial to understand, however, is that this is a difference of views about China's progress towards the Party's goals and the next steps, not over the nature of the goals themselves. The Party's high-level strategy and policy documents from Deng to Xi (and in many instances from Mao to Xi) maintain consistent logic in three points.

First, the Party sees its purpose as transforming China into a modern, powerful socialist country in order to achieve the common-denominator aspiration of many Chinese of all walks of life that their country become a global leader. The status this aspiration envisions for China is not just about raw power but also prestige and influence. Second, the Party's rulers have consistently seen their “socialist system” as the essential instrument to achieve that goal and understood “reform” as aimed at perfecting the system's institutions to ultimately demonstrate socialism's superiority. Third, given the aspiration to world leadership and choice of socialist dictatorship as its instrument, the Party has consistently envisioned rewiring the international order so that the Party's dictatorship is not only secure but also lauded rather than condemned. This does not mean merely leadership of the global south, it means earning (or compelling) respect from the world's other most advanced countries and providing an alternative governance model. While China remained weak, the Party did not dare talk about this much, but it also did not wholly conceal it either.

What the consistency of this logic driving the Party's goals implies is that if Xi fell from power and one of the criticisms his fellows aimed at him the hubristic mismanagement of U.S.-China relations, it would not be because these other Politburo members had different long-term policy

³ Hu Jintao (胡锦涛), “继续抓住和用好重要战略机会期” (“Grasp and Make Use of the Important Period of Strategic Opportunity”, October 10, 2010, in 胡锦涛文选第三卷 (*Selected Works of Hu Jintao, Volume III*), Beijing: People's Publishing House, 2016, pp. 436-441.

goals. Rather, their toppling of Xi would be because they judged he had incorrectly assessed the international community's readiness for China's leadership and incorrectly assessed China's relative comprehensive national power, thus endangering the whole project of national rejuvenation.

Overall, I do not believe Xi is out of step in any major policy area from his predecessors apart from his indulging in a cult of personality, which I think they would have condemned.⁴ Otherwise, the Party's "basic line" has changed little since the late Deng era, and these revisions reflect changing conditions and China's progress toward its goals, not a fundamental change of objectives.

3. *Our hearing asks what kind of new system China envisions for the world as a replacement or modification of the current system. But a system implies established institutions operating according to settled rules, and rules constrain everyone in the system. Does Beijing want any system as so defined? Or do they want a world where they operate above and independent of any rules when it is expedient for them to do so? If so, how important is it to Beijing that other countries acknowledge China's right to act arbitrarily it suits them? Is that why they are pushing so strongly a narrative of Chinese exceptionalism?*

The Party's leaders see value in a system of institutions as means of reinforcing China's claim to occupy the moral high ground. To the extent Beijing can shape the rules and norms that multilateral institutions promote and can thereby capture the moral and legal coercive power of these systems of institutions to promote the Party's interests, China's diplomats are seeking to do so. There is a considerable literature on Beijing's efforts in this area, which several of the other witnesses at this hearing have contributed to. Yet, in an important sense, your question's focus on the international system as constitutive of rules misses a crucial way Beijing understands and hopes to reshape it. One way to look at a system, as the question outlines, is as a set of institutions operating according to settled rules, but another way to think about a system is that it represents a set of relationships that operate in predictable ways based on the status and specific, differentiated functions of the various parts. This second perspective has the value that it also sheds light on the distribution of power within the system. Beijing wants to keep some of the current system's rules and institutions, scrap others, and reorient the center of both globalization and norm-definition from Washington to Beijing. Further, by changing how the parts of the system relate to one another, the Party can provide a *de facto* alternative without replacing many of the institutions or changing their formal rules.⁵

This focus on relationships rather than rules also reflects the role of traditional Chinese cultural understandings of international relations, both in the Party's official theory and in the writings of Chinese academics. China's foreign ministry, like others around the world, has several geographically oriented bureaus, but when the Party's top leaders talk about their foreign policy

⁴ Jiang Zemin, for example, in the third volume of his *Selected Works*, included a September 28, 2000 letter condemning a docudrama produced about his uncle while he (Jiang Zemin) was serving as general secretary. See "Do Not Single Out Leading Comrades for Publicity" *Selected Works of Jiang Zemin, Volume III*, Beijing: Foreign Languages Press, 2013, pp. 112-113.

⁵ I am indebted to a conversation with Peter Mattis for this last point.

strategy, they frame it not geographically, but in terms of specific constituencies and how China's relationship with each constituency should be managed and what Beijing hopes to obtain from it.⁶ Xi's vision of a Community of Common Destiny for Mankind is less an idea about what institutions and rules should govern international relations than it is a vision for how a system of relationships among these different constituencies should function. In Beijing's concept, by mid-century China would occupy a central place in the international system owing to its governance successes, to its leadership in setting standards in emerging areas of technology and to China's providing the global infrastructure of connectivity, all further underpinned by recognition of the moral preeminence of the Party's statecraft. Beijing's vision for the international order is not, as often portrayed, as multipolar world where it enjoys preeminence in Asia while other great powers hold sway in other regions, each unconstrained by any higher set of rules and norms. Rather, China's leaders imagine a world in which Beijing is the central engine of globalization and of a consensus on solving the world's problems. For the Party, such a system would not constrain Beijing. On the contrary, others would naturally defer to its leadership. The Party's leaders frame their vision as emerging via a global consensus building, but, as I allude to in my 13 March 2020 statement for this Commission, this begs the question what happens if countries defy Beijing's favored norms? The answer we are already seeing today—for example, in the increasingly explicit threats its diplomats are issuing around the world, and its attempts to censor discourse not only domestically, but globally—is bald coercion. And all this is happening when China, by Beijing's own account, is still several decades away from the level of comprehensive power it plans to attain by mid-century.

4. *How does the CCP view the ability of the international system to constrain its ambitions? How is this reflected in its foreign policy and strategy?*

As many other scholars have argued, Beijing sees the current international order as designed by the West when China was weak and not a participant in its construction. The Party regards the system of U.S. security alliances as reflecting “a Cold War mentality” and preventing the resolution of China's bilateral territorial disputes which Beijing imagines it could resolve absent

⁶ For an early discussion of this focus on relationships rather than geography, see Wang Jisi “International Relations Theory and the Study of Chinese Foreign Policy: A Chinese Perspective” in Thomas W. Robinson and David Shambaugh (ed.), *Chinese Foreign Policy in Theory and Practice*, Oxford: Clarendon Press, 1994, pp. 481-505. In promoting a Community of Common Destiny for Mankind, Beijing employs a framework for organizing its diplomacy (外交布局) that is long-standing, with roots in Mao Zedong's sorting countries into the first, second and third worlds. Today, China's diplomats use the categories of major countries, neighboring countries, developing countries, and multilateral institutions, encapsulated in the phrase: “Major powers are the key, neighboring countries are the first priority, developing countries are the foundation, multilateral forums are the important stage” (“大国是关键、周边是首要、发展中国家是基础、多边是重要舞台”). I am indebted to Timothy R. Heath's *China's New Governing Party Paradigm: Political Renewal and the Pursuit of National Rejuvenation*, Burlington, VT: Ashgate, 2014, pp. 122-123 for drawing my attention to this scheme. The topics of the chapters on foreign affairs in Xi Jinping's *The Governance of China* (see the relevant portion of the table of contents, pp. iv-v) also follow the layout's four elements in protocol order. For their part, Chinese international relations scholars have also frequently sought, in Confucianism's emphasis on correctly ordered relationships rooted in morality and human feeling, the source for an alternative approach to conceptualizing international relations over and against Western-derived models. In addition to Zhao Tingyang's work cited in my 13 March 2020 SFR, see, for example, Qin Yaqing, *A Relational Theory of World Politics*, New York: Cambridge University Press, 2018.

the threat of U.S. military intervention. As a result, the Party advocates an international order free of the U.S. alliance system and works to split the United States from its allies and partners. Financially, Beijing regards the U.S. dollar's status as the world's reserve currency as an unfair advantage. China's leaders would almost certainly prefer over the long term to obtain that status. In terms of international norms, the Party sees the West's framing of human rights as "universal" as both direct threat to its rule (potential subversion via ideas about democracy and freedom of the press, etc.) and an obstacle to the prestige Beijing thinks its domestic governance successes ought to afford it. As a result, as other scholars at this hearing have documented, Beijing is working to change the international discourse on human rights. Finally, the Party regards the nature of the global governance system as a reflection of the balance of power (a better translation here might be "distribution of power" as the Party is not invoking a preference for traditional European power balancing but arguing that preponderance of power conveys influence). The Party's consistent aim throughout its rule has been to build comprehensive national power in order to change China's status in the world. Under Mao the route Beijing sought was to remake the order via revolutionary violence. Under Deng and his successors down to Xi, it has sought to transform the order and change China's place within it by carefully cultivating its strength from a position of connectedness to the order. Here, David Shambaugh in his 2013 book, provided a clear, helpful, and prescient depiction of Beijing's changing posture toward the international order over time. Shambaugh described China under Mao Zedong as a "system challenger" (via its support for global revolution), followed in the early reform era as "system studying" as China began to engage with international institutions, followed by "system exploitation" to facilitate China's economic rise, and finally, moving into a "system altering" phase as Beijing sought to use the comprehensive national power it had attained to make changes to the system in light of its preferences.⁷ Under Xi's tenure, China has decisively declared its readiness to do the latter.

5. *Does the CCP now see the international success of its domestic governance model – or at least facets of its model gaining traction in other countries – as critical to its own domestic legitimacy and survival?*

Some scholars regard Xi Jinping's highlighting of a Chinese model as purely instrumental: aimed at shoring up domestic legitimacy by demonstrating (or perhaps simply alleging) that the Party's governance system must be a success because it is perceived as a success abroad. I think this too cynical in two respects. First, it's odd that Western scholars cannot imagine that the Party's leaders would not genuinely be proud of what they regard as their success in making China into the number two power in the world over the course of a few decades. Plenty of other large, agrarian developing countries have failed to achieve anything near what Beijing has accomplished, even accounting for differences in population. Second, pushing a "Chinese model" is not simply a project dreamed of by the Party, it is a broad-based nationalist aspiration that predates the Party and will likely out-live it.⁸ Proclaiming a Chinese model is not a means of

⁷ David Shambaugh, *China Goes Global: The Partial Power*, New York: Oxford, 2013, pp. 134-136.

⁸ In his review essay of several Chinese scholars' invocations of the *tianxia* concept, Liang Zhiping relates Zhao Tingyang's description of the "Rethinking China" ("重思中国") movement where Chinese intellectuals sought, in light of China's rise, to think about China and its future in a positive fashion from the perspective that China's traditions could have solutions for the world. Although many contemporary intellectuals working in mainland China must frame their proposals in such a way as to be

shoring up the Party's legitimacy, rather, it is a means of demonstrating to the Chinese people that Beijing has succeeded in "the great rejuvenation of the Chinese nation."

6. *How important is to the CCP it for China to be credited with having a good system now? What examples are there outside of its promotion of the success of its model in combating COVID-19?*

Demonstrating the superiority of China's system is central to the "new era" Xi Jinping proclaimed at the 19th Party Congress. Prior to the 19th Party Congress, since 1981 the Party had described its major governing challenge—which it calls "the principal contradiction" (主要矛盾) as "between the growing material and cultural needs of the people and backward production." In other words, Beijing needed to address China's backwardness. By contrast, Xi's report to the 19th Party Congress explained:

What we now face is the contradiction between unbalanced and inadequate development and the people's ever-growing needs for a better life. China has seen the basic needs of over a billion people met, has basically made it possible for people to live decent lives, and will soon bring the building of a moderately prosperous society to a successful completion. *The needs to be met for the people to live better lives are increasingly broad. Not only have their material and cultural needs grown; their demands for democracy, rule of law, fairness and justice, security, and a better environment are increasing.* At the same time, China's overall productive forces have significantly improved and in many areas our production capacity leads the world.⁹ [emphasis added]

On one level, this change in the principal contradiction is an acknowledgement that China's becoming the number two economy in the world and attaining commensurate international status means higher expectations for its governing system at home and abroad. In the reform era, Beijing had argued that though China was behind the West, this owed as much to the legacies of imperialism and oppression as to the policy mistakes of the later Mao Zedong era.¹⁰ The focus—and really the only major standard—was catching up. Today, even if China remains a developing country on per capita income terms, its having become the number two economy means the Party now needs to demonstrate its system can deliver on the other elements of comprehensive modernity (the rule of law, a clean environment etc.) Xi cited. As Timothy Heath of RAND has noted, Beijing's emphasis on improving its governance capacity already received

compatible with the Party-state, this intellectual tradition of seeking to identify in China's traditions and history, a basis for offering wisdom to the world after China modernizes and becomes strong, has deep roots that predate the Party. See Liang 梁治平 (Liang Zhiping), "想象'天下': 当代中国的意识形态建构," (**"Imagining 'Tianxia': Building Ideology in Contemporary China,"**) David Ownby (trans.), 思想 36 (Dec. 2018): 71-177, available at:

<https://drive.google.com/file/d/1EI4M5NhyEf4Xt5TfYSNaDAGIb4IIWbco/view>, accessed March 2, 2020, pp. 18-20.

⁹ Xi, "Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era," Delivered at the 19th National Congress of the Communist Party of China, October 18, 2017, available at:

xinhuane.com/english/download/Xi_Jinping's_report_at_19th_CPC_National_Congress.pdf, accessed November 3, 2017 pp. 9-10.

¹⁰ See, for example, Zhao Ziyang, "Advance Along the Road of Socialism with Chinese Characteristics," Report Delivered at the Thirteenth National Congress of the Communist Party of China on October 25, 1987, in *Documents of the Thirteenth National Congress of the Communist Party of China (1987)*, Beijing: Foreign Languages Press, 1987, pp. 10-11.

considerable emphasis under Hu Jintao.¹¹ The titles and content of Xi Jinping's two volumes of speeches, *The Governance of China*, also reflect this focus. On the one hand, China's rise means that its accomplishments or failures in these areas will be more scrutinized. At the same time, it means that, for the next portion of the Party's efforts to rejuvenate the Chinese nation, in multiple realms of international competition, China is no longer competing simply to catch up, but to take the lead.

As mentioned above, China's leaders believe they ought to receive credit from the international community for the governance accomplishment of navigating China from poverty to the number two great power in several decades. In talking about this governance success, however, the Party highlights other areas beyond economic growth. One of these is domestic order. China's leaders talk about how their country is regarded as "safe" (i.e. from crime) and how Beijing is "willing to share its experience in security governance with other countries and contribute its knowledge and strength to global security governance."¹² Finally, under Xi, the Party has more actively begun touting its system of one-party rule where the ruling party "consults" with other parties as more effective and harmonious than what it portrays as the disordered clash of interest groups in the West. As other observers have noted, Beijing further touts what the Party depicts as the meritocratic process of leadership selection that produced Xi Jinping over and against the resumes of Western leaders.¹³

7. *Is the CCP's motivation genuinely to lead and export its model, or is it more aimed at building legitimacy at home?*

See also my answer to Question #5 above. The ambition Xi articulated is to be realized by 2049 or 2050, so the global influence of a "Chinese model" is far from Beijing's highest priority today. However, I also respectfully disagree with the premise that the Party's primary aim is "building legitimacy." That frame reflects the "problems-based" approach to understanding the Party and its goals which I am seeking to overturn. By its own account (and I think reflected in its actions), the Party's goal is to transform China into a modern, powerful, socialist country that is a global leader in terms of comprehensive national power and international influence. Having a domestic governance model that is influential abroad is part of what achieving that objective looks like to Beijing, but the Party's leaders refrained from talking much about this for many years while they judged China too weak, either domestically or in terms of international power and prestige. Economic development for the purpose of building comprehensive national power was the highest imperative then and the influence of a Chinese model abroad has not eclipsed that priority today. What is crucial to understand, however, is that the Party has been pursuing

¹¹ See Timothy R. Heath, *China's New Governing Paradigm*, pp. 21-39 and as well as the discussion in David Shambaugh, *China's Communist Party: Atrophy and Adaptation*, Washington, DC: University of California Press, 2008, pp. 124-127.

¹² On this theme, see Xi Jinping's speech to the 86th Interpol General Assembly, "Upholding Cooperation, Innovation, the Rule of Law, and Mutual Benefit and Working Together to Develop Global Security Governance" *On Building a Human Community with a Shared Future*, Beijing: Central Compilation and Translation Press, 2019, pp. 493-501.

¹³ See, for example, Cheng Cheng Jiang, "WATCH: China's Viral Video on How to Be A Leader" *TIME*, October 17, 2013, available at: world.time.com/2013/10/17/whats-the-secret-to-chinas-incredible-success/, accessed April 20, 2020.

goals aimed at changing China's place in the world for decades, not simply desperately trying to retain power.

8. *You have painted a well-rounded picture of how China is framing a global competition in standards and norms. Xi Jinping, as you frame it, seeks to be a “global leader in terms of composite national strength and international influence.” Has Xi tried to create a competing model to the prevailing international liberal political and economic system of order? You frame this as an ideological competition between liberal democracy or democratic socialism and authoritarian, one-party rule with centralized state control and planning. Please elaborate on that and discuss how it is attractive in some countries of regions.*

It is important to re-emphasize the time scale on which the Party envisions realizing its aims. Xi's 19th Party Congress language about “a global leader” refers to goals for mid-century (then some thirty-two years in the future). Part of the confusion in the U.S. debate about China's ambitions is that some scholars argue China is not doing everything Xi promised as of 2020, or that the international system Beijing envisions is not fully fleshed-out today, but this is a misreading of what he articulated. Further, as noted in my response to Question #2 above, the Party's long-term goals reflect a consistent logic it has been pursuing throughout its rule, not the whim of a specific leader. For Washington to continue judging the significance of Beijing's long-term goals on the basis of its present capabilities would be to repeat the strategic mistake of the last few decades.

