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The Chinese Debate on Economic Reform

by Arran Hope



(Image: State Council press conference, September 4; Source: NDRC)

A steady drumbeat of ominous data and troubling commentary on the state of China’s economy has punctuated the summer months. Reports from the commentariat in the anglosphere have provided diagnostic analysis and detailed potential policy solutions that the Chinese government might pursue. However, China’s central decision makers in the Politburo or in the National Development and Reform Commission (NDRC), are more likely to take their cues from internal advisors and domestic experts within the PRC than from those outside. As such, one fruitful exercise is to take the temperature of voices within the system to determine the extent to which their perceptions align or diverge from those in the West, and to ascertain which views carry weight with the final arbiters of economic policy in Beijing. By doing so, analysts outside of China may better comprehend the future (mis)steps that China will take as it struggles to achieve its aim of “basically realizing socialist modernization.”

In July, the Chinese government held several meetings and released documents pertaining the economy. On July 24 the Politburo met to discuss the economy as it usually does this time of year. But on the same day, a 17-point plan was issued by the NDRC, following on from a 31-point plan co-issued by the State Council and the Central Committee

ten days prior. These send a clear message about the concern in government over China's straitened circumstances. Indeed, just this week, the NDRC announced a new "private economy development bureau" to further support private industry ([NDRC](#), September 4). The assessment of the situation is put bluntly in the Politburo readout: "the current economic system is facing new challenges... insufficient domestic demand, difficulties in some enterprise's operations, multiple risks in key areas, and a complex and severe external environment."

Even if this view of the problems China faces is widely agreed on, Chinese economic policymakers do not think in the same terms as their Western counterparts. As such, there are often different diagnoses to be found, along with different proposed solutions. For instance, a recent article in the Study Times (学习时报), which is published by the Central Party School, expounds "eight misconceptions about expanding domestic demand," and starts with the eyebrow-raising sentence "In the first half of this year, the overall performance of China's economy has been on the upswing" ([Study Times](#), August 16). While much has been written in the West about the need for China to focus on increasing household consumption, this writer instead emphasizes "the critical role of investment, especially the driving role of government investment."

External experts who have been in consultations with the top economic planners in government also hew close to the Party line. For example, Liu Shangxi, the president of the Chinese Academy of Fiscal Sciences (CAFS), a think tank, has recently written acknowledging the consensus view that China's economic recovery this year is below expectations ([50Forum](#), July 6). His proposed solutions however center around trying to encourage businesses to borrow and increasing investment in infrastructure and public services. Similarly, a former NDRC official, Xu Lin, gave a lecture in May, also suggesting "supply-side structural reforms, such as addressing regulations in the real estate sector" as one approach to reducing some of the economic headwinds ([WeChat](#), June 7).

Some prominent voices take a different view and advocate for different policies geared towards supporting the private sector and boosting household consumption. Zhang Jun, who is the Dean of School of Economics at Shanghai's Fudan University, argues that "there is a significant blind spot in the discussions within the Chinese economic academic community, as all the discussions revolve around the development of enterprises and industries, with no focus on families, and very little attention given to wage issues." In this, he is of a piece with economists such as Michael Pettis, professor of finance at Peking University, who has long articulated the suppression of wages as a structural issue in need of reform. Others have been more outspoken, such as the retired Tsinghua University sociologist Sun Liping, who calls for "structural reforms," referring to reducing the role of state-owned enterprises in the economy ([Xueqiu](#), July 21), 2023. Sun's original post was censored, perhaps as part of a recent push by Beijing to pressure economists not to talk down the economy ([Financial Times](#), August 5).

As the above suggests, while there is general consensus on the nature of China's economic predicament, and the key causes of the increasing malaise, views on what is to be done differ. Two takeaways emerge from this small survey of texts. First, that solutions are often framed differently within the PRC system to those offered by many in the West; second, that the economy is indeed at a turning point, and that the bankable operating model relied on for much of the last two decades is rapidly running out of road. This latter point can also be detected in a rhetorical shift

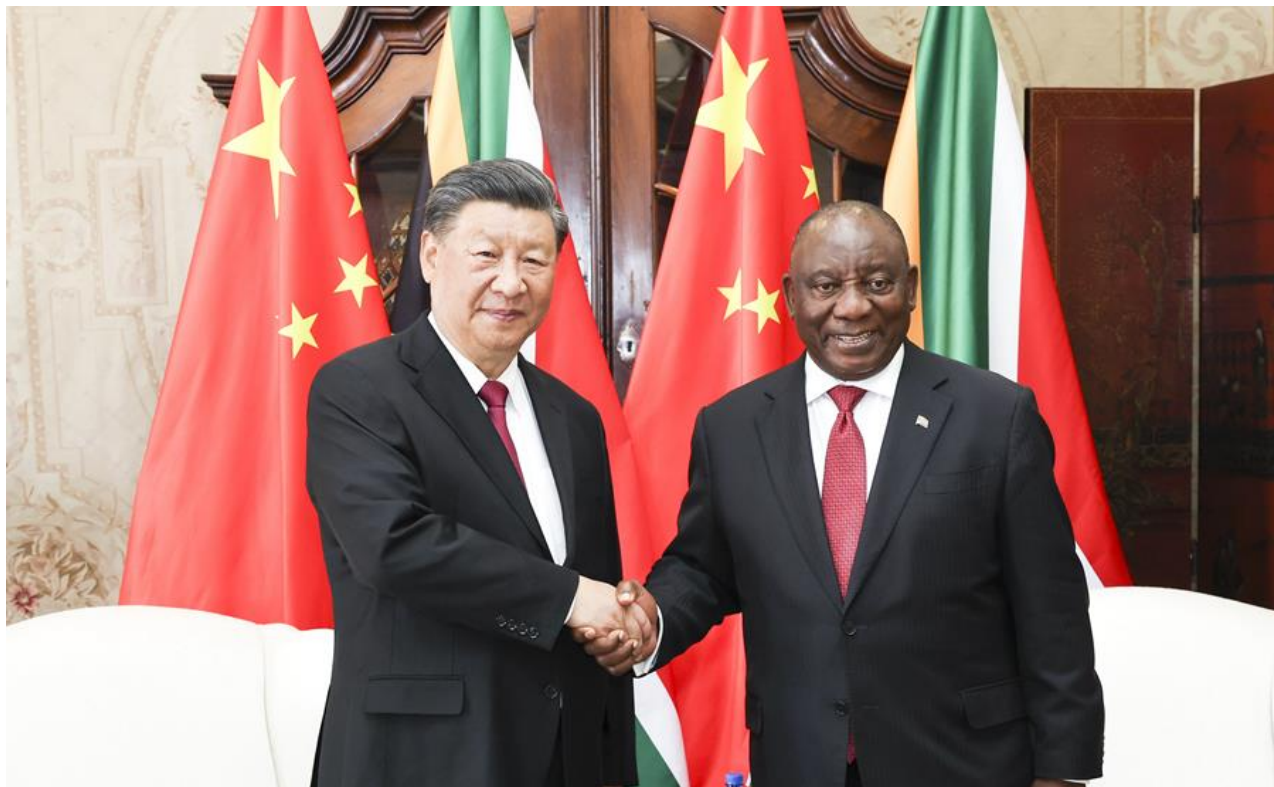
in the writings of these economists, as clarity about medium-term scenarios require expectations to be revised accordingly.