I agree with Ms. Rolland and others that the Party's models—either of domestic governance or of a China-centric international system—are not fully fleshed out. As other witnesses before this hearing have described, at present, what Beijing has begun to export today are pieces of its domestic model, such as systems for controlling the Internet or training cadres in “party-building.” For elites in some developing countries, adopting pieces of the Party's model promises modernity, wealth and power without accountability to their own publics or to the international community. As those pieces of the Party's model proliferate, however, they will have a cumulative influence on the nature of the international system over time as they bend it away from the norms favored by the United States and its allies.

The international system the Party envisions would include some features of the current order. As many scholars have noted, Beijing favors the components of the current order that underpin the norm of sovereignty and the international trading system, and China's leaders have gone from cautious endorsers of globalization to its cheerleaders. (Beijing, however, has sought to continue to enjoy a relationship in which many economies are more open to China than the latter is open to them). Even where a mid-century China-centric order preserved features superficially recognizable today, however, they would function differently based on changes in relationships among the component parts.

Yet if every feature of the domestic and international models the Party envisions as triumphant by mid-century have not been spelled out, this does not mean that the broad outlines of the contest over the order are murky. They are not. This is an ideological competition between liberal democracy (in the classical sense, not in the contemporary sense of “liberal vs.

conservative”) and Leninist socialist one-party dictatorship.¹⁴ While many observers thought the contest settled in 1991, the rise of socialist China as the number two power in the world with ambitions to remake international norms and standards so they are compatible with its dictatorship has renewed it. The order Beijing envisions would be based on a deepening of globalization in which China’s governance standards and technology platforms underpin connectivity. That central position would provide the Party with influence over domestic and international governance comparable to what the West has collectively enjoyed over the rest of the world. It is vital to recognize that Beijing’s effort to rewire the order are not simply about addressing the threat the current order represents to its dictatorship. I think the Politburo genuinely believes in what Xi calls “the great cause of socialism with Chinese characteristics”¹⁵ and wants to remake the order both to vindicate “international socialism” and to vindicate what it regards as the unique contributions of the Chinese nation.

What is imperative is not to fall into Beijing’s rhetorical trap. The Chinese nation is not the same thing as the Communist Party of China. Ethnically Chinese people around the globe have made and are making innumerable contributions to human society in many fields. Leninist socialist dictatorship, however, is not a Chinese contribution to humankind. It isn’t Chinese at all. Rather, it is a disastrous European import into China that is a relic of the 20th century.

9. *If the United States is able to organize and exercise its collective national instruments of power to build coalitions of countries in the free world what countries are natural partners and key allies? What new tools would the U.S. need? What legislation would Congress need to succeed in meeting the challenge that is not already in law?*

My impression is that China’s diplomatic ham-fistedness in recent years has undone much of the “soft power” Beijing had carefully cultivated abroad in the 2000s. This provides the United States with many options for building coalitions to oppose the Party’s efforts to build a China-centric order. For many Europeans, the Party’s trampling on human rights at home and attempt to aggressively censor criticism abroad contradict core European liberal values, while the Party’s relentless effort to assume the technological lead by theft of intellectual property and outsized support to national champions threatens European economic livelihoods. For Eastern Europe specifically, China’s methods of dictatorship bring back memories of subordination to Soviet Communism and of suffering under their own Communist rulers. For Japan, South Korea, and Taiwan, economic concerns may be most prominent, but proximity and the legacy of historical conflict makes economic and security concerns interrelated, while shared democratic values also play a constructive role, as they do for India. For China’s other neighbors, dependence on Beijing for the infrastructure of globalization combined with—in many cases—lingering security tensions with China are sources of anxiety.

¹⁴ To be clear, I did not reference “democratic socialism” in my 13 March 2020 SFR. There is a difference between European “social democracy” (a capitalist liberal democracy with a significant welfare state) and “democratic socialism” which advocates a socially rather than privately owned economy.

¹⁵ Xi, “Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era,” p. 14.

In all these cases, a major potential force-multiplier for the United States and its allies and partners is information sharing. Competing with Beijing means sharing information about the Party's goals and actions, from industrial policy, to manipulation of international institutions, to "elite capture," to United Front influence operations, to the official theories, policies, and strategies that shape Beijing's approach to competition in multiple domains. The problem—and it is a problem for both the United States and its allies and partners—is that we do not possess a robust translation and dissemination effort on the documents produced by the People's Republic of China, the world's largest country, a strategic rival, and a Leninist regime that writes in one of the most difficult languages in the world for foreigners to master.

Congress could make a huge difference here by building a new agency devoted to translating China's official documents, policy speeches, state, party and military media, and intellectual production in many areas of competition. Such an agency should not be part of the U.S. Intelligence Community and its output should be made available to governments, scholars, and journalists as a public service.¹⁶ The agency's products should also be made available to our allies and partners, who should also be encouraged to supplement it by working out a division of labor with the U.S. agency and among their own similar efforts. Such an enterprise—a new version of Soviet era Kremlinology—is necessary for informing strategic competition, but it is even more vital as China, rather than struggling to catch-up, has assumed the lead in some areas of the contest.

10. How does Zhao Tingyang's criticism of Western international relations theory and its emphasis on individual states, detailed on p. 11 of your written testimony, relate to China's calls for respecting sovereignty in international fora, particularly with regard to cybersecurity and non-interference?

There is, as your question implies, apparently a direct contradiction between the Party's tradition of espousing sovereignty as the highest international principle and its long-term vision of a single, integrated global order under China's leadership.

It is important to begin by reiterating that Zhao's argument is not the Party's official international relations theory. My intention in bringing up Zhao in my 13 March 2020 SFR was to highlight that we need more research on the relationship between what Chinese scholars of international relations publish and the often superficially abstract ideas expressed succinctly in the Party's official theory system.¹⁷ Beijing's official concepts need to be read in the contexts of

¹⁶ The subordination of the Open Source Enterprise (previously the "Open Source Center," and its predecessor, the Foreign Broadcast Information Service) to the U.S. intelligence community, has prevented its sustainment as a national asset capable. In 2013, the Open Source Center ended the fifty-year run of the World New Connection, a service that had provided its translations to the academic community. This was a service whose output I personally benefited from in graduate school in the early 2000s as a student of Chinese politics and foreign relations. See: Noel Brinkerhoff, "CIA Plans to Shutter Public Access to Foreign News Service...after more than 50 Years," ALLGov.com, October 10, 2013, available at: <http://www.allgov.com/news/controversies/cia-plans-to-shutter-public-access-to-foreign-news-serviceafter-more-than-50-years-131010?news=851356>, accessed April 20, 2020.

¹⁷ While there is a considerable literature on Chinese scholars' efforts to build an international relations theory "with Chinese characteristics" or to contribute to global international relations theory on the basis of China's traditional philosophy or

both the history of the Party's ideas and the broader Chinese-language discussion of similar ideas with which the official theory is in implicit dialogue. At minimum, Xi's invocation of *tianxia* when talking about Community of Common Destiny for Mankind aims to reference the aspirations articulated by Zhao and others for Chinese statesmen to offer solutions to the world's problems rooted in China's own philosophical and statecraft traditions.

Zhao doesn't directly address the Party's concept of a Community of Common Destiny for Mankind, but I think he would answer your question in two ways with logic that illuminates the *tianxia* framing of Xi's vision. First, Zhao argues that the idea of *tianxia* was based on voluntary assent to the order rather than coercion or hegemony.¹⁸ He frames a *tianxia* order as coming about when individual states change their reference point from their own individual interests to the common interests of the world and see the benefits of joining a political network that encompasses the whole world as better than the alternative.¹⁹ Second, he argues that traditional China allowed the periphery to keep its own diverse domestic governance systems and cultures within the overarching *tianxia* order.²⁰ In both areas, Zhao argues that what characterizes *tianxia* is its inclusiveness, which he seeks to contrast with other ideas about international politics such as imperialism, Immanuel Kant's democratic peace theory, and Samuel Huntington's "clash of civilizations."²¹

Similarly, Xi describes transforming the global governance system and realizing a Community of Common Destiny for Mankind by building an international consensus that the existing system

diplomatic experience (ancient or modern) over and against Western international relations theory's privileging of examples from European history, there has been very little attention to unpacking the official international relations theory that corresponds to the Party's official theory system. On the former, among many valuable summaries is Zhang Feng, "Debating the 'Chinese Theory of International Relations': Toward a New Stage in China's International Studies" in Fed Dallmayr and Zhao Tingyang (eds.), *Contemporary Chinese Political Thought*, Lexington, KY: University Press of Kentucky, 2012, pp. 67-87. On the role of the Party's official international relations theory, see Wang Jisi, "International Relations Theory and the Study of Chinese Foreign Policy: A Chinese Perspective," cited above. In recent years, Beijing's diplomats have gone so far as to claim that the Party's official theory has transcended Western international relations theory. In an article published in Central Party School's *Study Times* (学习时报) on the eve of the 19th Party Congress, foreign minister Wang Yi maintained:

General Secretary Xi Jinping's thought on diplomacy embodies the Marxist position, viewpoints and approaches. It is a continuation and further development of the major policies and fine traditions of the diplomacy of New China in the past 60-plus years. *It has also made innovations on and transcended the traditional Western theories of international relations for the past 300 years.* The thought is an essential component of the governing vision and strategy of the CPC central leadership and the guide of action for China's diplomacy in the new era. [Emphasis added]

Such aspirations come from the broader intellectual context of international relations scholarship in China and we need more research on the connections between this context and the Party's official theory. For the claim about Xi's "Diplomatic Thought" see Wang Yi, "Forge Ahead under the Guidance of General Secretary Xi Jinping's Thought on Diplomacy," available at: fmprc.gov.cn/mfa_eng/wjb_663304/wjbz_663308/2461_663310/t1489143.shtml, accessed April 20, 2020.

¹⁸ Tingyang Zhao (translated by Liqing Tao), *Redefining a Philosophy for World Governance*, Staten Island, NY: Palgrave Macmillan, 2019, pp. 23; 52-53.

¹⁹ *Ibid.*, p. 12-5; 58.

²⁰ *Ibid.*, pp. 36-37.

²¹ *Ibid.*, pp. xvii; 19; 43-65.

has failed, that Chinese wisdom offers a better approach to governing relations between countries and solving global problems, and that such a system (e.g. via platforms like One Belt, One Road) will provide public goods for all. As noted in my 13 March 2020 SFR, Xi's vision includes deepening globalization and placing China's standards at its heart.

On the issue of whether integration produces convergence, while Zhao at times emphasizes the inclusiveness of *tianxia* being able to incorporate diverse forms of local autonomy in many respects, his "whirlpool" metaphor for the appeal of the central country's example does imply convergence in a way Beijing today is understandably reluctant to highlight. Zhao argues that traditional China's *tianxia* order involved not wholesale assimilation of peoples on the periphery, but "interactive recomposition and co-construction by multiple ethnic groups and multiple cultures."²² That such a process was, in Zhao's depiction, two-way, does not, however, address the anxiety it might provoke if China's leaders more directly proclaimed their aspirations for a global *tianxia* order. To the extent that Beijing addresses these issues at all, it is with a moral framing reminiscent of Zhao's depiction of *tianxia*. The benefits of joining a Community of Common Destiny for Mankind, the Party implies, will be overwhelming and concerns about Beijing's place at the center of the order it is building are petty and misjudge its motives. At present, the Party has not yet tackled the contradiction between the promise that its model for a new international system will allow countries to preserve their sovereignty from subordination to the West and the issue that by adopting Chinese-made platforms, these same countries potentially increase their vulnerability to coercion from Beijing.

²² Ibid., pp. 33-36.

RESPONSES FROM MELANIE HART, PH.D., SENIOR FELLOW AND DIRECTOR OF CHINA POLICY, CENTER FOR AMERICAN PROGRESS

(1) Have fundraising efforts, standards, or any other policies or practices demonstrably changed at any of the four UN specialized agencies currently led by a Chinese national specifically as a result of the leadership change?

U.N. policy toward Taiwan and China's Belt and Road Initiative (BRI) are useful metrics for gauging rising Chinese influence across the U.N. system. The pattern of evidence on those issues suggests that Beijing leverages leadership positions at multiple levels—i.e., deputy director general level as well as director general level—to exert influence on U.N. policy.

On Taiwan: During Fang Liu's term as ICAO secretary general, the organization stopped inviting Taiwan to attend its assembly; ICAO Communications Chief Anthony Philbin reportedly told Reuters that "ICAO follows the United Nations' 'One China' policy." After Ren Minghui was appointed to an Assistant Director General position at the WHO in January 2016, Beijing successfully lobbied the WHO to block Taiwan from attending the World Health Assembly, where Taiwan had previously held observer status.

On the BRI: There are several examples of UN specialized agency leaders demonstrating intent to align U.N. programs with Xi Jinping's foreign policy concept, particularly when interviewed in Chinese media outlets. Liu Fang (ICAO) [stated](#) in 2016 that the "Belt and Road" strategy advocated by the Chinese government has broad prospects for cooperation with the technical support projects carried out by ICAO. [In 2017](#), Liu said that ICAO actively supports the BRI proposed by the Chinese government and revealed that ICAO is negotiating an agreement between ICAO and the Civil Aviation Administration of China on jointly advancing the "no one country left behind" and "Belt and Road" initiatives. Li Yong (UNIDO) has said that the specialized agency [has done a lot to support the BRI](#): "One aspect is organizing forums, such as holding the 'Belt and Road' Inclusive and Sustainable Urban Exhibition and Dialogue...Another aspect is doing projects. Through the 'Belt and Road' South-South cooperation projects and other projects, it provides many opportunities for cooperation in the three areas of sustainable production and consumption, innovation of green technologies, and strengthening of international cooperation." He continued to say, "We strongly support the BRI. Chairman Xi put forward a very important concept, that is, the community of human destiny."

Further in-depth research is needed to assess a wide array of U.N. fundraising efforts, standards, policies, and practices in order to map exactly where and to what degree Chinese-national leadership is pushing U.N. specialized agencies toward Beijing's interests rather than the interests of the agency.

(2) How many Chinese nationals work for the World Health Organization, and in what capacities?

The World Health Organization's full employee roster is beyond the scope of my research. There are multiple Chinese nationals serving in management positions. That is a concern, given the ample evidence indicating that Chinese government officials frequently utilize those positions to promote Beijing's political interests across the U.N. system. Two key positions include:

- Dr. [Ren Minghui](#), Assistant Director-General for Communicable Diseases. He previously served as a Chinese government official in China's National Health and Family Planning Commission and the Chinese Ministry of Health.
- Ms. [Zhang Yang](#), Member of the Program, Budget and Administration Committee of the Executive Board. She also serves as Director General for the Department of International Cooperation in China's National Health Commission.

(3) What does it mean for the U.N. to be the primary target? How does this fit within the context of other efforts to shape global norms, such as the Belt and Road Initiative or party to party trainings?

Beijing views the U.N. system as the critical set of global rules and institutions that make up the global governance system, particularly for non-economic and normative issues. Beijing's [September 2019](#) State Council white paper on Chinese foreign policy states that "the U.N. is at the core of the global governance system" and "the multilateral trading system with the WTO at its core is the cornerstone of international trade."

In Beijing's view, the U.N. system is particularly important for, as expressed in the September 2019 whitepaper: "maintaining stability of the international system and regulating relations among countries." In other words, Beijing views the U.N. system as the set of foundational norms, laws and institutions that provide the foundation for modern international relations. The U.N. is a key target for China's global governance reform ambitions because Beijing seeks to shift the rules of the game in its favor, and the U.N. is where those rules are housed.

Beijing runs global governance influence operations at multiple levels and frequently uses bilateral or plurilateral engagements to incubate norm-shaping and rule-shaping objectives that it then pushes in broader U.N. forums. For example, on digital governance, China worked within the Shanghai Cooperation Organization (SCO) to build plurilateral support for Beijing's internet governance concepts and then jointly submitted an "[International Code of Conduct for Information Security](#)" to the U.N. General Assembly with a group of SCO nations.

(4) Some of your recommendations on increased U.S. funding closely parallel those of Mr. Hillman. How can Congress ensure that the programs it funds, or that the U.S. funds in the U.N. are not subverted by actions of the PRC? What new legislation can Congress put in place to make sure that U.S. funding is used for the purpose for which it was intended?

The best way to exert influence over the use of funds is to exert strong American leadership across the U.N. system. Chinese nationals currently lead four out of five U.N. specialized agencies. In contrast, only one agency is led by a U.S. national. Beijing is operating a targeted diplomatic campaign to push the U.N. toward actions and normative shifts that boost Chinese interests at U.S. expense. In contrast, the U.S. is currently disengaging from the U.N., a move that provides Beijing with maximum maneuvering room to achieve its goals.