The question of what road will be taken is unclear. There are multiple factors at play that will impact the direction of the economy going forward, some of which are touched on in the essays in this issue of *China Brief*. It is worth remembering that, even if there are some encouraging signs among economic experts and advisors in China, an awareness and understanding of the problem does not necessarily entail either that such views are the consensus among the leadership. Nor does this mean that the will and capacity exists within the system to undertake the requisite reforms and pivot to a new approach to managing the economy. As economist Zheng Yongnian wrote following the July Politburo meeting: “Although relevant government departments are aware of these issues and have started to implement some policies, most policies still possess a piecemeal character, treating symptoms rather than causes. There are still no clear policy strategies for the coordinated development of China's economy and society, let alone practical and effective policies” ([Wechat](#), July 25). The next significant meeting will be the Third Plenum, set for October or November. This will merit close attention, as Third Plenums have often set the economic policy agenda. While the rumblings of increasingly vocal policy experts in China may help push the government towards reform, the reverberations are yet to precipitate a change of direction in the government’s actions.

Arran Hope is the editor of China Brief.

Coalitions of the Week: BRICS, ASEAN, the G20

By Willy Wo-Lap Lam



(Image: Xi Jinping shaking hands with President Ramaphosa in Johannesburg; Source: Xinhua)

Supreme leader Xi Jinping's failure to attend the G20 summit in New Delhi this weekend (September 9-10) — thus nullifying the possibility of a meeting with top Western leaders including American counterpart President Joe Biden — is symptomatic of the isolation that China is facing on the international stage. Instead, Xi is sending Premier Li Qiang, not only to New Delhi but also to a series of meetings between Western and Asian powerhouses, including between the United States, Japan, and the ten members of the Association of Southeast Asian Nations (ASEAN) in Jakarta, Indonesia. ASEAN members seem eager to seize the opportunity to promote free trade and high-tech cooperation with the United States and its Western allies, agreeing this week to inject more funds into projects under the U.S.—ASEAN Comprehensive Strategic Partnership ([InvestASEAN.org](https://www.investasean.org), September 7; [The White House](https://www.whitehouse.gov), September 5). By contrast, China's recent business ties with ASEAN nations has been dominated by a continuous exodus of multinational corporations moving production bases from China and into countries such as Vietnam, Thailand, and Indonesia.

Xi's absence has raised eyebrows, particularly due to the fact that the Chinese Communist Party (CCP) General Secretary has pulled out all the stops when it comes to expanding the People's Republic of China's

(PRC) clout on the global stage, even while ignoring worsening socio-economic conditions at home, such as rising youth unemployment, declining exports and consumer spending, and disappointing new home sales. Deemed a crypto-Maoist by China's critics, the CCP chief remains convinced that, in the words of both Mao and himself, "the East is rising and the West is declining," conditions which would allow the PRC to seize the geopolitical high ground given "opportunities that only come once in a century" ([Gov.cn, June 23](#) ; [Xinhua, March 23](#)).

Another few BRICS in the wall

One of the Xi leadership's major acts has been to build up a so-called "axis of non-democratic states" to countervail a United States—led "anti-China" coalition, which includes the EU, NATO, AUKUS (the defense pact between Australia, the United Kingdom, and the United States), the QUAD (a "security dialogue" between the United States, India, Japan, and Australia), as well as long-time American allies in Asia, most notably Japan and South Korea ([China Brief](#), July 5). At a trilateral summit between the leaders of the United States, Japan, and South Korea held in August at Camp David near Washington, D.C., President Biden, President Yoon Suk Yeol, and Prime Minister Fumio Kishida agreed to strengthen military cooperation, including the joint development of next-stage submarines and missiles. The trio also vowed to defend the status quo in the Taiwan Strait and the South China Sea ([The White House](#), August 18; [Aljazeera](#), August 27).

The recently held summit of the BRICS group of countries in Johannesburg — which Xi did attend — has apparently boosted Xi's goal of forming a non-Western alliance to counter the "eastward move" of NATO and other alleged hostile measures aimed at reining in China. However, only six new members — Saudi Arabia, Iran, United Arab Emirate, Egypt, Argentina and Eritrea — formally joined the bloc, and not the originally planned 20-odd nations ([VOAnews](#), August 24). At the closing ceremony of the Johannesburg get-together, Xi, leader of the most powerful BRICS member, asked rhetorically, "[should we work together to maintain peace and stability, or just sleepwalk into the abyss of a new Cold War?](#)" ([CGTN](#), August 23). The supreme leader posited China as the leader of a "new world order" ([Council on Foreign Relations](#), August 31) consisting of nations committed to "win-win" principles. He also made a pitch for the wider use of the Chinese renminbi as a potential substitute of the United States dollar.

However, a couple of major BRICS economies, notably India and the newly-admitted Saudi Arabia, have maintained close defense relationships with the United States, and are dependent on Washington's supply of advanced weapons and military technology. While Saudi Arabia seems willing to consider billing a portion of their petroleum sales to China in renminbi ([Geopoliticeconomy](#), August 10; [Al-monitor.com](#), April 28), the dollar remains very much the currency of choice in oil and gas transactions in the Middle East and worldwide.

India has run afoul of the Xi leadership by — among other things — flagging its close ties with the Biden administration. In an interview with Indian media immediately after the BRICS summit, Prime Minister Narendra Modi slammed an unnamed country for setting "debt traps" by extending loans to developing countries to finance infrastructure projects that they cannot afford. At the same time, Indian Commerce Minister Piyush

Goyal took another step away from China, stating that New Delhi has given up joining the Regional Comprehensive Economic Pact (RCEP), the free trade area dominated by the PRC, because doing so would lead to India suffering from trade imbalances ([Economic Times](#), August 28; [India Today](#), August 26).

America's moves

China's relations with several of its important neighbors also soured after the publication last week ([Guangming Online](#), August 28) of a new standard PRC map which calls disputed border areas with India, Russia, Japan, and Taiwan "Chinese territory." Moreover, it has deemed almost the entire South China Sea as Chinese territory, thus angering Vietnam, the Philippines, and Malaysia — ASEAN countries that are also claimants to the disputed territories. This seems to be the Xi leadership's reaction to both enhanced military cooperation between India, Japan, Vietnam, and the Philippines, as well as preliminary defense agreements inked between NATO and ASEAN states including the Philippines and Vietnam ([French Radio International](#), September 2; [China Daily](#), August 28).

Regarding United States-China ties, Secretary of Commerce Gina Raimondo's trip to Beijing produced no concessions on either side in the areas of tariff reduction or Washington's decision to restrict American investment in "sensitive sectors" in the PRC. Overall, cumulative American investments in China as well as United States-China trade, have continued to drop in the first half of 2023, thus dealing a big blow to Beijing's hopes for a post-pandemic recovery. Raimondo even quoted individual American firms as saying that China was "uninvestable" ([Reuters](#), August 29; [SCMP](#), September 7; [AsiaFinancial.com](#), September 4). Coinciding with Raimondo's supposedly fence-mending visit, Washington announced military sales to Taiwan for the first time under the Foreign Military Financing Mechanism. Given that this program is usually reserved for aid to sovereign states, the arms sale amounted to at least a theoretical recognition by Washington that Taiwan is tantamount to an independent country ([VOAnews](#), September 6).

Xi's blues

Xi, who has only made two foreign visits since the end of the Covid-19 pandemic in late 2022, has largely stayed away from giving direct instructions on how to revive the Chinese economy, or on how to repair China's economic relationship with the United States-led Western alliance. In a virtual speech to the Global Trade in Services Summit of the 2023 China International Fair for Trade in Services (CIFTIS) held in Beijing earlier this month, Xi reaffirmed Beijing's commitment to pushing forward a high level of opening up, saying that "China will open wider in sectors including telecommunications, tourism, law and vocational examinations, and widen the market access in the services sector" ([China Daily](#), September 2). He added that "in developing the services sector and trade in services, China will work with all countries and parties to advance inclusive development through openness, promote connectivity and integration through cooperation, foster drivers for development through innovation, and create a better future through shared services" ([Xinhua](#), September 2).

However, the Xi leadership has failed to announce new favorable policies to attract multinationals, which might include selectively lowering taxes for the China-made products of Western companies or rendering it easier for international companies to remit foreign exchange out of the country. Moreover, the decision by the State Statistical Bureau not to release figures on youth unemployment or the sale of new land seems symptomatic of Beijing's penchant for favoring a diktat economy over market-oriented transparency. And finally, the expected slow-down in economic growth and the heavy-indebtedness of different levels of governments and state-owned enterprises, the CCP administration lacks the funds to finance intercontinental infrastructure projects associated with the Belt and Road Initiative, which have highly lifted the country's international profile ([Council on Foreign Relations](#), April 6; [Green Finance and Development Center](#), February 3).

Conclusion

Given this series of diplomatic and economic setbacks, Xi's absence from the G20 summit this weekend is all the more extraordinary. Beijing is forfeiting the initiative at a critical international meeting at a critical time. One might speculate as to Xi's reasoning: Perhaps fears of more setbacks due to the CCP's support for Russia's war in Ukraine or domestic political tremors at home — including a rumored upbraiding by party elders during Xi's Beidaihe retreat earlier in August — are more substantial than they look from a distance. For now at least, it seems clear that even if Xi is delegating responsibilities, he is not sharing his power; though that is looking increasingly like a sign of weakness.