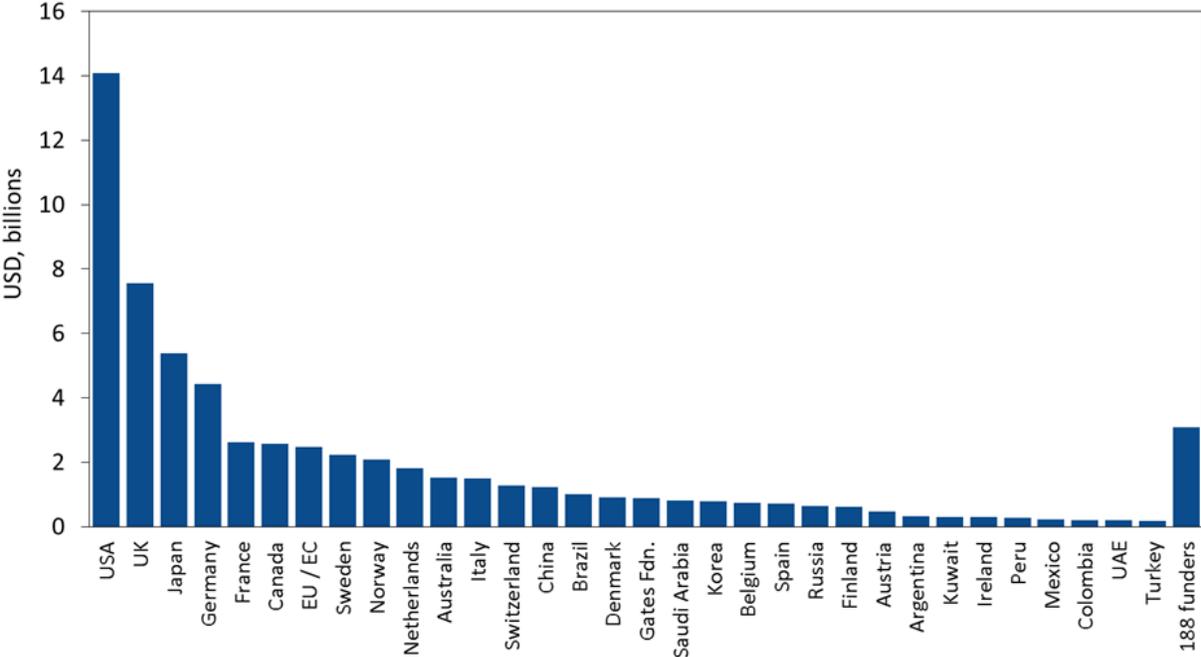
The U.N. is the playing field on which global rules are made. Vacating that field cedes control to China and directly undermines U.S. national security. The U.S. Congress should use every lever in its arsenal to press the Trump administration to fulfill its financial obligations to the U.N. and to develop and execute a strategy for proactive engagement across the U.N. system. At a minimum, the U.S. Congress should require the U.S. Department of State to submit annual

reports detailing its strategy for and progress toward regaining U.S. influence at the U.N. and achieving U.S. objectives across the UN system.

RESPONSES FROM JONATHAN HILLMAN, SENIOR FELLOW AND DIRECTOR OF THE RECONNECTING ASIA PROJECT, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES

Mr. Hillman, in one part of your written testimony you note that representatives from China lead four of fifteen United Nations (U.N.) agencies. However, one of your recommendations is that the United States fund activities at the U.N. in order to increase its influence within the U.N. The chart below (Figure 1) shows the United States is already the largest global financial supporter of U.N. activities, while China’s contribution ranks 14th. Why isn’t the U.S. contribution already granting the United States sufficient influence at the U.N.? Can you refine your recommendation? Should the U.S. fund U.N. agencies or programs led by representatives from China, who may be members of the Chinese Communist Party? Should U.S. funding for U.N. agencies of programs be contingent on those programs being free of Chinese (or Russian) influence?

Figure 1: Average total annual contributions to 53 multilaterals, 2014-16 (est.)



Source: McArthur and Rasmussen 2017

Response: This is an important and timely question. One brief point of clarification: I suspect the chart provided likely captures U.S. funding beyond the UN (to include almost 20 or so non-UN entities). China is the second largest contributor to the UN general budget after the United States (see <https://chinapower.csis.org/china-un-mission/#top-contributors-to-the-un-regular-budget>). But the overall amount China contributes to UN activities is significantly less than the United States contributes. So the question remains a valid one. I would restate it slightly: Why does China appear to get more with less at the UN?

Diplomacy matters. One of the episodes my testimony cites is last year's election to lead the Food and Agriculture Organization. The U.S. did not have proper staffing, did not engage in the process until too late, and did not build support among natural allies. As a result, China's candidate won. This was a diplomatic failure for the United States, which needs to staff and coordinate more effectively. Budgetary pressure on the U.S. State Department has made this more difficult. U.S. funding to the United Nations is necessary but not sufficient. The UN is a diplomatic battleground, and the United States can't draw its forces down and expect to win.

China also uses its broader economic vision to generate support for its UN priorities. The UN, of course, does not operate in a vacuum, and China has been successful at linking support within the UN to its activities outside it. The Belt and Road is one major avenue for making these connections. To generate support within the UN, China can dangle the prospect of financing new BRI projects--or granting debt relief--when needed. The United States is not currently offering its own positive economic vision with readily tangible benefits. Increasingly, it has relied on tariffs, sanctions, and other negative uses of economic power. This neglects the power of inducements, which the United States could use more effectively.

Above all, the United States should work to advance its own interests through the UN. On a growing range of issues, this will require building coalitions in opposition to Chinese (and Russian) positions. But blocking a Chinese candidate for a leadership position is only a means toward an end. The United States needs to go on the offensive and proactively advance its own agenda. It should invest in U.S. diplomacy. It should put forward its own positive economic vision. And then it should let China worry about trying to block U.S.-backed candidates at the UN.

RESPONSES FROM NAOMI WILSON, SENIOR DIRECTOR OF POLICY, ASIA, INFORMATION TECHNOLOGY INDUSTRY COUNCIL

In making recommendations to Congress, it's helpful to prioritize the areas that are most important. Which set of standards, or which standard setting bodies, should we be most concerned about and why? If Congress were to direct NIST and/or other agencies to focus on a discrete set of initiatives to combat Beijing's influence, what would they be?

A. The tech industry relies on a full spectrum of standards bodies that operate internationally and vary in organizational structure. For example, Bluetooth is a consortium of 30,000+ companies with approximately one hundred active standards projects. By way of contrast, the International Organization of Standardization (ISO) and the International Electrotechnical Commission (IEC) have a joint technical committee (JTC1) that has almost 1,000 current standardization projects. Participation in some bodies, such as JTC1, occurs only through a national body (e.g., the American National Standards Institute/ANSI in the United States). National bodies typically have industry, academia and government stakeholders as expert participants. Regardless of background or expertise, everyone must engage under the same structure of rules. The tech industry does not favor one organizational model over another, as long as they adhere to principles contained in [OMB Circular A-119](#) (openness, balance, due process, appeals process, and consensus).

ITI cautions against development of a short list of the “most important” standards or standards bodies. Innovation drives continuous change in technology, with the result that new standards are becoming increasingly important and new organizations are created to pursue new opportunities. It is important and beneficial to have the flexibility to choose where to do the right work at the right time. For the tech industry, IETF, IEEE, and W3C are all important international standards bodies, because they define foundational technical standards of the internet, modern networking, and communications in addition to other core technology application areas. The 3rd Generation Partner Project (3GPP) is important because it defines globally accepted mobile wireless standards, which have international status through adoption in International Telecommunication Union (ITU) Recommendations. This is far from an exhaustive list; many other organizations develop international standards in specialized areas that are important to the tech sector.

Success in the international standards system is not primarily driven by the number of participants from a specific country or company; rather, the expertise of participants, the quality and consistency of contributions, and ultimately broad market adoption of the final standard. Consistent participation in any body is key to learning how the system works and having influence.

Q. Plenty of telecommunications technologies have gone to market without a standardization debate comparable to the 5G debate, and these technologies appear to be thriving in spite of operating on divergent standards. Mobile phones use over 15 different radio network standards worldwide, with CDMA being prevalent throughout North America and GSM being prevalent elsewhere. Television broadcast transmission similarly relies on multiple systems across continents. Given that markets seem perfectly capable of

converging toward standards that work, why are we so concerned with establishing global or regional standards? Is the "race to 5G" really about market share, or are manufacturers creating a sense of urgency simply because they do not want to invest in developing multiple-system 5G phones and networks? If it is truly important, why does the United States not band with liberal democracies to develop a common standard?

A. Convergence towards adoption of voluntary standards that are most appropriate for current technology and consumer needs is emblematic of how the standards development system works. The examples of CDMA and GSM are in fact products of the international standards development system and examples of the need for companies to have options regarding which standards are most appropriate to implement. This is why the voluntary nature of the standards development process is so important. If a specific region or market has different needs than another location, then regional standards may emerge. However, where a technology is widespread and must operate seamlessly across markets, the drive to coalesce around international standards increases. In fact, this is why CDMA and GSM have been superseded by global standards (4G and LTE), which are soon to be superseded by 5G.

Global standards are very important in the technology sector. Global ICT standards facilitate global supply chains that enable companies in many parts of the world to collaborate on building complex and competitive products. For customers, global standards enhance choice and ease of use, and encourage competition, which provides customers with better products at lower costs. As markets expand, voluntary global technology standards play a key role in facilitating international trade. Furthermore, global standards can also be readily adopted by governments to meet local environmental, and health and safety requirements.

Companies and countries broadly accept that implementing and working towards the development of global standards is beneficial to them, as well as the market. However, there are examples of governments using “country-unique” standards as market access barriers, or to provide domestic companies with an unfair advantage. The tech sector continues to address this problem in China, as “China-unique” standards prevent foreign competitors from entering the market as quickly as Chinese companies and create problems in ensuring the ability of products to function seamlessly across markets. This is why industry continues to emphasize the importance and merits of international standards development.

The “race to 5G” is less about technical standards and more about technological development. Standards – of which there may be hundreds in any given product – are developed hand-in-hand with the technology; they do not precede the technology. They are also constantly changing with the technology. Global 5G standards development should help 5G technology access a broader array of markets and ensure that – wherever the consumer is located – the product and its features work reliably. In this sense, coalescing around international standards helps all tech companies get high-tech products to markets, enabling consumers and countries alike to take advantage of higher speeds and greater bandwidth.

Conversely, it would be counterproductive for “likeminded” countries to band together to form common standards, as it would limit the ability of consumers to use products and services worldwide; potentially run afoul of competition laws; and could even have security ramifications

given the complexities of adapting products to different specifications. Standards development organizations have established rules and procedures to ensure IP protections and alignment with fair competition laws and allow participants to review contributions for security as a matter of course, regardless of the location of a company's headquarters.

**RESPONSES FROM ADAM SEGAL, PH.D., IRA A. LIPMAN CHAIR IN EMERGING
TECHNOLOGIES AND NATIONAL SECURITY, COUNCIL ON FOREIGN
RELATIONS**

Directed to all witnesses on Panel III:

1. *In making recommendations to Congress, it's helpful to prioritize the areas that are most important. Which set of standards, or which standard setting bodies, should we be most concerned about and why? If Congress were to direct NIST and/or other agencies to focus on a discrete set of initiatives to combat Beijing's influence, what would they be?*

The emerging standards around AI, and the joint International Standards Organization (ISO) / International Electrotechnical Committee (IEC) Joint Technical Committee JTC 1, Subcommittee (SC) 42 on Artificial Intelligence.

Regarding Dr. Segal's Testimony:

2. *On March 30, the FT put out an article which said that Huawei, Unicom, China Telecom, MIIT, et.al, are jointly proposing at the ITU a new standard for core network technology, creating a "new IP." Please comment and put this development into context. Is this the next step of "China ruling the web?"*

Without seeing what Huawei et al actually submitted, it is hard for me to comment on the FT story. Milton Mueller, professor at Georgia Tech, describes the submission as more of a forward looking white paper (<https://www.internetgovernance.org/2020/03/30/about-that-chinese-reinvention-of-the-internet/>), more PR release than real standard. As he notes, without any reporting on the actual technical specifications, it is hard to understand how the new technology could result in some centralized control switch for information. I am also sympathetic to Mueller's argument that there are real costs for Chinese and other firms to moving away from using TCP/IP and other standards that are already globally accepted.

3. *How do U.S. and U.S. allies' calls for online content moderation and other controls on disinformation look similar to Chinese and Russian calls for cyber sovereignty to third countries? Are there specific examples of U.S. and U.S. allies' domestic or international actions that have been conflated as such? What could a reconsidered U.S. internet freedom agenda look like?*

I cannot point to any specific instances of conflation. The issue, however, is less specific calls for censorship that reference online content moderation and the more general ideological argument, as Andrew Woods and Jack Goldsmith recently put it in *The Atlantic* (<https://www.theatlantic.com/ideas/archive/2020/04/what-covid-revealed-about-internet/610549/>) that monitoring and control are now inevitable components of the internet, and governments must play a large role in ensuring that the internet is compatible with a society's norms and values. This seems to me to be a viewpoint widely accepted now.

One forum worth engaging is the Freedom Online Coalition, a partnership of thirty governments that continues to meet and issue statements in support of an open internet. In addition, Congress

in 2018 voted for \$50 million in anti-censorship technology and other programs. This support should be continued. The United States has been essentially reactive to Chinese and Russian efforts at the UN, warning others of the negative impact but providing no real alternative to countries seeking a response to online threats. Washington, along with its friends and allies, will not only have to promote new avenues of coordination and collaboration, but also have to contribute significant resources to capacity building.

4. *Dr. Segal, you recommend that “The State Department should move forward as quickly as possible with plans to create a Bureau of Cyberspace Security and Emerging Technologies headed by a Senate-confirmed assistant secretary of State, who would report to the Secretary of State or Deputy Secretary of State.” Where would the standards for that diplomatic effort be coordinated and developed? What Under Secretary of State would be responsible for the effort? Would you have Congress change is authorizations and appropriations to support such a bureau? Would program officers be put into different embassies to support the program you propose? Is there an already-existing Under Secretary of State that can undertake the function? Why can’t the already-existing Science and Technology Counselors at U.S. embassies take on this function?*

The standards effort would be in the Bureau of Cyberspace. While standards efforts clearly overlap with the responsibilities of the under secretaries for political affairs and economic growth, it is better for it to be primary responsibility of the under secretary for political affairs so the political and human rights aspects of the competition are not subsumed to technical and economic measures. Specialized program officers would be required only in high profile, high impact embassies, such as Brazil and India. Otherwise, existing S&T Counselors could play the role.

5. *How would you frame legislation for Congress to direct the National Institute of Standards and Technology to conduct a comprehensive study of what should be “standards dialogues for emerging technologies” and “where the federal government can play a more active supporting role” to industry? Does NIST currently have authority in its legislative mandate to implement your recommendations? If you had to draft new authorizing legislation for NIST what would it look like and what, if any existing programs would you cut? How would you suggest Congress revise NIST’s appropriation in light of your recommendations?*

<https://www.nist.gov/director/congressional-and-legislative-affairs/nist-appropriations-summary>

Although I am not an expert on NIST, it is my understanding that it would have the necessary authorities. For example, in his March 11, 2020 testimony to the House Committee on Science, Space, and Technology, Subcommittee on Research and Technology, Dr. Walter Copan Under Secretary of Commerce for Standards and Technology and Director, National Institute of Standards and Technology, stated that “standards engagement is a key element of NIST’s mission, and we are deeply involved in multiple standards development bodies around the world.” He continued “It is vitally important for the U.S. to have a strong, persuasive, and consistent voice with the relevant standards organizations around the world” and lists NIST expert participation

in the International Standards Organization (ISO), International Electrotechnical Committee (IEC), IEEE, the Third Generation Partnership Project (3GPP), and other standards development organizations.

<https://www.nist.gov/speech-testimony/reauthorization-national-institute-standards-and-technology>

RESPONSES FROM RAY BOWEN, PH.D., SENIOR ANALYST, POINTE BELLO

USCC Questions directed to all witnesses on Panel III:

Q1. “In making recommendations to Congress, it’s helpful to prioritize the areas that are most important. Which set of standards, or which standard setting bodies, should we be most concerned about and why? If Congress were to direct NIST and/or other agencies to focus on a discrete set of initiatives to combat Beijing’s influence, what would they be?”

- Key international and U.S. standards setting bodies to prioritize better understanding of may include: ANSI, ANSI’s Canadian, French, German, and UK counterparts, IEC, ISO, UN ITU [*Bowen Testimony, pages 5-6, 13-18, 27-28,*].
- Key PRC standards setting bodies to prioritize may include: the “State Administration for Market Regulation” (SAMR), the “Standards Administration of the PRC” (SAC), and the “China Standardization Expert Committee” (CSEC). SAC coordinates “China Standards” setting and revision on a dedicated website. Policy directives promote PRC technical standards throughout the “Belt and Road Initiative” (BRI), and integrate technical standards with military/dual use requirements and Beijing’s “Military-Civil Fusion” (MCF) campaign [*Bowen Testimony, pages 3 and Glossary*].
- A key influence campaign by Beijing to focus on may be “**China Standard 2035**.” PRC “National high-level think tanks”—including entities in SAMR, SAC, the Chinese Academy of Engineering (CAE), and others—are working together to consolidate existing standardization strategies into a higher profile program of action deemed “**China Standard 2035**,” possibly to be rolled out in early 2020. Disruption of government work and postponement of the NPC meeting as a consequence of the coronavirus public health emergency may, however, delay planned rollout of “China Standard 2035” until later [*Bowen Testimony, page 8*].

Q2. Plenty of telecommunications technologies have gone to market without a standardization debate comparable to the 5G debate, and these technologies appear to be thriving in spite of operating on divergent standards. Mobile phones use over 15 different radio network standards worldwide, with CDMA being prevalent throughout North America and GSM being prevalent elsewhere. Television broadcast transmission similarly relies on multiple systems across continents.

Given that markets seem perfectly capable of converging toward standards that work, why are we so concerned with establishing global or regional standards? Is the "race to 5G" really about market share, or are manufacturers creating a sense of urgency simply because they do not want to invest in developing multiple-system 5G phones and networks? If it is truly important, why does the United States not band with liberal democracies to develop a common standard?

- It is possible that—previous to the current administration’s 2017 national security strategy—the post-2001 (PRC accession to the WTO) “engagement approach” to PRC participation in the global marketplace, combined with a traditional focus in capitalist market economies on private market actors and the corollary non-interference by government, together may have tended to distract Washington DC and allied governments from developing a sense of urgency to define and defend “western liberal” common standards.

USSC Questions regarding Dr. Bowen’s Testimony:

Q1. What advantages to dual-use standards have in military applications? What is at stake for the United States if China is successful in integrating civilian and defense standards and Chinese firms establish substantial presence in global technology markets?