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PLA Social Media Warfare and the Cognitive Domain

By Jackson Smith and Nathan Beauchamp-Mustafaga

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责任编辑/侯永波

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军事论坛

2020年6月16日 星期二

解放军报

“研究军事、研究战争、研究打仗”专论

社交媒体战，现代战争新样式

■ 陈 军

社交媒体被称为“社会媒体”，是人们彼此之间用来分享意见、见解、观点和信息的平台和工具。现代战争包括社交网站、微博、微信、博客、论坛等。因其具备信息传播的快速性、便捷性、透明性以及受众参与的广泛性、互动性而发展迅速，近年来在政治、经济、外交等领域发挥着越来越重要的作用。社交媒体开展舆论战、情报战、网络战、心理战，应对国家安全和军事斗争面临的新挑战。

社交媒体成为现代战争力量倍增器

社交媒体成为现代战争力量倍增器

社交媒体强势介入现代战争

当今世界，无处不在而又无孔不入的各种社交媒体正在深刻改变着人们的生活。社交媒体渗透到包括军事行动在内的人民生活的各个方面，社交媒体作为一种新型媒体形式成为现代战争的重要组成部分。

2003年伊拉克战争爆发后，美国士兵利比·布泽尔开博记录“我的战争”。这是互联网诞生以来首次战场自媒体传播事件。

2008年“地拉”行动，以色列和巴勒斯坦伊斯兰抵抗运动(哈马斯)均在社交媒体平台上开展“第二战场”，通过社交媒体展开激烈的舆论斗争。以色列开辟了多个世界军事传播记录，第一个军事自媒体军事传播专业团队等。哈马斯制定定期更新组织的阿拉伯语和英语网站，其支持者在博客、脸谱、优酷网等平台发布以军打击军事基地打击目标的图片，争取世人的同情和声援。

2011年利比亚战争，多国联军在军事打击的同时，还展开广泛的社交媒体攻势。大肆传播利比亚当局的反战言论，煽动卡扎菲支持者的叛乱情绪。

2012年西非地区军事局势升级，叙利亚内战愈演愈烈，社交媒体动员和影响战争的功能进一步放大。网络媒体实时发布战地图文、直播视频和评论贴文，吸引了众多社交媒体用户关注战况，成为叙利亚国内外不同

◆当今世界，无处不在而又无孔不入的各种社交媒体深刻改变着人们的生活各个方面。◆社交媒体在互联网上蓬勃发展，与传统媒体相互补充、有机融合，在军事领域爆发巨大能量，成为现代战争力量倍增器。

情报战领域力增打击。2006年黎以冲突，真主党武装利用网络媒体以及谷歌地图作为重要情报来源确定火箭弹的弹着点，大大提高了火力精度。近年来，社交媒体迅速普及，引起情报人员密切关注。美军在伊拉克、阿富汗战场照片、视频等数据，由专业情报分析人员进行甄别处理，往往能获取高价值的作战情报。2015年6月，“伊斯兰国”组织一名成员在社交网站上发布了自杀视频，暴露了其组织总部大楼的位置。不到24小时，大楼即被3枚美军空弹摧毁。

多领域发力不遗余力。2014年教皇方济各访问中，俄罗斯通过出其不意的社交媒体攻势，争取了民心，动摇了对手的作战意志。危机期间，乌克兰前总理亚努科维奇个人政治影响力整合并抗衡西方势力，大有控制局面之势。关键时期，俄军将领及副司令希尔斯曼利用一位乌克兰官员的电话录音，在克里米亚，率部兵临的800万俄罗斯人毫无用处，“直播看核武器”“乌克兰三局”等网络事件，引发国际舆论。2014年3月20日，俄罗斯宣布接管克里米亚，乌克兰局势迅速逆转，军事手段条件下“不战而屈人之兵”。社交媒体战成为左右战局的“棋子”。

积极应对社交媒体战威胁

社交媒体传播虚假信息，即所谓“虚假信息”，是指通过社交媒体传播的虚假信息。虚假信息在社交媒体上广泛传播，对国家安全构成严重威胁。各国应积极采取应对措施，提高公民的媒介素养，增强对虚假信息的辨别能力。同时，应加强网络空间的治理，打击网络谣言和虚假信息传播行为。

社交媒体战成为左右战局的“棋子”。

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于军事的军队战斗力，更取决于该国的软实力。在当今世界，军事强国为了争夺国际战略制高点，纷纷将被称为“公共战争”的舆论战上升为国家战略。现代战争实践也充分证明，舆论战是打赢现代战争的重要标志之一。因此，要把提高舆论传播力、舆论影响力纳入军队战斗力建设和运用的总体思路，把舆论战和军队的队伍建设结合起来，全面提升军队战斗力。

健全舆论引导机制，完善相关政策法规。全媒体时代，信息网络空间日益成为舆论斗争的主战场。要健全舆论引导机制，完善相关政策法规，明确网络空间管理职责，落实主体责任，建立健全网络空间管理责任制，确保网络空间安全稳定。

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群策集

总战，是中国古代军事家和先哲的一个重要思想。诸葛亮说：“攻心为上，攻城为下；心战为上，兵战为下。”孙子曰：“是故善战者，善攻者不亡。”孙子曰：“是故善战者，善守者不亡。”孙子曰：“是故善战者，善攻者不亡。”孙子曰：“是故善战者，善守者不亡。”

虑败者胜

■ 胡建伟

总战，是孙子兵法中最高级的战略。孙子说：“夫未战而先胜，此谓之上战。”孙子说：“夫未战而先胜，此谓之上战。”孙子说：“夫未战而先胜，此谓之上战。”孙子说：“夫未战而先胜，此谓之上战。”

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(Image: 2020 PLA Daily article, "Social Media Warfare, A New Pattern of Modern Wars.;" Source: PLA Daily)

The People's Liberation Army (PLA) has come to recognize the important role of social media in modern conflict and peacetime operations. As such, PLA researchers have begun using the term "social media warfare" (社交媒体战) to describe the extension of non-kinetic military activities onto social media by two or more opposing sides. This term is part of an ongoing conceptual expansion of the scope of warfare in Chinese military thought in which social media is viewed as another space for conflict and not just another channel for distributing propaganda. While the term "social media warfare" does not represent PLA doctrine, its emergence does indicate that the Chinese military finds these activities important enough to raise awareness of them amongst its rank and file. Together with other evidence, this suggests the PLA is working to better incorporate social media into its operations.

This article provides an overview of PLA thinking on social media warfare, including its emergence in PLA literature, its theoretical basis, and PLA lessons derived from observations of foreign examples of social media's role in modern warfare. This article does not seek to provide a comprehensive review of PLA thinking about social media's role in military operations, but outlines one part of this conceptual view.

Overview

Emergence in PLA Literature

The earliest mention of social media warfare can be traced back to a 2015 *PLA Daily* that examined social media's role in global events such as Iran's 2009 Green Revolution and the Arab Spring protests in 2011. [1] This timeline aligns with broader PLA awareness of social media, especially insofar as it poses a risk to the Chinese Communist Party (CCP). [2] The article emphasizes that, due to the key role of online communication in inciting protests and garnering rebel support, both of these cases represent some of the earliest examples in which social media has had a direct impact on national security, which the CCP defines as encompassing both internal and external security interests. [3] 2015 was also the year that the PLA National Defense University's *Science of Military Strategy* included its first reference to social media, warning that "Since the beginning of the 21st century, cyberspace has been used by some countries to launch 'color revolutions' against other countries... [through] behind-the-scenes operations using social networking sites such as Twitter and Facebook as the engine, from manufacturing network public opinion to inciting social unrest." [4]

The origin of the PLA's interest in social media thus appears to be primarily defensive, focusing on protecting the CCP regime, rather than offensive, as constituting part of military operations. Given that China was being confronted with similar protests in Tibet (2008) and Xinjiang (2009) around the time this thinking developed, social media's role in catalyzing the above protests was likely of great concern to the CCP and thus the PLA. [5] However, the PLA's awareness of and interest in the power and potential of social media has evolved to now seeing it as a component of modern military operations.

In recent years, this evolution has been marked by references in PLA literature to the use of social media in the US military. For example, in response to the release of the Pentagon's first force-wide social media policy, a 2022 *China National Defense* article warns that this indicates a desire to formalize social media's "weaponization." [6] Another 2022 article from the same publication argues that in the past this "weaponization" has involved impersonating refugees who fled from authoritarian regimes to discredit said governments, and that these efforts will only become more effective with the use of artificial intelligence (AI). [7]

Theoretical Basis

Deconstructing the term "social media warfare" according to PLA military theory sheds more light on conceptual content. Generally speaking, *warfare* (战) in PLA military theory is used to describe intentionally executed

military operations, whereas words like *confrontation* (对抗) or *struggle* (斗争) may just refer to existing conditions between two parties. [8] By this logic, “social media warfare” can be defined as operations taking place in, on, or through social media. However, as previously stated, this is certainly not yet a doctrinal concept, and is simply being used to describe and raise awareness of a burgeoning issue. Whether or not the context in which the term is used fits the PLA’s theoretical notion of warfare must be determined on a case-by-case basis due to its lack of doctrinal status.

Social Media and Its Relationship with Combat Operations

Social media arguably has an increasingly well-defined place within the PLA’s concept of operations. In the context of the information age, the PLA points to “command of information” (制信息权) as the key to gaining the advantage over an adversary on the battlefield. [9] As social media’s place in society has become more ingrained, social media warfare has become one of the avenues for the PLA to conduct information operations to seize this command of information. While some PLA researchers have described social media as a domain of warfare, it is more commonly viewed as a channel for PLA information operations, [10] or as a subset of either the information domain or the nascent cognitive domain (认知域). [11]

Social media’s rise in importance has come during an evolution of the PLA’s approach to information and influence operations. Since the early 2000s, the PLA’s approach has centered on the “Three Warfares” (三战), namely psychological warfare (心理战), public opinion warfare (舆论战), and legal warfare (法律战).

[12] However, there is a growing interest in a new PLA operational concept, “cognitive domain operations” (认知域作战), as part of a broader PLA evolution to leveraging the cognitive domain as a domain of warfare.

Cognitive domain operations (CDO) seek to influence the decision-making of an adversary during wartime — or the public opinion of a target audience during peacetime — with the goal of attaining *command of the mind* (制脑权) or *command of cognition* (制认知权). [13] Far from being confined to PLA theory, CDO appears to be the PLA operational concept behind some real-world operations, most notably political interference against Taiwan. Social media was specifically listed as the key channel for CDO activity against Taiwan in a 2018 article by researchers at Base 311, the PLA’s Strategic Support Force (PLASSF) unit responsible for influence operations against Taiwan. [14]

PLA Lessons Learned from Foreign Operational Examples

A survey of PLA literature suggests that China’s understanding of social media warfare comes just as much from the experiences of other countries as it does from its own. Taking a closer look at the lessons derived from these observations may therefore offer a more holistic perspective of the PLA’s view of this term. The

following section explores three operational examples, the 2003 Iraq War, the 2014 Gaza War, and the 2020 Second Nagorno-Karabakh War.