- Building dual-use capabilities into technical standards—a vital component of Beijing’s Military-Civil Fusion (MCF) strategy—aims to bolster PRC technical and logistics backbone for military mobilization at home and abroad. “Standards harmonization” in the BRI and within MCF—along with Beijing’s pursuit of influence over international standards-setting—together pave the technological way for projection of PRC military power. 2017 State Council guidance on advancing MCF exhorts CPC organizations to encourage military industry personnel to participate in standards setting and revision, suggesting PLA personnel occupy some leadership roles in standards setting organizations...“internationalization of military-civil fusion standards is advantageous for continuing the PRC’s defense buildup, in terms of its international compatibility and modernization” [***Bowen Testimony, pages 6-7***].

Q2. For the U.S. organizations and agencies Beijing has targeted, listed from pp. 16-19, what is Beijing’s objective in targeting these agencies and organizations? What does coordination between U.S. non-profit public private partnerships or agencies and Chinese organizations amount to, in practice, and why should it be an area of Congressional concern?

- Beijing views standards as foundational to its goals to reshaping global governance and expand geostrategic power. In Beijing’s strategies, “China Standards” form essential technical connective tissue for the One Belt, One Road or Belt and Road Initiative (OBOR/BRI) and the Digital Silk Road (DSR), expanding PRC control of global information and communication technology (ICT). Combined with the standards requirements of Military-Civil Fusion (MCF), these strategies pave the way for projection of PRC military power. Beijing’s top party state bodies—the CPC, the State Council, and the Central Military Commission (CMC) liaise with and lead influence operations targeting foreign multinational and sectoral standards setting organizations [***Bowen Testimony, page 3***].
- Documentary evidence of interaction—including coordination—between the agencies and agents of the PRC and the various standards setting entities of the U.S. or other non-PRC is described extensively in pages 16-19 [***Bowen Testimony, pages 16-19***].

Q3. How should we understand the overwhelming adoption of Chinese domestic standards, as outlined in MIIT's 2018 standards revision plan, in commercial context? Is there a measurable monetary loss to U.S. enterprise, or some other way to represent the impact to U.S. interests?

- The MIIT's 2018 standards revision plan shows that the majority of new PRC standards appear to be PRC set, not adopted from abroad. In line with its stated objectives, Beijing grows increasingly determined to use—and have others adopt—its own standards [*Bowen Testimony, page 20*].
- It is difficult to quantify the monetary value of a counterfactual loss of the “wealth of a nation.” What is the value of global ICT revenue that the U.S. does not build? What is the value of the markets and other influence that the U.S. loses if it is upstaged in that manner?

Q4. Dr. Bowen, you explain in great and accurate detail how the PRC orchestrates its programs to establish China-specific alternative standards and norms on a global scale. Also, you highlight the security and other threats post by China. Can you develop specific recommendations for new legislation for Congress to combat the threats you outline? What changes would you suggest to amend current legislation to address these threats?

- Countering Beijing's China Standards and China Standard 2035 campaigns through the following types of legislation may be conducive to reducing risks to the national security of the United States:
 1. Expand the responsibilities of the US Department of Commerce National Institute of Standards and Technology (NIST) to:
 - a. Catalogue and curate existing and emerging technical standards, their national and organizational geneses, and related processes, and to:
 - b. Proactively inform—in a thorough and timely fashion—all other U.S. government departments and agencies **and** private sector corporations of those standards and related developments affecting sectors in their respective areas of responsibility.
 2. Increase the authority of NIST to:
 - a. Act in concert with the Committee on Foreign Investment in the United States (CFIUS) in its jurisdiction under the Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA), and to:

- b. Set parameters for the operation of the American National Standards Institute (ANSI) and/or any other private-public partnership in setting standards, including but not limited to govern the extent of collaboration by officers of U.S. standards organizations with foreign entities—both those of U.S. allies as well as those from governments demonstrated to conduct policies increasing risks to the national security of the United States.

Q5. Have any U.S. leaders from any of the national or international standards commissions been employed by or appointed to any of the standards related committees in China, such as the CSEC? In other words, who is helping China here in the United States?

- Please refer to the specifics documented on pages 17-20 [***Bowen Testimony, pages 17-20***].

Q6. Is there a way to track the impact on U.S. manufacturing employment of other countries, such as China, devising international standards intended to benefit their domestic companies? Could you please expand upon the effects that the change in influence is having on specific industries? Beyond the obvious concern regarding connected technologies (e.g., the Internet of Things), what about other industries should we be concerned about?

- A glaring “current” case in point of the consequences for the U.S. of once-U.S. industries that the PRC influences and takes over, is the U.S.’ loss of medical PPE (NIOSH standard N95 masks, gowns, etc.) manufacturing to the PRC and other nations during years previous to the current COVID19 pandemic, both in terms of loss of U.S. domestic manufacturing employment, and market share, and in terms of becoming an “unforeseen” high-impact weak link in an “unforeseen” national emergency.
- The U.S. should be concerned about nearly complete loss of employment—even in “front offices”—and of market share in every sector the PRC expresses interest in setting the standards of, and that interest extends well beyond “merely” ICT, as indicated by Beijing’s 2015 publication of “Made in China 2025.” Sectors of interest to the PRC in its “standards harmonization action plans” include but are not limited to information and communications technology (ICT) and ICT infrastructure, railway construction, industrial communication, satellite navigation, roads, waterways, civil aviation links, energy (oil, gas, and nuclear) power stations, electric grids, infrastructure and construction machinery, urban IT infrastructure projects aka “smart cities”, digital television services, movie theaters, building materials, textiles, steel, non-ferrous metals and new materials, explosives, agriculture, home electronics, aerospace, shipbuilding, marine transport and logistics, engineering equipment, online shopping networks, green products, media, publishing, radio, movies, television, the arts, medical equipment, pharmaceuticals, and international banking and financial services [***Bowen Testimony, pages 5-6, 18***].

A 'CHINA MODEL?' BEIJING'S PROMOTION OF ALTERNATIVE GLOBAL NORMS AND STANDARDS

MONDAY, APRIL 27, 2020

U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION

Washington, DC

The Commission met via virtual videoconference at 9:30 a.m., Senator Carte Goodwin and Senator James Talent (Roundtable Co-Chairs) presiding.

OPENING STATEMENT OF SENATOR TALENT ROUNDTABLE CO-CHAIR

COMMISSIONER TALENT: Good morning and welcome to the third public event of the U.S.-China Economic and Security Review Commission's 2020 annual report cycle. My name's Jim Talent. I want to thank all of you for joining us today.

The Commission had planned a hearing for March 13th on the subject of "A China Model? Beijing's Promotion of Alternative Global Norms and Standards," but the Commission decided to postpone that hearing due to temporary restrictions on public access to the Capitol because of the pandemic. However, all the written testimony from the planned hearing is available on our website at uscc.gov.

This roundtable brings together witnesses from the first panel of that planned hearing. Today's roundtable will examine China's efforts to exert influence over international governance, institutions, norms, and values, and the implications of those efforts to the United States.

Whether due to conviction or expediency, China has increasingly used its international influence to gain global acceptance for an alternative China-oriented and -influenced governance model. China's leaders are intent on strengthening what they call "discourse power," or the ability to dominate the discussion of sensitive issues and lead to formulation of concepts and norms underpinning the international system.

While Beijing claims it only seeks a greater voice on these matters, in practice its leaders have increasingly insisted that they have the only say that matters. It is clear that the Chinese Communist Party sees Beijing's ascendance not just as a displacement of U.S. influence but as a shift in the structure of international relations.

The CCP has emphasized its ability to offer the lessons of its own authoritarian state-led system to the world, touting these as a superior alternative to free markets and representative democracy. Our roundtable today will examine whether China is, in fact, exporting this distinct model of governance and, if so, whether that is part of a broader strategy to replace the whole international system with a Chinese model.

To our witnesses, I want to thank you for being here to shed light on these very important issues. I also want to thank the Senate Recording Studio and its staff for helping to provide the event software for our use today.

Normally at this point I would turn to my co-chair, Senator Carte Goodwin, for his

opening remarks, and after that I would introduce our witnesses. However, Senator Goodwin, there are some technical difficulties with him tuning into the roundtable. I'm sure he will be with us in a few minutes. So, I will just have his remarks entered into the record, without objection from any of my colleagues.

PREPARED STATEMENT OF SENATOR TALENT ROUNDTABLE CO-CHAIR

Good morning, and welcome to the third public event of the U.S.-China Economic and Security Review Commission's 2020 Annual Report cycle. Thank you all for joining us today.

This roundtable brings together witnesses from the first panel of our planned hearing on "A 'China Model?' Beijing's Promotion of Alternative Global Norms and Standards," originally scheduled for March 13. The Commission decided to postpone the hearing due to temporary restrictions on public access to the Capitol grounds established in response to the COVID-19 pandemic. All of the written testimonies from the planned hearing are available on our website, at USCC.gov.

Today's roundtable will examine China's efforts to exert influence over international governance institutions, norms and values, and technical standards, and the implications of these efforts for the United States.

Whether due to ideological conviction or to expediency, China has increasingly used its international influence to gain global acceptance for an alternative, China-oriented and -influenced governance model. China's leaders are intent on strengthening what they call "discourse power," or the ability to dominate the discussion of sensitive issues and lead the formulation of concepts and norms underpinning the international system. While Beijing claims it only seeks a greater voice on these matters, in practice, Beijing has increasingly insisted that they have the only say that matters.

It is clear that the Chinese Communist Party sees Beijing's ascendance not just as a displacement of U.S. influence, but as a shift in the structure of international relations. Indicating a new sense of confidence in China's power and influence, the CCP has emphasized its ability to offer the lessons of its own authoritarian, state-led economic growth and governance model to the world, touting these as a valid and even superior alternative to free markets and representative democracy. Our roundtable today will examine whether China is in fact exporting a distinct model of governance, and if so, whether it is part of a broader strategy of replacing the whole international system with a Chinese model.

To our witnesses, thank you for being here to shed light on these very important topics. I look forward to today's roundtable and discussing the right way for the U.S. to respond.

I would also like to thank the Senate Recording Studio and its staff for helping to provide the event software for our use today. I will now turn to the co-chair of today's hearing, Senator Carte Goodwin, for his opening remarks.

**PREPARED STATEMENT OF SENATOR GOODWIN
ROUNDTABLE CO-CHAIR**

Thank you, Senator Talent, and good morning, everyone. I want to thank our witnesses for the time and effort they have put into their excellent testimonies.

Beijing's confidence in proclaiming its model worthy of export belies a deeper insecurity. The Communist Party perceives the current international governance regime's emphasis on human rights and individual liberties as a threat to its survival, both internationally and domestically. Beijing seeks to change the international consensus on these matters, legitimizing its emphasis on state security and economic development over individual rights as an alternative basis of international ethical norms. Its strategy ranges from a high-level competition of ideas and subversion of the UN-led international system to granular attempts to steer the direction of technological innovation.

Beijing's success is far from guaranteed: China faces a steep learning curve, and its increasingly assertive diplomacy under General Secretary Xi has been met with skepticism and wariness from the international community. Nonetheless, dismissing Beijing's intent based on its current abilities to influence international institutions risks delaying a response until it is already too late to preserve liberal governance norms. Even partial success could have severe implications for all countries that believe in universal human rights.

Before we begin, I would like to remind you that the testimonies and transcript from today's hearing will be posted on our website, www.uscc.gov. Also, please mark your calendars for the Commission's upcoming hearing on "China's Evolving Healthcare Ecosystem: Challenges and Opportunities," which will take place on May 7.

ROUNDTABLE INTRODUCTION BY SENATOR TALENT

COMMISSIONER TALENT: And I want to remind everybody before we begin that the testimonies and transcript from today's hearing will be posted on our website, which, again, is uscc.gov. I would also like to remind everybody to mark your calendars for the Commission's upcoming hearing on "China's Evolving Healthcare System: Challenges and Opportunities," which will take place on May the 7th.

And the way we do things is I will now introduce all of the witnesses at once, and then we will go to them for their testimony, after which the Commissioners will ask questions. And we always have a lot of questions.

Our first witness today is Nadège Rolland, who is a Senior Fellow for Political and Security Affairs at the National Bureau of Asian Research. Ms. Rolland's testimony today addresses the conceptual framework of China's ambitions for an alternative global leader. Her research focuses on China's foreign and defense policy, the changes of regional dynamics across Eurasia resulting from China's rise, and the prospects for trans-Atlantic cooperation in research and policy related to Asia. Prior to joining the National Bureau of Asian Research, Ms. Rolland was an analyst and senior advisor on Asian and Chinese strategic issues for the French Ministry of Defense and a research analyst for the School of International Studies in Singapore.

Next, we will hear from Dr. David Shullman, who is a senior advisor at the International Republican Institute, about China's views of the current global order. Dr. Shullman oversees IRI's work addressing the influence of China on democratic institutions and governance in countries around the world. He previously served for nearly a dozen years as one of the U.S. government's top experts on East Asia, most notably as Deputy National Intelligence Officer for East Asia on the National Intelligence Council.

After that, Dr. Elizabeth Economy, who is well-known to the Commission, will testify. She's the C.V. Starr Senior Fellow and Director for Asia Studies at the Council on Foreign Relations. She will discuss instances of China attempting to export its governance model. Dr. Economy is an expert on Chinese domestic and foreign policy, including Beijing's ambitions in global governance. Thank you, Dr. Economy, for coming back to testify before us again so soon.

And, finally, we will hear from Daniel Tobin, who's a member of the China Studies faculty at the National Intelligence University and a non-resident senior associate for the Freeman Chair in China Studies at the Center for Strategic and International Studies.

Mr. Tobin will also provide remarks on China's views of the current global order and its place therein. Prior to joining the National Intelligence University in December 2018, he served as a China specialist in the Department of Defense for more than a dozen years, most recently as a senior analyst in the U.S. Indo-Pacific Command's China Strategic Focus Group. We are excited Mr. Tobin can join us for this virtual roundtable because he had a scheduling conflict during our original planned hearing, but now we are able to have him with us today.

So, we will begin the testimony now with Ms. Rolland. I want to remind the witnesses to please make every effort to keep your comments to five minutes, which will leave time for plenty of questions. And I am sure the commissioners will have many.

Ms. Rolland, if you would please begin.

OPENING STATEMENT OF NADÈGE ROLLAND, SENIOR FELLOW FOR POLITICAL AND SECURITY AFFAIRS, NATIONAL BUREAU OF ASIAN RESEARCH

MS. ROLLAND: Good morning, Madam Chairman, Senator Talent, and Senator Goodwin. Thank you for giving me the opportunity to make some contribution to the Commission's deliberations and to learn from my distinguished colleagues today. It is an honor and a pleasure to participate in today's virtual roundtable.

My testimony is based on the research I have done this past year on China's vision for a new world order under its authority, which led to the publication of the NBR report last January.

In order to get a better understanding of how the Chinese leadership thinks about China's role and standing in the world I have spent a great deal of time studying Chinese language sources, including official speeches, white papers, and academic reports. I have interacted directly with a limited number of Chinese scholars who specialize in these issues.

Probing a vision that by definition has not fully emerged yet may seem a bit far-fetched. But there is a lot to be learned from the deliberations among party officials and intellectuals. It takes patience and a taste for forensic methods to put together the various pieces of the puzzle and form a coherent big picture. Some of the pieces are very detailed and appear in the open, while others are hidden under a smokescreen.

The visible pieces tell a story of dissatisfaction with the current world order and a newfound eagerness to shape it in ways that better align with the party's interests and world view. Beijing openly complains about how the current order is dominated by the West, whereas its own position is one of subordination, and would like to see the roles reverse.

China's ruling party also considers the existing system as rooted in ideals, such as universal values and democratic principles, that it claims have not brought prosperity and peace for the rest of the world, and would certainly endanger its own legitimacy. Beijing now feels entitled to seek change on the basis of its growing relative power and of its own domestic achievements. But what exactly would be its substitute for the existing system and the norms that underpin it, and what China has to offer as a replacement for the elements of the existing system that it rejects, is much less clear.

Rather than envisioning a complete overthrow of the current system, Beijing favors a two-pronged effort: shaping the existing system from within by weakening its most challenging elements, while at the same time carving out some space over which China will be able to exert more control.

Within the existing system, the CCP exploits and subverts institutions and organizations in order to turn them to its purposes and serve its interests. In parallel, the CCP attempts to weaken and discredit ideas and norms that are threatening to its legitimacy, denying the universality of, quote/unquote, so-called universal values.

The Chinese leadership believes in the power to influence the behavior of others by shaping language, concepts, formulations, and ideas. This is called discourse power.

In addition to maneuvering within the existing institutions, the Chinese leadership is envisioning the creation of a sphere of influence where China, as the most powerful country, would sit at the top of the bureaucratic structure in which other smaller and weaker countries would respect the primacy of Beijing's authority and interests.

The articulation of this subsystem is a work in progress; it's not fully developed yet, and the available writings are not forthcoming about what exactly it would look like. However, the

existing literature points to a form of hegemony very different from the past and current western models. I call it a partial, loose, and malleable hegemony. Partial, not global; loose rather than exerting direct control over territories and governments; and malleable because it's not geographically or ideologically limited, necessarily. The Belt and Road Initiative is the spine of this new order.

As for us in the West, we are starting to realize that rather than being socialized within the existing institutions, China has managed to win a great degree of influence, and even to bring a number of them under its own control. We have yet to fully acknowledge and understand the significance of discourse power and how China uses it to serve its objectives.

We are behind in realizing the significance in their thinking of the developing and emerging world. The U.S.-China competition does not just take place among the two powers exclusively across the Pacific. For Beijing, the developing an emerging world is a crucial space in which the competition is playing out.

Thank you for your attention.

OPENING STATEMENT OF DAVID SHULLMAN, PH.D., SENIOR ADVISOR, INTERNATIONAL REPUBLICAN INSTITUTE

COMMISSIONER TALENT: Thank you, Ms. Rolland. And thank you for bringing your remarks in at almost exactly 5 minutes.

And now we will go to Dr. Shullman next.