2003 Iraq War

PLA researchers point to the 2003 invasion of Iraq by the United States as the earliest example of social media warfare, despite social media not yet existing at the time. A 2020 *PLA Daily* article discusses United States messaging prior to the invasion using this framing, [15] marking a change from earlier discussions in which the Iraq War served instead as an example of public opinion warfare. [16] Some PLA researchers have framed the Iraq War as an example of both, suggesting that these PLA researchers are in some ways recycling traditional views of IO under the newer concept of social media warfare. [17] This tallies with Western research identifying Operation Iraqi Freedom as a major inspiration for PLA information warfare. [18] Given the overlap between the two, lessons drawn from public opinion warfare can still provide insight into PLA thinking on social media warfare.

In the 2020 *PLA Daily* article, the author, Zhang Hui, argues that the United States exerted tremendous effort to make the war a bipartisan issue by using various media outlets to popularize the rumor that Saddam Hussein had colluded with Osama bin-Laden and that Iraq was in possession of weapons of mass destruction. By shifting the narrative in its favor, Zhang argues, the United States was able to operate in Iraq without many domestic political constraints. Social media warfare (or rather what was really an earlier iteration of information warfare using the early Internet that Zhang is recasting for the current era) therefore served as an augmentation to traditional U.S. military forces by prolonging the time for which they could remain in Iraq. This represents an early iteration of the public opinion influence emphasized in CDO and highlights the PLA awareness of the role of public opinion in the will to fight (and specifically the United States as a potential future adversary). The article emphasizes that information dissemination and public opinion influence must be incorporated into the military's combat capability construction (战斗力建设), so that these capabilities can be developed in tandem with traditional capabilities. [19] The creation of the PLASSF in late 2015 can in some ways be considered a reflection of this sentiment, as it is charged with the integration of cyber, electronic, psychological, and other capabilities associated with informatized conflict and joint operations. [20]

2014 Gaza War

The 2014 Gaza War was a month-long conflict launched by the Israeli Defense Forces (IDF) against the Hamas-governed Gaza Strip and is one of many examples of the PLA learning from the Israeli military's embrace of social media, specifically by dedicating forces to social media operations: A 2023 *Military Correspondent* article points out that the IDF had a division dedicated to gathering the materials needed to conduct influence operations on social media before the conflict even began. This included biographical information on Hamas leaders, instances of Hamas causing collateral damage by using non-military infrastructure as cover, and instances of Israel trying to avoid civilian casualties. All of these aided Israel's efforts to shift public opinion in its favor. After the fighting started, both sides engaged in psychological warfare

on social media, with Israel posting the photo of a bloodied, high-ranking Hamas military leader and Hamas responding with a post dismissing “Israel’s ‘Iron Dome’ missile defense system as a ‘paper tiger,’” and warning that IDF had “opened the gates of hell.” [21] In the PLA researcher’s view, Israel adopted a two-pronged approach to social media warfare that attempted to simultaneously influence public opinion and degrade the enemy’s will to fight. This aligns with other PLA writings documenting the United States leveraging ISIS postings on social media as intelligence collection to improve targeting for better kinetic strikes. [22] By focusing on the IDF’s preparedness for this conflict, the article emphasizes the need to “further establish a professional social media informatization unit” within the Chinese military. [23] The PLA has undoubtedly relied on the expertise of specialized units within the PLASSF, including Base 311, reflecting an emphasis on the role of social media as a space for CDO in both peacetime competition and future conflict.

2020 Second Nagorno-Karabakh War

PLA Daily published an article in 2020 following the outbreak of the Second Nagorno-Karabakh War, a territorial dispute between Armenia and Azerbaijan. The piece highlighted the reliance of both sides on social media to accomplish their operational objectives. Throughout the conflict, both sides attempted to confuse enemy decision-making by posting false claims on official accounts about having destroyed certain targets. Azerbaijan also conducted “mental attacks” (精神打击) [24] by posting photos of targets that had been destroyed and enemy supply lines being seized in an effort to embolden their own soldiers and degrade Armenia’s will to fight. The article ends by noting that the influence of social media in this conflict “surpassed even the actual war.” [25] This article suggests that at least some in the PLA believe social media’s utility can go beyond merely supporting traditional kinetic capabilities and instead play a decisive role in a conflict. As the PLA continues to emphasize the conceptual expansion of conflict from the material domain to the cognitive domain, such observations may increase the prominence of social media in future operations.

Conclusion

Social media’s increasing significance as a space for non-kinetic military operations has undoubtedly grasped the attention of PLA scholars, who have emphasized the importance of incorporating social media with traditional military capabilities and having military units dedicated to operations on social media, and the potential for it to play a decisive role in operations by complementing kinetic strikes. As the role of social media in modern warfare becomes increasingly well-defined within the PLA’s concept of operations, this new vector of warfare will likely become a more common framing construct for how the PLA thinks about social media and methods of raising awareness for its troops to better leverage social media to China’s advantage in peacetime competition and future conflicts. Ultimately, the concept of “social media warfare” is likely to remain more theoretical, as CDOs serve as the PLA’s primary operational concept for leveraging social media. However, one key indicator to watch for how the PLA thinks about social media moving forward will be its discussion in future revisions of the *Science of Military Strategy*.

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Notes

[1] See Chen Hanghui [陈航辉] and Xia Yuren [夏育仁], “Social Media Warfare: A New Dimension of Information Age Wars” [“社交媒体战: 信息时代战争新维度”], *PLA Daily* [解放军报], September 25, 2015.

[2] Nathan Beauchamp-Mustafaga and Michael S. Chase, *Borrowing a Boat Out to Sea: The Chinese Military’s Use of Social Media for Influence Operations*, Washington, D.C.: John Hopkins University, School of Advanced International Studies, Foreign Policy Institute, 2019.

[3] Yun Sun, *Chinese National Security Decision-making: Processes and Challenges*, Brookings Institution, May 6, 2013.

[4] Xiao Tianliang, ed. [肖天亮], *Science of Military Strategy* [战略学], Beijing: National Defense University Publishing House [北京国防大学出版社], 2015.

[5] Nathan Beauchamp-Mustafaga and Michael S. Chase, *Borrowing a Boat Out to Sea: The Chinese Military’s Use of Social Media for Influence Operations*, Washington, D.C.: John Hopkins University, School of Advanced International Studies, Foreign Policy Institute, 2019.

[6] Shi Wen [石文], “UNITED STATES Military Promotes Social Media ‘Weaponization’” [“美军推动社交媒体‘武器化’”] *China National Defense* [中国国防报], September 9, 2022.

[7] Fu Bo [傅波], “UNITED STATES Military Uses Social Media to Unveil Information Warfare” [“美军利用社交媒体开展信息战”], *China National Defense* [中国国防报], October 10, 2022.

[8] The authors thank Jeffrey Engstrom for this insight.

[9] Xiao Tianliang, ed. [肖天亮], *Science of Military Strategy* [战略学], Beijing: National Defense University Publishing House [北京国防大学出版社], 2020.

[10] See Huang Dianlin [黄典林], “10 Years of Mobile Social Media, How Have We Changed” [“移动社交十年, 我们如何被改变”], *PLA Daily* [解放军报], January 27, 2021; Zhang Liwei [张黎伟] and He Xiaoqiang [和晓强], “How to Strengthen the Image of the Military in the Era of Social Media” [“社交媒体时代如何加强军队形象传播”], *Military Correspondent* [军事记者].

[11] See Nathan Beauchamp-Mustafaga, *Chinese Next-Generation Psychological Warfare: The Military Applications of Emerging Technologies and Implications for the United States*, RAND Corporation, RR-A853-1, 2023.

[12] Wu Jieming [吴杰明] and Liu Zhifu [刘志富], *An Introduction to Public Opinion Warfare, Psychological Warfare, Legal Warfare* [舆论战心理战法律战概论], Beijing: National Defense University Press [国防大学出版社], 2014.

[13] See Nathan Beauchamp-Mustafaga, *Chinese Next-Generation Psychological Warfare: The Military Applications of Emerging Technologies and Implications for the United States*, RAND Corporation, RR-A853-1, 2023.

[14] Liu Huiyan [刘惠燕], Xiong Wu [熊武], Wu Xianliang [吴显亮], and Mei Shunliang [梅顺量], “Several Thoughts on Promoting the Construction of Cognitive Domain Operations Equipment for the Omni-Media Environment” [“全媒体环境下推进认知域作战装备发展的几点思考”], *National Defense Technology* [国防科技], Vol. 39, No. 5, October 2018. For analysis, see: Nathan Beauchamp-Mustafaga and Jessica Drun, “Exploring Chinese Military Thinking on Social Media Manipulation Against Taiwan,” *China Brief*, Vol. 21, No. 7, April 12, 2021; Nathan Beauchamp-Mustafaga, *Chinese Next-Generation Psychological Warfare: The Military Applications of Emerging Technologies and Implications for the United States*, RAND Corporation, RR-A853-1, 2023.

[15] Zhang Hui [张翥], “Social Media Warfare: A New Pattern of Modern Wars” [“社交媒体战, 现代战争的新样式”], *PLA Daily* [解放军报], June 16, 2020.

[16] Liu Hui [刘辉] and Wang Peizhi [王培志], “Four Forms of Public Opinion Warfare in Wars” [“舆论战在战争中的四种形式”], *Military Correspondent* [军事记者], 2006.

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[18] Dean Cheng, “Chinese Lessons from the Gulf Wars,” in Andrew Scobell, David Lai, and Roy Kamphausen, eds., *Chinese Lessons from Other Peoples’ Wars*, Carlisle, Pa.: Strategic Studies Institute, 2011.

[19] Zhang Hui [张翥], “Social Media Warfare: A New Pattern of Modern Wars” [“社交媒体战, 现代战争的新样式”], *PLA Daily* [解放军报], June 16, 2020.

[20] Joe McReynolds and John Costello, *China’s Strategic Support Force: A Force for a New Era*, Washington, D.C.: National Defense University, 2018; Adam Ni and Bates Gill, “The People’s Liberation Army Strategic Support Force,” *China Brief*, May 2019.

[21] Liu Yong [刘永], “Research on and Inspiration from the Application of Social Media in Public Opinion Warfare by Foreign Military” [“外军社交媒体在舆论战中的运用研究和启示”], *Military Correspondent* [军事记者], January 3, 2023.

[22] Zhou Yang [周洋], “An Exploration of UNITED STATES Military Operations on Social Media to Fight ISIS” [“美国打击 ISIS 的社交媒体行动探索”], *Military Correspondent* [军事记者], July 25, 2017, http://www.81.cn/jsjz/2017-07/25/content_7689390.htm. For analysis, see: Nathan Beauchamp-Mustafaga and Michael S.

Chase, *Borrowing a Boat Out to Sea: The Chinese Military's Use of Social Media for Influence Operations*, Washington, D.C.: John Hopkins University, School of Advanced International Studies, Foreign Policy Institute, 2019.

[23] Liu Yong [刘永], "Research on and Inspiration from the Application of Social Media in Public Opinion Warfare by Foreign Military" ["外军社交媒体在舆论战中的运用研究和启示"], *Military Correspondent* [军事记者], January 3, 2023.

[24] While no standard translation exists, it should be noted that this term is distinct from the PLA concept of "psychological attacks" (心理打击).

[25] Zhao Jingxuan [赵静轩], "Social Media Warfare in the Nagorno-Karabakh Conflict" ["纳卡冲突中的社交媒体战"], *PLA Daily* [解放军报], November 26, 2020.