DR. SHULLMAN: Thank you, Senators Talent and Goodwin, and to the Commissioners for the opportunity to testify at today's roundtable on this topic critical to U.S. interests and the future of the international order.

China is increasingly promoting its authoritarian model of governance and development as a viable alternative to liberal democracy. This fact has been made strikingly tangible during the current pandemic, during which the Chinese Communist Party has employed disinformation and coercion to promote its heavy-handed approach as superior to democratic countries' efforts to combat the virus, never mind the success of democracies like Taiwan and South Korea in responding to COVID-19 without resorting to rights abuses. The Chinese government has tried to capitalize on the pandemic to build upon the proactive approach it is now taking to promoting its model.

There are several drivers of this push, but the most fundamental is Chinese leaders' determination to go on the offensive to gradually weaken the norms around universal rights and democracy that underpin the current international order that the party views as fundamentally at odds with its Leninist political system and central to U.S. government efforts to constrain China's rise.

Through legitimizing authoritarianism and demonstrating that it can outperform democracies, the party intends to pave the way for China to take a central role in global governance. Chinese leaders are hollowing out the norms upon which the current international order is based from both the top down and bottom up.

At the international level, China is using its growing leverage to neuter human rights protections and processes of international institutions, water down existing liberal norms, and create new ones in emerging areas, such as internet freedom, promote values-neutral narratives, and set standards for critical emerging technologies.

China is simultaneously looking to popularize its model with individual countries throughout the developing world. China's economic engagement has increased dramatically, including through the Belt and Road Initiative, which is central to achieving the party's vision for a global order in line with its interests and doctrines.

China is not promoting a coherent alternative ideology, nor is it encouraging other countries to adopt the party's approach to governing China. But, Beijing is exacerbating doubts about democracy, extolling the virtues of its own development model, and encouraging emulation of China's system while criticizing the West's promotion of its liberal ideals as violating countries' right to choose.

At the 19th Party Congress in 2017, Xi Jinping left no doubt that he regards China's socialist model as superior and seeks to popularize it as a contribution to mankind. China portrays its economic success as demonstrating that the road to modernization no longer runs through liberal democracy, and that China offers a model for those who, as Xi put it, want to speed up their development while preserving their independence, an unsubtle dig at Western governance condition. This message is highly attractive to leaders who, lacking popular their support and afraid of what open political space could pose for their control, hope to achieve

economic success without answering to the demands of democratic society.

The Chinese government conducts large-scale trainings of foreign officials on its governance model, including on how to guide public opinion, control the internet, suppress civil society, and implement China-style cybersecurity policies. China also provides increasingly sophisticated surveillance technology and internal security training, enabling governments to better control their own citizens.

The impact of such efforts can't be separated from China's expanding malign influence tactics throughout much of the world, which are undermining governance, prosperity, and open discourse, eroding democratic institutions, bolstering illiberal actors, and ultimately creating conditions conducive to the adoption of authoritarianism.

So this is not a theoretical problem, but a real current threat to the freedom and prosperity of people around the world, and it poses a clear challenge to the liberal international order and to U.S. interests which are inextricably tied to it. So, for this reason, it's critical that Washington prioritizes responding to China's efforts now.

At the international level the U.S. must recommit to international institutions, aggressively seek leadership in organizations with critical standard-setting roles, particularly in emerging domains such as cyber and artificial intelligence, and together with its democratic allies loudly and frequently underscore its commitment to universal rights and democracy.

The U.S. should also contrast the hollowness and repression of the system China wants to share with the world with the success of vibrant democracies, including in Taiwan.

At the country level the U.S. can do much more to shore up the resilience of democracies. First, Congress should maintain strong support for democracy assistance, specifically the development of positive, citizen-centered, technology-enabled democratic solutions to the myriad challenges facing developing countries, which will only mount in the wake of the pandemic, rendering more leaders susceptible to adopting authoritarian quick-fix solutions.

Washington should also bolster support for independent media, civil society, which are key to ensuring transparency, and build upon nascent efforts from their democratic partners in offering market-based alternatives to Chinese investment. U.S. dedication of such energy and resources demonstrates that it seeks to ensure freedom and prosperity in these countries for their own sake, rather than to impose a system of values or to force them to choose Washington over Beijing, as China would have them believe.

I will close on a positive note. There are numerous examples of countries doubling down on democracy. And, as we have seen during this pandemic, China's heavy-handed approach to switching its narrative is alienating publics around the world. Publics want governments that are accountable to the people and protect their rights and independence. The pandemic has underscored the importance to U.S. interests of supporting this democratic vision. In an increasingly connected world, the U.S. cannot afford to have a growing number of countries ruled by governments that prioritize their grip on power above the safety of their citizens.

The party's popularization of its authoritarian model is at the heart of its drive to realize its moral vision and the values-neutral world order with China at the center. Beijing is committed to realizing this vision. The United States, therefore, must recommit to the hard work of defending democracy around the world.

OPENING STATEMENT OF ELIZABETH ECONOMY, PH.D., C. V. STARR SENIOR FELLOW AND DIRECTOR FOR ASIA STUDIES, COUNCIL ON FOREIGN RELATIONS

COMMISSIONER TALENT: Thank you, Dr. Shullman.

Dr. Economy, you are next.

DR. ECONOMY: Thank you very much, Senators Talent and Goodwin, members of the Commission, for the opportunity to share my thoughts on whether there is an emerging China model.

I would like to make three simple points. First, there is a China model. At its most fundamental level, the model is basically a variance of authoritarian capitalism. To paraphrase University of Michigan professor Ang Yuen Yuen, authoritarian capitalism is characterized by a single party state with extensive control over political and social life, including the media, internet, and education, and it has an economy that reflects both market-based practices and the strong hand of the state in core sectors.

Second, China is exporting its model. There is a great debate about this within the China scholarly and analytical community. Many argue that China is not exporting its model. However, I think that these analysts are confusing export with impose. Export simply means that China has a product, in this case its model, that it is marketing and selling to consumers abroad. Those consumers can choose to buy the product or not.

In this context, China has four separate channels through which it exports its model. First, much in the same way that the United States and other market democracies do, China exports its model through capacity building. It offers educational opportunities for students and officials; it helps governments organize their bureaucracies and craft laws on how to constrain the media, tackle poverty alleviation, and develop special economic zones and industrial parks.

Of particular concern, I think, are those elements that deal with state societal relations, such as internet governance. In this area, we have seen China help countries develop regulations and methodologies to delete content, block websites, control information flow, and ensure data localization.

And China could also supply the hardware for this capacity building. There are several Chinese companies that sell the technology to support a stronger surveillance state. While in many instances the export of a political model and the technological capabilities go hand-in-hand, there are occasions where this is not the case. Vietnam, for example, may well have modeled its internet governance law on that of China, but it has prevented Huawei from supporting its digital infrastructure. In essence, Vietnam is saying, we want to be like you but we don't really trust you.

A second way in which China exports its model is simply by the way that it does business. China's own development model is fueled by investment in infrastructure, often debt-driven; support for state-owned enterprises; and an absence of transparency, strong environmental regulations, and good labor practices. This is precisely the model that we now see in many countries where China is doing business, particularly through the Belt and Road. The model is even more concerning in these countries because the debt is not internally held but instead held by China, and the labor is often not domestic but Chinese.

Third, China exports its model through global governance, institutions, and regimes. I won't delve further into this because I know there is a separate panel on this issue, but I am happy to discuss it in the question and answer part.

And, finally, the Chinese government seeks to restrict free speech on China-related matters in other countries in precisely the same way it does at home. In particular, China often uses economic leverage to limit how international actors identify Taiwan. But there is evidence that Beijing seeks a much broader ability to control other speech about China. When the Houston Rockets General Manager Daryl Morey tweeted "Fight for freedom, stand with Hong Kong" in October of 2019, Beijing didn't just punish the Houston Rockets and National Basketball Association; CCTV put out a statement to the effect that remarks that challenge national sovereignty and social stability are not within the scope of freedom of speech.

Since virtually any political issue can become sensitive and related to social stability in China, this is tantamount to the Chinese government asserting that the CCP has the right to determine what is acceptable for a citizen of another country to say about China.

Finally, what should the United States do to ensure that the China model does not become the one adopted by increasing numbers of countries? Let me offer a few thoughts.

First, the United States needs a baseline understanding of what countries are at risk of adopting elements of the China model and what activities are already under way. To that end, Congress should seek to have the State Department and U.S. embassies in developing economies undertake a comprehensive and systematic review of U.S. political capacity building efforts, as well as U.S. investments in those countries.

In addition, they should undertake a similar exercise for Chinese efforts, examine our allies' initiatives, and then assess what is working and what is not. It is very difficult to develop a coherent strategy if we don't know our own capabilities and those of our competitor.

Second, Congress should expand its own diplomatic remit. We should hold trans-Atlantic and trans-Pacific discussions on China with U.S. allies and partners. This is valuable not only at a macro level but also on single issues of central importance, such as access for Chinese companies to countries' 5G networks.

Third, Congress should hold hearings with businesses, such as the U.S.-China Business Council, the EU Chamber of Commerce in China, and the U.S. Chamber of Commerce, to consider developing a unified strategy for resisting Chinese coercive measures. One could imagine, for example, if an entire industry, such as the hotel industry or the airline industry, had refused to change the way that they acknowledge Taiwan on their websites, China would have had to have backed down. And if not, countries could have enacted reciprocity toward Chinese airlines and hotels. The United States should not allow China to dictate the terms of its values, either written or spoken.

Finally, the United States has to follow through on planned initiatives. President Obama announced the Smart Cities Initiative in 2015 and Vice President Pence offered Partnership for ASEAN Smart Cities Network in 2018. However, the United States is largely absent from this effort. Instead, China has become a leader in the arena. The United States can't help shape the political economies of countries if it does not follow through on its own policies and programs.

Thank you again for allowing me this time to present my ideas. I look forward to your questions and comments.

OPENING STATEMENT OF DANIEL TOBIN, MEMBER OF THE CHINA STUDIES FACULTY, NATIONAL INTELLIGENCE UNIVERSITY, AND SENIOR ASSOCIATE (NON-RESIDENT), FREEMAN CHAIR IN CHINA STUDIES, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES

COMMISSIONER TALENT: And thank you, Dr. Economy. As always, great comments.

And we will go now to Mr. Tobin.

MR. TOBIN: Thank you, Senators Talent and Goodwin, Commissioners, for inviting me to participate in this important discussion.

I need to begin with the standard disclaimer that all my statements of fact and opinion are wholly my own, not those of National Intelligence University, the Department of Defense, any of its components, or the U.S. government.

In my statement submitted last month I argue that the starting place for answering the questions we are addressing today ought to be Xi Jinping's report to the 19th National Congress of the Communist Party of China in October of 2017. Indeed, I think Xi's speech should have decisively ended the U.S. debate about Beijing's ambitions, clarified the nature of U.S.-China rivalry, and provoked the professional China-watching community to re-examine three of the key narratives we have used for decades to talk about Beijing's motivation.

I refer the audience to my full statement, but will briefly touch upon each of these three areas in the remainder of my time.

First, in envisioning China's becoming a global leader in terms of comprehensive national power and international influence by 2049 as part of a modernization plan the party first articulated in 1987, Xi's report ought to have reoriented our research agenda on China away from political stability to long-term policy planning and execution.

The cliché that Beijing's ambitions are focused on defense in terms of staying in power, that it's simply a besieged leadership concerned with keeping a lid on their domestic problems, doesn't characterize either what China's leaders have consistently said, or what they have focused their effort on, or what they have accomplished.

On the contrary, Beijing has been pursuing a consistent overarching goal, decade upon decade, and namely to transform China into a modern, powerful socialist country.

Further, what the record shows is that the party leaders' consistent aim has been to not simply to catch up with the most advanced countries but to assume a leading position on every metric by which great powers measure themselves.

Second, Xi's address should have underscored that the driver of strategic mistrust between the United States and China is not solely or even primarily the latter's growing power, but also an ideological systems rivalry. Beijing is not committed to autocracy in the abstract, but to a species of Leninist socialism, and is determined to ultimately prove its superiority.

Each generation of the party's leaders has retained state control of the economy's commanding heights and the Leninist dictatorship out of the conviction that only these can marshal collective effort to deliver modernity, power, and status to China. Leninist socialism advocates the dictatorship of a vanguard party possessed of scientific theory as a better guardian of the people's interests than democratic institutions, which it argues become the tools of either the ruling class or of international capital.

Beijing privileges collective interests over individual rights, and physical security and material progress over freedom. For the party, ideological competition never disappeared after

the Cold War. What changed at the 19th Party Congress is that Beijing proclaimed it is now strong enough, and its accomplishments great enough, to move from solely defense to a mixture of defense and offense.

Finally, Xi's speech ought to have underlined that the stakes are not regional but global. The party's goals for China's status are not confined to Asia, and the rewiring of norms and rule sets that Beijing requires to realize an order in which its system is lauded for its accomplishments rather than condemned for its abuses is global.

Xi's community of common destiny for mankind imagines by 2049 a much more deeply integrated world where China's technology standards and infrastructure provide the sinews of connectivity, and the party's approaches to domestic governance are held above capitalist democracy as a moral example for others.

This does not equate to exporting violent revolution -- Beijing envisions building a consensus for the changes it seeks -- but it does constitute a vision that should deeply concern the United States and its allies.

In closing, I want to say that a clear idea of Beijing's goals does not preclude all cooperation. It is helpful to remember that in private life one can cooperate with a rival either to address a common threat or perhaps to help a third person in need. What rivalry does mean is high stakes, a degree of antagonism, and a lack of trust. And the Communist Party has given us ample reason to distrust it.

Finally, I recommend that Congress continue striving to make clear that we are in a global, strategic, ideological rivalry with the Communist Party of China, not with China, or with Chinese culture, or with the Chinese people.

Thank you. And I look forward to your questions and the discussion.

ROUNDTABLE QUESTION AND ANSWER

COMMISSIONER TALENT: Well, I want to thank all our witnesses. I will get this started and then I am going to recognize Senator Goodwin, who has been able to make connections.

So, to me, it's, relatively speaking, clear what they are doing, at least from a sort of tactical and operational level. I really want to get into ultimate reasons of why.

I think, Mr. Tobin, you in your testimony really emphasized the point that Beijing believes if it cannot export its model and change the international system, then the regime itself is in serious danger in terms of its long-term survival.

So, have I read you correctly? And if I have, would the rest of you agree with that or not?

MR. TOBIN: So, I actually don't believe that exporting its model is crucial to the regime's immediate survival, or that that is the primary driver. I do subscribe to the sense that the regime has constantly seen the existing international system as a threat to its governance model, and that China's leaders evaluate that threat as increasing even as China's integration with the world is growing, and even as they have a sense that their growing strength gives them more of an opportunity to shape international norms.

Though these are assessments that had begun to start under Hu Jintao, but really are encapsulated under Xi Jinping, both at the 2014 Central Foreign Affairs Work Conference, and then at the 19th Party Congress, and then even more dramatically at the 2018 Central Foreign Affairs Work Conference.

But I actually see the drive to ultimately export a Chinese model as more driven by the nationalist project of national rejuvenation. So, I see the Chinese Revolution as ultimately a project about making China a leading country in the world, that its elites have consistently seen that as China's deserving place on the basis of its endowments of people and cultural, past cultural achievements. And that socialism was embraced by Chinese elites in the 1920s and 1930s as a means to achieving modernity and power for China and catapulting it from backwardness to the most advanced country.

And so there was a long period where the Communist Party leaders saw socialism at a low ebb, but they now see their success over the last 40 years as a vindication of both socialism and as a vindication of China for having chosen this path.

And so I see it as ultimately a function of their confidence as well as their concern about the existing system.

COMMISSIONER TALENT: Anybody else have a comment on that? Yes, Dr. Economy, please.

DR. ECONOMY: Thank you. I largely agree. I think there are multiple motivations. You know, first, to protect China from criticism. We see that with Xinjiang and in the South China Sea. Second, to advance sort of an alternative narrative and order. Also to gain economic standing. And also to legitimate the party domestically.

And I also look at -- there is one really great example in my mind, and that is when China had Meng Hongwei as the head of the -- oh my gosh -- the police force, international police force. Remind me.

COMMISSIONER TALENT: Interpol.

DR. ECONOMY: Interpol, right. From 2016 to 2018. And we watched in 2017 when China managed to hold the international gathering for Interpol. Xi Jinping was the keynote

speaker. You had the Belt and Road. Interpol agreed that the Belt and Road -- that it was critical for Interpol to provide security for the Belt and Road. You had the newspapers talk about how the fact that Meng Hongwei was the head of Interpol legitimated the Chinese conception of the rule of law. And you had Xi Jinping offer support to provide the telecommunications infrastructure for Interpol, which you could imagine would be Huawei, you know, looking forward.

So, you had economic motivation. You had political, sort of on the global stage. You had the Belt and Road being advanced. And you had the legitimating element for it at home.

So I think there are multiple reasons why China is pushing for it. But, for sure, you can look at Xi Jinping's speech and hear him talk about the fact that China needs to lead in the reform of the global governance system, which is clearly a big part of his rejuvenation narrative.

COMMISSIONER TALENT: Okay. Well, Ms. Rolland and then Dr. Shullman, if you'll comment briefly. I'm sure this issue of their motivation is going to come up in a lot of other questions. So if you don't get it in this one, we try and keep things to five-minute segments, you are going to have an opportunity, I'm sure. But, briefly, Ms. Rolland.

MS. ROLLAND: Very briefly, I just want to agree with the complexity of motivations. And I think the way to see them extends from insecurity and ambition. It's both. That's the only thing I want to underline for now.

COMMISSIONER TALENT: I appreciate that. Dr. Shullman?

DR. SHULLMAN: Yeah, I agree with everything that has been said. I completely agree that I think the party does not view its current legitimacy as very much tied to successfully exporting its model. I think, longer term, it is certainly central to achieving the promised rejuvenation of the Chinese nation to be more central in global governance. And then exporting the model that is central to achieving that.

I just wanted to add the point that -- and, you know, I do think we will come back to this in other questions -- but the motivation is important. In a lot of areas, China is motivated, especially in developing countries around the world, to simply protect and advance its growing global interests by shaping the information space to protect China's interests, by corrupting local leaders and creating essentially elite capture in a lot of places. All of this clearly has an impact on its export of the model and on weakening democracy.

So I think some of those perhaps less direct efforts to shape and to promote its model are a really important aspect of what we should be talking about.

COMMISSIONER TALENT: Thank you, Dr. Shullman.

So, I'm going to recognize my co-chair, Senator Goodwin, who is with us. And welcome to him. And after that I am going to go to our Commission Chair, Commissioner Cleveland, and then our Vice Chair, Commissioner Bartholomew. And after that to the members of the Commission who are online in alphabetical order.

And I'm sure we will get back to this issue of why the Chinese are doing it, because if we want to know exactly what they are going to do, we need to know why.

So, Commissioner Goodwin, Senator Goodwin.

COMMISSIONER GOODWIN: Thank you, Senator Talent. And apologies for -- I'm relatively confident it was not user error, but no one here agrees with that assertion. So we will just leave it at that.

I obviously want to thank the witnesses for their willingness to jump on in the Commission's first ever remote roundtable or hearing. And, unfortunately, it may be the first of a few.

I wanted add a little bit of a different take. When we talk about a model, when we talk about a system, I think the connotation is a formal system with rules and -- (inaudible) -- result is predictable. And it does not seem to me that the Chinese view a system in the same way.

Instead, if their model is going to be exported, to be emulated, and to be replicated -- (inaudible) -- through partnerships rather than alliances, as you said. And what difference does that make?

COMMISSIONER TALENT: So, Carte, we heard I think about three-quarters of that. I think that's enough. Senator Goodwin, I think, is asking very good questions about what is their system going to look like if they get what they wanted? Because since they don't recognize norms that doesn't sound much like the system that we had.

Carte, is that basically the question? Do you want to try and restate it maybe very briefly?

COMMISSIONER GOODWIN: Well, also -- (inaudible) -- of institutions, or for them is it more bilateral, ad hoc?

COMMISSIONER TALENT: Okay.

COMMISSIONER GOODWIN: Through partnerships, individual partnerships, and bilateral engagement as opposed to large alliances?

COMMISSIONER TALENT: Thank you, Senator. You bleeped out a couple places, you blanked out a couple places, but I think our witnesses should have it. But why don't we start with Dr. Shullman. Since he was the last to answer the last one, we'll let him go first.

DR. SHULLMAN: Thank you. I think I did get the main aspect of the question. And I think it's a very good one. You know, the goal, I think, for China in terms of the ideal system that they would have going forward is one in which the order is determined more by power than by rules, and certainly by norms.

We have all said, I think, that we don't see China necessarily promoting a coherent alternate ideology, but the goal here is to unseat democracy, liberal values, and universal rights from its pride of place it currently has in the system.

And I think, in so doing, then it clears the way for China, which by China's leaders' estimation, will have a greater amount of so-called comprehensive national power than anyone else in the system going forward to really advance China's interests and to set up a system where China is central to, really, connectivity going forward and to globalization, such that countries when they make decisions about what they want to do, whether they might want to oppose China's initiatives, will not do so because it has viewed that what China wants is also what other countries should want and need to support because it's in their own interests as well. So, to make those values synonymous.

To come back to the power point, just before I conclude, I think when we think about how China views norms and how it views the international system we need to understand that, you know, China is -- it has been called the high church of realpolitik. That may be overstating it. But this is a very starkly realist view of the way the international system works. And there is a sense that the United States has been able to use the norms inherent to that kind of system to its advantage to constrain China's rise in a cynical, naked power play, and using values as basically a screen for that.

And so that view and that understanding of the international system is really critical to understanding how China wants to set up a future order where it has the most amount of power, and, in China's understanding of how great powers behave, is able to violate whatever norms and standards are set when it suits it.

COMMISSIONER TALENT: Ms. Rolland, would you like to comment?

MS. ROLLAND: Sure, I would. Thank you, Senator. I would second what Dr. Shullman just said. It's more about power than it is about rules. I think there is no real preference, from China's perspective, in the construction of formal institutions. It's really about China being the biggest, most powerful country.

It's something that was said 10 years ago by Yang Jiechi, you know, China is a big country and other countries are small, and that's a fact. And, other than that, it's about China's wishes and interests being pushed and, ultimately, about its own power and interests that prevail over others.

COMMISSIONER TALENT: This subject is a really important one. Would Dr. Economy like to say something, or Mr. Tobin? Go ahead, please, Dr. Economy.

DR. ECONOMY: Yeah. Maybe I have a slightly different perspective. I think, you know, institutions might remain the same, but if the norms are different, if the norms subvert the institutions, you begin to develop a different system. So, you know, if a Human Rights Council still exists but it adopts Chinese-based norms about -- you know, without having -- you know, saying that there is not going to be -- you know, human rights are not inalienable and civil rights are not inalienable, then do you actually have a different system emerging?

It doesn't mean that we can't cooperate on climate change, but, to my mind, when we start to look at the fundamentals of the liberal international order, it doesn't matter whether institutions continue to exist if the norms within those institutions are fundamentally different.

So I do think that, whether China has an overarching vision of a different international order, if enough norms within institutions change you have in effect created a different international order.

And I would also just look, you know, at the Shanghai Cooperation Organization. So, yes, China doesn't formally subscribe to allies, but it does have a kind of informal alliance the Shanghai Cooperation Organization. And we have seen that they have started to use members of that organization in the U.N. to push for Chinese values on things like internet governance, right, and cyber sovereignty.

So, I might have a slightly different perspective. Again, not an overarching view right now, but beginning to develop something, something might be created from the bottom up in this process.

COMMISSIONER TALENT: All right, thank you.

COMMISSIONER GOODWIN: Thank you.

COMMISSIONER TALENT: So, we are over the five minutes. And so we will -- I'm going to recognize Commissioner Cleveland.

And I'll just say to colleagues, if you want to direct your question at a particular witness, you can. Or if you would like to indicate the order you'd like them to answer, you can. Otherwise I will just keep regulating it in this fashion.

Commissioner Cleveland.

CHAIRMAN CLEVELAND: Thank you. And thank you to the witnesses for participating in this event.

I want to turn the question around. We have been talking about what power principles, what the structure looks like with China's ambition. I am interested in what are the potential challenges or threats, both internally and externally, with this model?

And, Dr. Economy, you talked about BRI being environmentally labor, and debts that trap, where Chinese hold the debt, and I am wondering about how that might play into challenges

to this model. I am curious in terms of either advancing the ideology, or as Mr. Tobin says, or as a matter of power, as Ms. Rolland says, I am curious what are the challenges to the model?

COMMISSIONER TALENT: It was directed to Dr. Economy?

CHAIRMAN CLEVELAND: I'm curious, in order, Rolland, then Tobin, and then Dr. Economy.

COMMISSIONER TALENT: I am sorry, I looked aside for a second. Ms. Rolland, please.

MS. ROLLAND: Thank you. Yes, I think there is no inherent challenges or threats, it is how others react to that kind of evolution and that kind of model. And this is where, I mean, you were citing BRI, the current crisis is also a very interesting experience in that happening, you know, China wanting to change the discourse and wanting to double down on its own version of the facts, and experiencing a push-back and a backlash.

So, it is a dialectic, if I may use that word, between what China wants and its actions, and its actions within existing institutions, and the creation of something different, and how other countries react to that. Whether it is, you know, colliding with their own interests or with their own values, and this is where you are going to see some push-back happening.

CHAIRMAN CLEVELAND: But you don't see any internal challenges? There is no one in China that used this kind of approach with some degree of skepticism because it is so outward facing?

MS. ROLLAND: It is very difficult to tell what is going on internally right now. The little experiences of backlash against that very aggressive push or assertive push outward, as you know, have been harmonized, or silenced, or put in prison. So it is very difficult to know what is going on.

I think the decision was made a long time ago, almost 10 years ago, that this is the way to do it, to be more assertive. At the beginning there must have been some tensions about whether this is too big, too soon -- too aggressive, too soon -- and whether the low-profile strategy was more adequate for China's objectives. But I think the decision is long gone now, generally.

Now that there is more backlash it is possible that there is also some internal discussions about how to readjust that, so that the backlash and the pushback is not at strong. It's hard to know from the outside.

MR. TOBIN: I would like to use that as a jumping off point to comment on one of the -- one of the follow-up questions that the Commission asked me, which is is this about Xi Jinping or is this about the party's consistent long-term ambitions?

And my view of that is that the only difference between Xi Jinping and Hu Jintao, it has to do with the assessment of China's progress and its relative strength in the international system, and whether it is prudent to begin taking a more assertive role to try to reshape the system.

So, Hu Jintao in his selected works took the trouble to include some pieces of some otherwise not fully published speeches where he is saying we need to stick with hide and bide. And Xi Jinping torpedoed hide and bide, I think, in the 2014 Central Foreign Affairs Work Conference.

But I see the logic of China's ambitions as flowing from the Chinese revolution in a very consistent way.

So this -- the first point being they want to change China's status in the world to make it a leading country in every dimension, which is a pretty common denominator aspiration, and isn't necessarily a bad aspiration if they weren't run by a communist party.

The second one is they are committed to socialism. Yeah, the second one is socialism

they see as the instrument of delivering national rejuvenation and committing to demonstrating its ultimate superiority; and, I think, the desire to do that in the international system. So, needing recognition from the international community of China's governance success and its success as a nation.

And having to do that on the basis of socialism is what drives these ambitions. And so, they can decide that they are not ready, or that Xi Jinping overreached, but it is not going to change the ultimate ambition, in my view.

DR. ECONOMY: So, I will be quick and just say I think there is -- you can find evidence of push-back and of concern within China around things like the Belt and Road Initiative, scholars who say that it is too ambitious, business people who say I don't want to do this, state-owned enterprises even, who say I don't want to do this because I'm not going to make any money. Chinese popular discontent around it because they feel like why are we giving, right, giving all this money and aid to other countries instead of keeping it at home where we have our own needs?

And so I think that there are differences of opinions that get expressed. I think even there have been some criticisms of Xi Jinping and his overreach in his broader, too bold foreign policy, and this desire to have him take a step back. But I agree with Nadège, these are basically now being quieted down.

These people are not being put in prison, but they are one-off voices without, I think, a coherent or cohesive platform to sort of bring these voices to light, at least publicly.

COMMISSIONER TALENT: All right. Robin, do you have something else?

CHAIRMAN CLEVELAND: If there is a second round.

COMMISSIONER TALENT: Okay. Thank you to our chair. And I will now recognize our Vice Chair Commissioner Bartholomew.

VICE CHAIRMAN BARTHOLOMEW: Thank you very much. Thank you first, of course, to Senators Talent and Goodwin for pulling this together, but also for being the pioneers for the Commission in going virtual.

I would really like to thank and acknowledge the Commission staff who did the work to get us up and going, and particularly our witnesses, for those of you who have testified before we love having you back, and for those of you who are new, welcome.

I would like to build, I think, a little bit on what Nadège made reference to, which is the pandemic. When this was all put together, when you guys did your testimony it was really, what, six weeks ago. And the world has changed pretty significantly in those six weeks.

And I am wondering how receptive you think the audience is for China's push now? When you talk about the ham handedness of their diplomatic actions, and they seem to be getting worse about that, the lack of transparency with the pandemic that people are seeing, and wondering how successful and effective a strategy that is, the failure of many of the medical supplies that people have been buying from China, it all points to the problems in a system like that.

And so, I am just wondering your assessment of, how has this changed what we all seem to think is this inevitable movement that they have going forward?

COMMISSIONER TALENT: Carolyn, did you want to direct that to anybody in particular?

VICE CHAIRMAN BARTHOLOMEW: I would start with Nadège, but then anybody else's, I would love to hear what they have to say.

COMMISSIONER TALENT: Okay.

MS. ROLLAND: Thank you. So, I think there are two things about -- in order to respond to this question about how has this changed, this movement. I think fundamentally I agree with Dan Tobin, that the objectives will not change. I mean, this complex mix of fear and ambition will always be there. You need to always go back to that to understand the motivation and drivers for China's external behavior.

And this is a combination of that, too. You know, this crisis, it also presents a combination of insecurity. This is a very tough moment, and unprecedented challenge for China, as Xi Jinping himself recognized it. It is a crisis unprecedented since the creation of the PRC. But, at the same time, it is maybe something that can be used to serve its broader objectives, the same way other events do.

So that's the level of ambitions and objectives that I think is consistent.

Then it is in the, how do they achieve that? And yes, you are absolutely right as in the heavy handedness, and the lack of transparency, and all the factors that you mentioned are all factors where the rest of the world to realize that what China is trying to sell to the rest of the world is maybe not a good version of what we want; right?

So, it is again, I think, the ambitions and objectives are recurrent and constant. It is the delivery and the strategy and the tactics that could get some backlash against it. But I think that at the same time, the party has proven over and over again its capacity to be adaptive and flexible.

So, right now it is a crisis. It seems to be very counterproductive in the way that they handle it. But it might be also adapting in the weeks to come in a way that might be surprising to us.

COMMISSIONER TALENT: Dr. Shullman.

DR. SHULLMAN: Yeah. I just want to add I completely agree with what Nadège said.

I think it seemed like at the outset China was trying to turn this into a global soft power victory, despite the fact that the virus started in Wuhan. But we have seen quite a lot of push-back in places, not just because of the faulty equipment that China has been giving to countries, but it has combined with a kind of sense -- and I am thinking mostly of African countries here -- where perhaps what China has been offering up on a global scale is not all that it is cracked up to be.

You had the faulty equipment happen at the same time you had all these racist incidents against Africans in Guangzhou. And then that kind of built to a point where African leaders at an unprecedented level were joining in pushing back against China, and actually starting to demand debt relief at a time when, obviously, a lot of these countries are going to be facing massive challenges going forward as a result of the pandemic.

So, I think them going forward, as Nadège was saying, you know, there is trouble. The question is to what extent China is going to be able to readjust and to what extent the frustration with China as a result of coronavirus is going to have legs. And I think this comes back to China's ability to shape the information environment in a lot of these countries, to use the connections that it has to elites and to thought leaders in a lot of these countries.

And it also comes down to the level of China expertise and the understanding of the Chinese Communist Party in these countries, right? To be able to put this in context and explain how the unprecedented level of disinformation that China has been using, the wolf-warrior diplomacy as people have put it, is not coming out of nowhere. This is an expression of what China has long done in many other places, including in Taiwan and Hong Kong.

And so, to really put it in the context of what this means for the future of engagement

with China, and to put countries on notice that they need to be wary and at least need to be going into these engagements with their eyes wide open as to how the Chinese Communist Party operates.

COMMISSIONER TALENT: Would either of our other witnesses like to add a brief comment before we -- all right.

DR. ECONOMY: I will just add one very quick thing, which is I think it is interesting that I think everything they said is exactly right, I would just point to the fact that countries that were predisposed to want China to succeed, like Italy and Serbia, which had welcomed the Belt and Road funding, we have seen them take a much more positive sort of approach to China in the wake of this pandemic and not be as critical.

So, I think to some extent we will see this pandemic play out, reinforcing narratives in some countries in a positive way, but also questioning and reinforcing others in a negative way.

COMMISSIONER TALENT: All right. Thank you, Carolyn.

VICE CHAIRMAN BARTHOLOMEW: Thank you.

COMMISSIONER TALENT: We are going to go next -- and I will just remind the commissioners of the order -- we are going to go to Commissioner Borgeas, and then Borochoff, and then Lee.

Commissioner Borgeas.

COMMISSIONER BORGEAS: Good morning, everyone. I, too, would like to thank our Chairman and Vice Chair, as well as Commission staff for making today's virtual hearing possible, and of course to our panelists and my colleagues.

Going through the written statements by our panelists, there are certainly a lot of corresponding trends in the words that were used and principles laid out. So, I want to kind of see if I can push the envelope here a little bit.

In your opinions, to our panelists, if we were to play out the current national trajectory of distrusting and divesting from international institutions, moving away from multilateralism more toward bilateral arrangements, do you think that we can compete with China mano a mano under that scenario, or would it ultimately be a self-defeating path?

COMMISSIONER TALENT: Andreas, did you have anybody in particular you wanted to answer? Should we just throw it open?

COMMISSIONER BORGEAS: Throw it open.

COMMISSIONER TALENT: Okay, so who would like to go first?

I'm going to have to call on somebody then. Is somebody waving a hand? Okay, Dr. Shullman.

DR. SHULLMAN: Sure, I will start.

My bottom line assessment of this -- and it is in my written testimony -- is that the U.S. pullback from international institutions, or disengagement of focus on bilateral relationships is a self-inflicted wound that the Chinese Communist Party is already starting to capitalize upon.

They see this, international institutions, international fora more broadly, as a place where a lot of these debates and these norm settings will be happening. That's where the arbiters -- a lot of the arbiters sit. They see standard setting bodies, international institutions, as critical to the technological future and to China's ability to promote its values.

And they see a sense of the United States and perhaps its democratic partners pulling back from a leadership role in those institutions and a strong voice on the benefits of democracy and universal values as offering an opportunity for China to do as we have all said and to offer its own alternative values to knock democracy and universal human rights off its perch.

So, I will just start -- I will start us off with that.

COMMISSIONER TALENT: Any other comments?

MR. TOBIN: I will just briefly say that I think it is imperative that the United States work closely with its allies and in multilateral institutions. And it is something that Congress, I think, can also do by working closely with your brother and sister legislatures around the world in trying to draw attention to some of the norms that China is trying to challenge and building a consensus for, upholding what many refer to as the liberal international order.

I think that a good way of framing it is that each individual country competes with China. They can often feel quite overwhelmed by the resources the Chinese state can throw at the competition, and at propaganda, and many other elements of the contest. But if a country considers itself facing China by itself, then possibly they might lose. But if it's the free world versus China, then possibly we might win.

And so, I think it is imperative for us to work with our allies and multilateral partners.

COMMISSIONER BERGEAS: Would it be fair to say that if we were to try to compete on a purely bilateral basis and abandon the multilateral arrangements that we've enjoyed for decades, that we would not be able to go toe to toe with China under that exact scenario?

MR. TOBIN: Well, China sees the multilateral institutions as a platform for building influence. That goes all the way back to Jiang Zemin in 1998 making the assessment that this is a platform on which countries pursue their interests that they can't pursue on a bilateral basis. They can achieve things in the multilateral platform. So we should not cede that domain to China, is what I would say.

DR. ECONOMY: Yes. I mean, I don't think the U.S. can uphold the international order without its allies and its partners, right. So even if you look at what's going on in the South China Sea right now, it's not going to be enough for the United States to push back against China in the South China Sea.

We need to have other Asian countries engaged. We've tried to bring in France and the U.K. You know, if we're looking at the free trade regime, whatever it is, we need to have our allies and partners involved.

I think the other issue, and this goes to something that Dan said, is that it's very easy for China, if it's just the United States speaking out against China. Very easy for them to say this is just the United States trying to contain China, right, because we are the two large super powers.

But when you can draw in, you know, many different partners, many different players, and frankly, many different partners and players may differ from one issue to the next. So on climate change, the partnership that the U.S. developed with small island nations was absolutely critical to persuading China to take action.

If we could have done something similar with Muslim countries on Xinjiang, that might have had some impact.

So I think there's no scenario in which the United States, you know, networking with its allies is somehow going to be stronger than the U.S. alone.

DR. SHULLMAN: Thank you. And one more thought -- hold that, sorry, just one point is that we talk about China using bilateral relations in which it can dominate and achieve the most. But China's also really capitalizing on regional, on some regional multilateral organizations.

As Dr. Economy mentioned, the Shanghai Cooperation Organization and the Forum on China-Africa Cooperation. There's China-CELAC, there's 17+1 in central and eastern Europe.

These are all forums through which China is able to engage with a range of countries and

really capitalize in a way that, I think, if we were to pull from multilateral institutions they would be able to take advantage from that.

COMMISSIONER TALENT: Thank you. Thank you, Commissioner Borgeas. Commissioner Borochoff?

COMMISSIONER BOROCHOFF: I also would like to thank both the Chair and the Vice-Chair for today's get-together. And this has just been fascinating. The witnesses have really opened my eyes.

And reading the testimony was a lot different than listening which really helped me in so many ways. It's created some questions.

Listening, it's obvious that the Chinese have taken a very, very, very smart, almost Madison Avenue approach to how they're moving forward. And it's not that different than the way that, back in the '50s and '60s, Madison Avenue sold cigarettes to the American public.

And both Ms. Rolland and Dr. Economy hit on two things that really struck me. As the guy in this group that spent a lot of time in business, most of my career, one of my friends rose to become CEO of one of the top five companies in the world. And I asked him one time, how did you get there?

And the answer I got was not the one that I expected. He said I had to manage the fear and the greed of the five guys who were competing with me. And to some extent, I think that I heard Dr. Economy, no, it was actually Ms. Rolland talk a little bit about fear and ambition and the way those fellows are going.

So my question is they clearly have this overriding plan that they're executing. Do any of you believe that there is a centralized plan that they are following, or has it evolved as a result of their success?

And secondly, sort of along those lines, if there's not a true plan that's really being executed, and it's evolving, I would assume that when we move forward and follow some of the recommendations you all have made, and hopefully convince our leaders to do that, that they will surprise us. You know, they may figure out that they're being heavy-handed, and all of a sudden they'll pivot. It won't seem as heavy-handed.

So my second question is what's the single most important thing that you think we need to do out of all of your suggestions?

COMMISSIONER TALENT: All right. That gives you all free rein. Well, let's start with Mr. Tobin.

MR. TOBIN: Great. Well, the question about plan I think is an excellent one. And it gets to some of the debate that we're having in the broader China watching community.

Because for a long time, the way that China's foreign policy was characterized by some of the dominant textbooks was they have so many problems on their periphery and internally that they couldn't possibly have a plan. Because there's a contradiction between their interests.

And I think that's kind of a strange view of strategy. Because you can have an objective, and you can have a set of policies that you're using to move towards that objective. Even if you have some other objectives or a lesser objective that might contradict it at a time, it doesn't mean that you're not executing on a plan that the world is complex, and you might encounter some problems.

I think it's important to understand the way the regime does strategy. And one of the pieces of Marxist Leninism that they've kept, that they repeatedly emphasize is historical materialism. So they believe they can make judgments about trends in the world, and they can adjust their policy in light of those trends to hit their long term targets.

And so it's not that they have this, you know, plan in a box somewhere that, you know, from 1982, that they're executing step by step. It's that they set long term targets and adjust those targets to make them more concrete as they get closer to them. And they are constantly reassessing.

And so they have kind of this clockwork system that stops at various points to make assessments and adjusts. And that's why the 19th Party Congress is so significant, because it laid out a set of changes in their assessments of their progress and what that requires them to now start doing.

And so some of the debate about whether they're pushing a model and about their ambitions is a little bit misplaced. Because people sort of say let's take their temperature three years after they just made this 30-year goal.

And remember, it's a 30-year goal to become the leading power, and to have international socialism be, once again, triumphant in the world and looked up to by any other countries, and for Chinese socialism to be the center of that.

So I agree that they haven't fleshed out every aspect of either their domestic model or their model for the international system. But it's the 30-year process. They've laid out some long term goals.

And so right now I agree, yes, they're just exporting, sort of offering as a product pieces of their system. They're not stamping out carbon copies of a complete set of institutions. But I think their long term ambition is for their model to be more looked up to and more predominant in the world than capitalist democracy.

And so they see socialism as kind of this engine that lets them move through the world towards their goal. So it's called the theory system, and it's a system of institutions. And I think it's important for us to bring that back to the forefront of China studies and to do more research on how did they set their long term goals and how they pursue them.

COMMISSIONER TALENT: Okay. I think we have one more witness. If one of the three of you would like to comment on that?

DR. ECONOMY: Okay.

COMMISSIONER TALENT: Elizabeth, did you --

DR. ECONOMY: Yes. I'd like to make two points. One, I do think that we shouldn't underestimate the degree to which China is opportunistic. There might be broad sort of overarching, you know, goals and objectives, but Belt and Road was very much an evolving process of layering on different things.

As one thing succeeded, and other things came to the fore, and bottom up sort of input into a process, so it was not like it was a grand strategy developed, you know, in 2013 when Xi Jinping first uttered those words.

And in terms of what the U.S. ought to be doing, I think the most important thing that we should be doing is to be articulating a positive and proactive strategy for our own role in the world and what it is that we're bringing to the table.

I think actually this administration has done a good job of calling China out across the board, of alerting not only ourselves but much of the world to all the different kinds of challenges that China presents.

But we've done a very poor job of saying and here's what the United States stands for, and here's how we're going to help deliver on all of that. I think that's the number one thing we have to do.

COMMISSIONER TALENT: All right. Dr. Shullman, you want to add very briefly?

DR. SHULLMAN: I just want to chime in on the most important thing. And I completely agree with Dr. Economy in terms of promoting a positive vision.

I think, you know, more broadly China's model is only as successful as the extent to which it has appeal in individual countries. China has an elite edge, I think, in a lot of countries, because it is able to use corruption, because it is able to use business connections.

But I think, you know, and to put on my hat as someone who spends his days promoting democracy, to really focus in on what the United States can do in terms of supporting citizen-centered, democratic solutions to a lot of the problems that countries are facing and working with the small D democrats throughout these countries, and civil society, independent media, that is really critical to helping push back on China's export of its model.

COMMISSIONER TALENT: Okay, thank you, Commissioner Borochoff. We will now go to Commissioner Lee who has been very patient. Thea, your turn.

COMMISSIONER LEE: Thank you so much, Senator, and thanks to everybody, particularly thank you to the witnesses for coming today and for submitting your excellent testimony. I think you've raised a lot of really interesting and some troubling issues in terms of the motivations of China's export of its model and so on.

I wanted to delve in on one particular aspect we haven't talked that much about today which is we've talked about both the political and ideological imperatives for China's export of its model. But I want to talk more about the economic interests.

And I think, Dr. Economy, in particular you raised some of these issues very specifically in your testimony. But I'm interested in everybody's views.

You talked about how the export of the China model provides extensive opportunities for economic gain for Chinese companies, particularly those involved in infrastructure, the development and deployment of new technologies including satellite systems, fiber optic cables, media e-commerce, and surveillance systems.

And I think maybe all the other witnesses have touched on some pieces of those, particularly surveillance systems and the cyber systems. But I wanted to ask you to talk a little bit more about the concrete economic interests that China is pursuing.

I know there's an interplay between the political and the economic interests, and to what extent is that harming U.S. economic interests or compromising U.S. economic interests? And I think that might be useful as we do talk about going forward.

As you said, Dr. Economy, the importance for the U.S. is to lay out its own vision and its own sort of positive, strategic vision about what we ought to be doing. And I think if we can tie it to our economic interests, maybe that makes it more compelling.

So if we could start with Dr. Economy and then invite the others to respond as well. Thanks.

DR. ECONOMY: Sure, thank you. So again, I don't want to make this sound as though it's all part of a grand strategy, but certainly as you see sort of the economic presence of China grow, expand throughout, you know, Latin America, throughout Africa, throughout Southeast Asia, throughout Europe at this point, one can begin to get the sense that there is a kind of plan.

So I look upon the digital infrastructure, and you mentioned fiber optic cables, satellite systems, e-commerce, right. It's kind of the infrastructure of the 21st century. It's what the United States and Europe did well in the 20th century. We now have, you know, China taking the lead globally in the digital infrastructure.

In addition, you can look at, you know, the regular infrastructure, China's control over ports at this point, more than 70 ports in 40 countries, as part of that the development of these

industrial parks, perhaps with special economic zones.

Many of these things, you know, are rhetorically bigger than they are in reality. And so you have to be careful not to over-estimate their impact, get ahead of where they actually are.

But I do think that the groundwork is being laid for a pretty sophisticated, all encompassing, sort of economic presence for China that makes it, you know, not in the folder for U.S. companies. And part of it is that China will simply gift things.

Like, China will gift cameras, right, as part of a surveillance system to Brazil or to other countries in Latin America. A lot of the cameras don't work, there are all sorts of problems, but nonetheless, they've gotten their foot in the door.

So I think the BUILD Act, you know, the new Development Finance Corporation, these are important steps in the United States raising its game in order to compete. But there's much more that we need to be doing.

Last point, we are a larger investor in Africa, for example, than China is, you know, in our stock of capital. But we have none of the same sort of cohesive or coherence to a strategy. It's all individual, private companies doing business.

So I think part of it might be just capitalizing on what it is that we're actually doing in a positive way and weaving it together. Thank you.

COMMISSIONER LEE: Thanks.

COMMISSIONER TALENT: Dr. Shullman, it's to you with your hand up.

DR. SHULLMAN: Yes. Thank you. I completely agree with what Dr. Economy said. I would just add a couple extra elements. In terms of the investment and the financing that China offers to many countries around the world, that may already be trending in a liberal direction.

But offering that financing with none of the conditions that come with Western lending or from multilateral development banks, that has a big impact. A lot of times, this investment can be timed to benefit friends in China politically. So that helps to advance a model that's heading in a less democratic direction.

A lot of this investment, of course, is conducted, managed in China and Chinese state-owned enterprises with policy banks, on standard enterprises cutting deals behind closed doors in opaque fashion.

That is only likely to undermine the accountability of leaders to their people, again weakening democracy and seeding the ground for an alternative model, also creating debt and potentially dependence on China.

And then lastly, I want to note that, you know, a lot of this normative and economic push is also coming partnered with a technological hardware push, right. And so not just in terms of we've all been talking about 5G infrastructure but other aspects in China's effort to innovate technologically and to have its standards be sent and adopted around the world. Those go together quite nicely for China.

COMMISSIONER LEE: Thank you.

COMMISSIONER TALENT: Ms. Rolland?

MS. ROLLAND: Thank you. Yes, I want to add that really the economic clout, China's economic clout is the fundamental basis for China's accumulation of material power. And so that's very important in the eyes of the Chinese leadership.

So you're absolutely right that it's not just about political and ideological imperatives, but also this is a very important component of what's going on.

And one way to also look at this is through, again, through the Belt and Road. The Belt and Road is the laboratory in which China is expanding this new model.

And looking at it from the beginning, you know, it proposed five links or five connectivities. The first is policy coordination. Infrastructure is the other one. The third one is trade, the fourth is financial integration, and then people to people exchanges. So that tells you how comprehensive this vision is, as well as the importance of the economic factors into that vision.

I think it's true that these are only emerging, but they're also building blocks. And so it's not because it's not fully fledged and completely achieved yet. That's not critical. And it's not consequential.

You know, if we had paid attention to China's ambitions in the 5G and IT network domain just a couple of years ago, we wouldn't be here today. So I think it's very important to pay attention to what they say, to what they write, to how they formulate those ambitions. Because they tell us what their priorities are.

And so instead of dismissing them as being not part of a plan, I think we should understand that this is part of a plan. The difference between the way they do plan and we do plan is that they may not have, as Dan Tobin said, they may not have an Excel sheet that says Step 1, 2, 3.

And they may use what I call the propensity of things, you know, depending on how the assessment of that particular opportunity is, then go forward or maybe stand back for a little while and adapt.

I think we also need to be more flexible in our own approach. Because the things that we might find as answers to that, it might take longer for us. The PRC is able to adapt its tactics. That's maybe a paradox, but much better than we do sometimes.

COMMISSIONER TALENT: Thank you. That was fascinating. And you're right, we need to pay attention to what they're saying. The nature of a system like theirs is they have to let everybody in the system know what it is they're planning to do so that everybody knows how to toe the line.

So I like that. We're going to have to go on and very much want to go on, of course, to welcome our colleague Commissioner Wessel. And he's recognized.

COMMISSIONER WESSEL: Thank you. Thank you all for participating today. This is fascinating, and actually couldn't come at a more important time, I think, as we see the pandemic creating opportunities, challenges, that we all have to address.

Horizon Advisory, you may have seen, did an analysis of some leading Chinese voices in terms of looking at the pandemic. And one leader said, quote, "We will turn crisis into opportunity."

And I want to jump from Commissioner Lee's comments and your comments, Ms. Rolland. It seems to me that we're poised for a potential serious conflict with China, right, a conflict between market and non-market economics.

As most of the world is lying on its back from the economic collapse, the question is how will we recover? And again, as that Chinese voice indicated, and many others, they intend to take opportunity from the crisis.

So when one looks at, for example, the World Trade Organization, which is supposed to be the debating ground between market and non-market economics or how we address all these issues, are the challenges so great that we may see institutions like the WTO disabled because of these conflicts?

What ways can we try and resolve this, or are we going to be on two very separate paths where it's going to be China and its orbit versus the U.S. and its orbit? Again, just looking at

economics, but I think that probably will be true in many other areas. Ms. Rolland, do you want to start with that?

MS. ROLLAND: Thank you, Commissioner. Maybe my way to answer your very important and also complex question, because it's difficult to understand, I mean, to envision how will things unfold under conditions of economic collapse, as you say, or at least of economic slowdown, maybe a recession.

Maybe one way to think about this is to understand also that one of the current concerns from Beijing is to keep the economy, the global economy open. And the discussion about rewiring the supply chains and about decoupling, I think it's very, very threatening to Beijing.

Yes, they would like to have countries pulling towards their own orbit, but at the same time, they would like the rest of the economy to still be open so that they can still have access to markets in the western countries, and they will have access to technologies, to intellectual property.

So I think it sounds paradoxical. But at the same time, one cannot work without the other. China's economy cannot work without open markets and cannot work without this open economy.

At the same time, they would like to circumscribe their own and limit access to their own market. So that's what would create tensions and has already created tension in the past.

Whether the WTO will be disabled, I'm afraid I don't have the answer to that question.

COMMISSIONER WESSEL: Ms. Economy, any thoughts?

DR. ECONOMY: So I think the U.S. has an opportunity at this point to, you know, get back in the game. Perhaps not with this administration but with a different one.

And there's, I think, pretty broad agreement through Europe and elsewhere among market democracies that the WTO needs reform. It doesn't need us to withhold approval for appellant, you know, the judges and things like that. But similarly, with the World Health Organization I think that there's agreement that there needs to be some reform but not by the U.S. withdrawing its financial support for it.

So I think that there's a lot of agreement. You can look at the EU-China Chamber of Commerce Report and the U.S.-China Chamber Report and see that there's very broad agreement among Europeans, and Americans, the Japanese, the Australians about the direction in which the Chinese economy is making problems in the global economy and, you know, to some extent what needs to be done to address it.

But it requires us to want to work with all these other countries to address these problems, right, and not to pull out of the institution and just say they're bad. So I think there's an opportunity.

I think that Nadège is right that the Chinese want to control the pace of decoupling. I mean, Made in China 2025 is effectively decoupling, right. But they don't want it to happen not on their timeframe. And so I think they are quite concerned.

But over the long haul I think they, you know, understand that in those areas of critical cutting edge technology they want to be the global leaders. And they're doing everything at home to keep market access, you know, to prevent companies now from competing fairly.

So that's the kind of thing we need to be pushing back against. But we need to be doing it with our allies. So I think there's room here for the U.S. to emerge stronger and better in partnership with our allies. But we're not positioned right now in the thinking of this administration to do that.

COMMISSIONER WESSEL: Thank you.

COMMISSIONER TALENT: Okay. It looks like we are going to have some time for a second round. I think Commissioner Cleveland indicated she had a question. So --

CHAIRMAN CLEVELAND: Larry, I think --
(Simultaneous speaking.)

COMMISSIONER TALENT: Yes, it's Larry's turn. Before I -- Larry, I haven't missed you, sorry. I was just going to say before recognizing Commissioner Wortzel, who's batting cleanup, and probably our best cleanup hitter here, I did want you all to be thinking if you would like to do a second round. I think we're going to have questions.

Sorry, Larry, I've been waiting the whole time for your question, so Commissioner Wortzel, your turn.

COMMISSIONER WORTZEL: This has worked out great. I mean, the staff worked hard to bring it together. I really don't know if we could have brought it off without two former Senators having had the access, perhaps, over there to get some of the things done. But it worked out really well.

I want to focus on what I see as a real central disagreement among some of the panelists. And I'll start by saying that for me, as I understand it, ideology is a set of beliefs, and values, or ideals that form the basis of economic theory, political behavior, and state policy.

Now, Dr. Economy described the PRC's ideology very briefly as authoritarian capitalism. Mr. Tobin, whose great research on, that testimony, Dan, I really liked it. Mr. Tobin calls it a form of international socialism.

So in my understanding, the international liberal order is based on an ideology. And it seems to me that the promotion of an alternative international order and state system is the promotion of an ideology.

I think, it's important to me that by denying or failing to acknowledge that this is an ideological challenge has the potential for muting both how Congress responds to it, how the U.S. government executive branch might respond, and the population of the U.S.

So I'm really pointing right at you, Dr. Shullman, I'm sorry to say. But I'd invite anybody else to chime in.

DR. SHULLMAN: Well, thank you, Commissioner Wortzel. That's a great question. I think, and Dr. Economy touched on this a little bit in her remarks about, I think, trying to get at the heart of what is the difference between when we talk about whether China is exporting the model and also when we talk, I think that relates to this question of what is the model and what is ideology.

You know, for me something comes down to, and I would call it largely an ideology. But I think the problem lies in the fact that we, all of us, seem to agree that China's not trying to export Chinese Marxism to the rest of the world and to create little Chinese Communist Parties all around the world. They are trying to popularize.

And I prefer popularize, because I think it's clearly not exporting wholesale its model to a lot of countries around the world.

And authoritarianism, I think you can debate the extent to which that is an ideology. It is a system and an approach to governance. And it's one that they share, for instance, with the Russians. But when I do, for instance, my work on China and Russia, we talk about China and Russia promoting alternative to the liberal values that are in order.

I've been very careful to make it clear that I don't think that China and Russia share an ideology, kind of an approach to governance. And I think that that's what China is trying to, most especially, try to share with the world with the goal, as we've all said, of unseating the

world values, democracy norms that are incompatible with their Leninist system from centrality in the international order. So I hope that starts off the conversation.

COMMISSIONER TALENT: Would anybody else like to comment?

MR. TOBIN: I'd be happy to --

COMMISSIONER TALENT: Yes.

MR. TOBIN: -- weigh in a little bit. So the reason that I keep focusing on, specifically, Chinese ideologies as species of Leninism is because, while the Communist Party of China doesn't talk a lot about the labor theory of value, or about the proletariat that much these days. And they're not trying to foment an international movement of workers.

I do think there are several pieces of the intellectual architecture of Leninism that still do animate the Communist Party of China and which are the bases of the differences in values that they are trying to foment in the international order and that had some explanatory value for their actions.

And so, you know, a key piece of Leninism is this idea that democratic institutions are really just captured by class interests or the interests of the ruling class. Or in developing countries, they're captured by the interests of international capital.

And then those are still arguments that the Communist Party uses for why it needs to maintain its dictatorship and why it needs to maintain state control of the commanding heights of the economy. Because the idea is if they didn't retain that, these multinational corporations would come in, and China would be a slave to the most advanced, developed countries again.

And their argument about why they need a vanguard party that is possessed of a scientific theory as a better guardian of the peoples' collective interests, and a better pursuer of their interests than democratic institutions which would be captured by special interests, so that's an argument that they're making.

And it's rooted in a set of values and ideas about politics. And one of the consequences is that dissent in a Leninist system is seen as not legitimate political expression but sabotaging the collective interests and the party's scientific judgment.

The party has made a scientific judgment about its policy, and that's correct. And you can't question that. That's sabotage. So that's a Stalinist idea that's still operating.

And when you see things like the National Security Law and the way that, under Xi Jinping, that way of articulating what the threats are to the regime I think is very consistent with Marxism-Leninism.

So they're not emphasizing every piece of Marxism-Leninism. But some of the key pieces are intact. And as I've already mentioned, the way that they build and execute strategy is based on kind of this architecture of making scientific assessments in different domains of competition and building their strategies on the basis of that.

And so whether every cadre believes in Marxism-Leninism is less important than the nature of how the system does strategy. It very much has a Marxist-Leninist character.

COMMISSIONER TALENT: Would anybody else like to jump in? I agree, there was some inconsistency among the witness testimony. But he's got a good point. And we like to see our witnesses fighting with each other. So does anybody have --- yes?

DR. ECONOMY: Okay. So clearly I come down on the side of Dave as opposed to Dan on this. But let me just add, I think that the risk of accepting sort of this holistic sense of, you know, remains of Marxist-Leninist state, and I'm not denying that there aren't elements that we should still pay attention to, is that it really then eliminates the potential to look at different interest groups within the polity and the idea that economic reformers might have a say or, you

know, others, entrepreneurs could emerge as some sort of force, you know.

So I look back and I could say, you know, the period of Hu Yaobang and Zhao Ziyang, fundamentally different from the period of Xi Jinping. You know, are there continuities, yes, but were there really significant differences in the direction in which they appeared to want to move the country? Actually, there were, right.

So for me, I think that, you know, I don't want to have this overarching framework that somehow limits our understanding of the internal politics of China. Perhaps that comes as a result of my being a Soviet person and tracking Gorbachev for a number of years. You know, big changes can come.

COMMISSIONER TALENT: All right. I think only Dr. Shullman, but if you want to comment briefly, go ahead. But if not, we'll go on to a second round.

Okay. Now, Commissioner Cleveland, I think you had second, well actually, before you do that, Commissioner Fiedler, who is not on the screen with us today, has been watching this and texted a question to the staff who gave it to me.

So, Robin, I'll go ahead and ask Jeff's question first, kind of like a first round thing. And we do wish that Mr. Fiedler had been able to be online with us.

He asked you all to discuss the role of U.S. corporations who accede or acquiesce the Chinese norms or policies. He wants you to discuss how that undercuts the U.S. policy designed to stand up for the current norms and interests.

And he didn't say give particular examples, but I think that could probably range from, you know, agreeing not to refer to Taiwan on your website all the way over to perhaps participating in selling technology or giving technology that could be used in the surveillance system.

I don't want to put words in Commissioner Fiedler's mouth, but he's trying to get at what about our business or, in fact, other companies, corporations he mentioned. What impact does that have on our ability to stand up for our norms against this Chinese effort?

I'll pick on Dr. Economy. You raised your hand.

DR. ECONOMY: Yes. Well, since I raised it in my testimony explicitly, I mean, I think it's really important. Because it is a mechanism for fracturing opinion and support for a strong U.S. policy on these issues and then, in turn, for developing kind of a united front globally to push back against China.

And again, that goes to one of my suggestions which is that we should, in fact, work with our allies to develop a common front on issues like how we identify Taiwan. Because if we do, what is China going to do if every major airline or every major international hotel stands up and says, yes, we're keeping our identification of Taiwan the way that it is.

Are they going to actually punish every single airline and every single hotel? Probably not. And then if we can develop a coordinated government response if they start to try to peel them off, again, I think that really weakens China's hand.

So to my mind, this requires -- and again, the Trump Administration did do this a little bit, right. They stood up, they said this is Orwellian nonsense when, you know, China was pushing on the hotel, it was the airlines, right. But the airlines backed down, one after the other.

So I think it requires a coordinated strategy. And it's absolutely essential, as NBA commissioner, you know, eventually did, to stand up and say this is a country, right, that respects freedom of speech. It's one of our essential rights and privileges. And no amount of money is worth that. So I think we have to come out strong on this.

COMMISSIONER TALENT: You know, and I'll just add, because you mentioned the

NBA, at the time I thought, I wished those players, who are such great leaders and public influencers, understood the kind of reputational damage they could have inflicted on Beijing if they wanted to.

It's one thing for, you know, a hotel chain to try and go head to head in a battle like that. But, you know, if these NBA players, if LeBron James, he's probably got more followers than everybody on the Standing Committee of the Chinese Politburo. So I'll throw that into an editorial comment.

I think you're right, and we don't realize -- Ms. Rolland, you had a comment?

MS. ROLLAND: Yes, thank you, Senator. Picking up on that, I think what you're saying about the NBA, I think it's an important point. But this couldn't have happened or couldn't happen, because of the lack of public education, okay.

If those players had understood what U.S.-China competition means, and what are the different layers of this competition, and how it extends up to the public information domain, how it extends to those political and ideological realms, and how it extends to the economic realm, I think without that understanding, you cannot ask the corporations or individuals to take the decisions that support our ability to stand for our norms and values.

So that's a very, very critical element. I don't think you can ask individuals and corporations to take a stance that supports the U.S. norms and values if they do not understand what this competition is all about. And it's not just about military competition. It really spreads out in all other domains.

COMMISSIONER TALENT: All right. We'll go to a second round now. And I think we'll have time for a couple of commissioners. I have one I'd really like to ask. But Commissioner Cleveland, you go first. You had your hand --

CHAIRMAN CLEVELAND: No, go ahead, Jim, please. Go ahead.

COMMISSIONER TALENT: Well, I wanted to get into the subject which I don't, I've been so busy checking time clocks, and texts, and everything, that I may have missed this. But I would like you all to discuss how the role of Chinese history plays in all this.

Mr. Tobin did a lot of this in his testimony, but I'd like to open this up for anybody. Is the right way to look at this as simply a reassertion, an updated 21st century version of China as the Middle Kingdom, hopefully this time applied to the whole world?

MR. TOBIN: Well, I'd like to commend Nadège's research on this as well in her longer paper which delves into the literature on the concept of Tianxia that received a lot of attention from Chinese scholars.

And I think that it is --- and this actually illuminates a slight difference between Nadège's and my views, but broadly I like to say, in general, I think everyone on this panel is on the same side of the debate in the sense that we believe that we're in a very serious global competition with China that includes ideology.

And it's very important for us to pay attention to what primary sources, including authoritative statements and speeches by Chinese leaders, are saying. And so I think we're broadly on that side of the debate about China. And that kind of puts us in a position of an intellectual insurgency compared to what has been written about China for a couple of decades.

But one area that I'm a little bit, slightly different perhaps from Nadège is she talks about the way in which the party tasks intellectuals to help fill out its ideas and having party-associated intellectuals try to put some meat onto some broad concepts that the party is interested in pursuing.

And I think that's absolutely correct. And we need more attention to that area in research

on China. But I actually think it's a little bit of a two-way dialectic, if you will.

So China's leaders are actually, they're consuming this intellectual discourse by Chinese intellectuals sort of thinking about the way forward. And sometimes a Chinese leader will say, okay, I like that concept. I'm going to sort of reflect that into the party's official theory.

And that might be very succinct, and it might sound kind of abstract. But we need to pay attention to both what the official theory is saying and the broader intellectual context that's out there. And we need a better sense of the transmission belt back and forth between those.

So I agree with Nadège completely that there a sense in which some Chinese intellectuals are trying to say is there something from Chinese history, this concept of all under heaven, that we can use to help China in its rise and to be a form of Chinese wisdom that we offer for the international order.

I think that Xi Jinping is already trying to invoke that by offering some of the same quotes from the Book of Rights in his speeches. So he's already trying to say to that audience that Community with a Shared Future is a blueprint for this kind of world and that there's a lot of similarities between the way that Community of the Shared Future is supposed to work and this Tianxia idea.

So it's supposed to be we show the benefits of being associated with China and deeply connected to China. And development is one of those things, sort of comprehensive development. And if everyone is concentrated on development, and built deeper connections to China, the world would be harmonious.

There's a certain naiveté to it, but I think it's genuinely actually felt. So I'm a little bit less cynical about the party's intentions, even though I think that the consequences for the U.S.-lead liberal order are momentous and that we should try to oppose it. But I don't think that it's wholly cynical. I think that there is some genuineness to their ambition.

COMMISSIONER TALENT: They really do believe in Chinese exceptionalism and that the world will be better off if we have a system which basically allows them to get whatever they want. But does anybody else have any comment on that?

All right, then we'll go to Commissioner Cleveland. And I think that's probably about all we have time for. So, Robin, you get one question in the second round.

CHAIRMAN CLEVELAND: Thank you very much. And again, thank you for being our tech pioneers, and with staff who are doing such a great job supporting us in this unique undertaking.

I'm interested, Dr. Shullman, and I think several of you commented on in your written testimony, you note that the Chinese have taken over leadership roles in four of the ten U.N. agencies.

And I'm curious what your impression is of why those particular agencies? Is it simply the opportunity presented itself? And what do you see as the impact of their assumption of leadership? Is it too soon to tell, or are we starting to see policies at those organizations actually change?

DR. SHULLMAN: Thanks for that question. Yes, I think it is very important to underscore that the Chinese leadership sees leadership in these specialized agencies as very critical. That would be evidenced from the fact that they've made bids and now do have leadership over four of them, which is by far more than anyone else, the Food and Agriculture Organization, the International Telecommunication Union, ICAO, and the International Industrial Organization.

I think to narrow it down on a couple of these, you know, the ITU, we've certainly seen

China being able to push its standards on technology of the future, including technologies that have a lot of import for this conversation about exporting of an authoritarian model, around facial recognition, surveillance, also arguably pushing the notion that it's entirely not just okay but beneficial for countries to adopt Huawei infrastructure. So I think that's one example.

With the Food and Agricultural Organization, which is a newer leadership that they acquired, I believe, late last year, and the International Industrial organization, you can definitely see links to China's effort, a linkage between development and China's model for development through the Belt and Road Initiative, right, and trying to make synonymous the notion that you can have a state-led approach, infrastructure-led approach to development.

And this is also part and parcel with the fact that China is the dominant both funder, the only funder, and it has all the main chairs in the U.N. development side. So all these kind of go together in terms of pushing China to play a more central development.

And I think, you know, it's definitely to our detriment, the United States, and to our allies' detriment, that China is being able to drive the narrative in a lot of these areas.

And just the last point, I think we rightly were very concerned about the fact that China was going to try to also run a leadership role in the World Intellectual Property Organization which was, you know, putting the fox in charge of the henhouse, so to speak. So that push by the United States to have a very qualified Singaporean candidate leadership there was well worth the effort.

COMMISSIONER TALENT: Dr. Economy?

DR. ECONOMY: Yes. I think Dan is exactly right. I would just add other reasons that China is so interested in assuming leadership roles is to keep Taiwan out of the organizations, as we've seen with the World Health Organization and assembly, to advance the Belt and Road Initiative.

It has done so in more than 20 different organizations. And we saw them for long while try to hold up U.N. authorization, re-authorization of, you know, funds for Afghanistan, until they had the Belt and Road listed as a part of it.

But the U.S. pushed back and defeated that, again for domestic legitimacy, right. This is seen as something powerful and positive. And it maybe even, you know, enabled U.N. officials now that have gone to Africa, for example, and spoken, you know, separately, separate from China and said the Belt to Road initiative is a good way for you to try to address your terrorism, your problems with terrorism and violence.

So I think that, you know, they see these organizations as serving multiple purposes, and they play important roles for China's foreign policy.

CHAIRMAN CLEVELAND: Thank you.

COMMISSIONER TALENT: Yes, Ms. Rolland, you wanted to add a comment?

MS. ROLLAND: Yes, thank you. I wanted to add to what Liz Economy just said. It's very important to understand those institutions also as a diagram for discourse power.

So what Liz mentioned about the use of those institutions to push for Belt and Road, it also appears at the level of language, pushing for the inclusion of the Community of Shared Future inside of U.N. resolutions, pushing for this sort of incremental substitution of the sustainable development goals for Belt and Road so that there's a sort of equivalence between the two in the end.

I mean, it's a sort of a magic trick of substitution from one term to the other that may sound a little bit abstract or maybe, you know, secondary. But in the end, having this language and those formulations put into U.N. institutions legitimizes not just the language that's preferred from Beijing but also all the ideas and concepts that are included within those formulations.

So this is a very important point as well. It's not just about leading those agencies or organizations by a PRC citizen representative. It's also all the other work that's being done through diplomacy at all the working levels, to include those languages and formulations that will have impact over the long run on the norms and values as well.

COMMISSIONER TALENT: All right. Well, we have reached the limit of our time and want to be sensitive to the time of the witnesses.

I'm going to recognize Senator Goodwin to close the hearing in a second, but I do want to say thank you on his behalf. And he will also, but I haven't had a chance to thank our witnesses, colleagues who followed the rules, much more than we normally do in Commission events.

So thank you for that, and of course to the staff and the Senate staff. Because I think this has gone off rather well. And Senator Goodwin, I know is going to close it.

Are you muted, Carte?

CHAIRMAN CLEVELAND: We can't hear you, Carte.

COMMISSIONER TALENT: Carte, we can't hear you. Well, when we finish this, I'll guess I'll close this, Carte. When we finish this, if we have another one of these, and I do want to remind everybody that we do have a hearing on China's evolving healthcare ecosystem, challenges and opportunities which will take place on May the 7th. And if we can do another one of these panels, then we'll certainly have Senator Goodwin online.

That concludes our round table today. Thanks again to witnesses, to the Senate Recording Studio, and to our staff.

And for members of the press viewing the live stream, any media inquiries can be directed to the Commission's communication director, Jameson Cunningham, via email at jcunningham@uscc.gov. And we're adjourned until May 7. Thanks again to everybody. (Whereupon, the above-entitled matter went off the record at 11:28 a.m.)