Political Drivers of China's Private Sector Demise

By Daniel Fu



(Image: Li Shangjie, Chairman of the NDRC; Source: Xinhua)

Beijing has recently introduced a blitzkrieg of regulatory measures targeting industries ranging from video games and financial technology to food delivery and education ([Tuzhixi](#), July 27, 2021). The introduction of these regulatory measures has had profound implications on China's economic trajectory. China's tech giants have lost more than a \$1 trillion in value — equivalent to the entire economy of the Netherlands — since measures were first imposed ([Reuters](#), June 16, 2023). China's flurry of regulatory activity has also spooked foreign investors: Japan's SoftBank, for example, suffered a \$54 billion loss after China's crackdown on Alibaba ([Wall Street Journal](#), November 8, 2021). George Soros has written that "investors in Xi's China face a rude awakening," citing Xi Jinping's "crackdown on private enterprise" ([Financial Times](#), August 30, 2021). Timothy Moe, Goldman Sachs's chief Asia-Pacific equity strategist, has stated that China has "sucked the air out of the room in terms of investor attention and focus" ([Financial Times](#), November 16, 2021). Potential mass unemployment in select sectors is another consequence. Liu Xiaodong, Deputy Director of the China Center for International Economic Exchanges, a Beijing-based think tank, has estimated that a third of jobs in China's once 10-million strong education services industry have been impacted by new regulations ([CNBC](#), August 25, 2021).

What are the political drivers of China's regulatory measures on the private sector, and why has China doubled down on them despite their adverse impact on the economy? This article asserts that there are two principal political drivers to Beijing's regulatory crackdowns. First is Chinese leader Xi Jinping's desire to rein in tech barons and business leaders, potential alternative power players who, over the years, have engaged in what central authorities have perceived as greed and overreach. Second is a desire to de-couple strategic sectors of the Chinese economy from the United States in the context of rapidly deteriorating U.S-China relations. Understanding these drivers enables a clearer understanding of China's recent regulatory crackdowns, which carry implications far beyond the domestic Chinese economy.

Laying the Groundwork

First, it must be noted that the imposition of regulatory measures was not sudden; the groundwork had been laid steadily since 2012. Prior to taking power, Xi delivered a speech emphasizing the importance of bolstering the role of Party organizations in the private sector ([Shui5.cn](#), May 24, 2012). Since then, the Chinese Communist Party (CCP) with Xi at the helm has aggressively scrutinized private firms. In 2017, for example, central authorities extended measures that mandated private companies refer to the CCP in their articles of association; and in 2018, China's securities regulator issued a new corporate governance code stipulating that all listed firms must ensure that their internal guidelines enable a substantial role for the party ([PKU Law](#), September 30, 2018). New regulatory agencies have also been formed to bolster Party control over the private sector. In 2014, Beijing established the Cyberspace Administration of China (CAC), which focuses on data security and consumer protection mandates. This was followed in 2018 by the founding of the State Administration for Market Regulation (SAMR), whose mandate includes enforcing anti-trust legislation and rules meant to facilitate fair competition.

Direct takeovers of private firms by the state have also occurred at greater frequency. Between 2015 and 2018, mixed ownership, in which state-owned entities buy out private firms, increased by 24 percent in China. [1] Beijing has also moved assertively to ensure strict government control over China's burgeoning digital economy. In March 2018, China's State Council issued new measures to bolster government control over digital data used for academic or scientific research. It mandates that private companies turn over data and trade secrets to the PRC's Ministry of Science and Technology ([CRS](#), December 10, 2021). In Tianjin, state authorities have asked Alibaba to transfer cloud services from private servers to government-run tech infrastructure ([South China Morning Post](#), August 28, 2021). China's Personal Information Protection Law (PIPL) has also outlined new regulations governing data collection for private firms ([NPC](#), August 20, 2021). Moreover, in September 2020, the General Office of the Central Committee of the CCP issued a directive titled *Opinions on Strengthening the United Front Work of the Private Economy in the New Era* ([Xinhua](#), September 15, 2021). The directive called for the CCP's United Front Work Department (UFWD) to guide private enterprises and encourage improvement in their "corporate governance structure and to explore the establishment of a modern enterprise system with Chinese characteristics."

Furthermore, the CCP has also instigated a campaign to install Party committees in the headquarters and offices of private sector companies. Between 2015 and 2017, over 180 Chinese companies altered their articles of association to grant the Party an official role in their operations ([Made in China Journal](#), April 18, 2019). By mid-2021, according to the Party's Organization Department, 64 percent of managers at the middle-management level and above in private firms are party organization secretaries; and when it comes to "key internet companies," 76.7 percent of these firms have senior executives serving as party organization secretaries" ([Organization Department](#), June 9, 2021). Moreover, a 2022 paper analyzing registration records for all companies in China showed that "while private owners' share of total registered capital increased by 22 percentage points between 2000 and 2019, almost all of this (19.4 percent) came from the expansion of the state-connected private sector" ([NBER](#), 2021). The paper also shows that of the 1,000 largest "private" firms, 78 percent have direct or indirect links with the state. The Party has also stepped up the number of inspections targeting privately-run entities. Ahead of an inspection of 25 financial institutions by the Central Commission for Discipline Inspection (CCDI) in October 2021, Politburo Standing Committee member Zhao Leji stated that inspectors in charge of the investigation would "thoroughly search for any political deviations" ([Sound of Hope](#), September 27, 2021).

Domestic Political Drivers: Reigning in Alternative Power Players

A primary driver of China's regulatory crackdowns is the desire to rein in alternative power players, namely business leaders and tech barons whom the CCP views as threatening its grip on power. China's private sector, and Chinese entrepreneurs, have always been subject to such suspicion. Outspoken private sector tycoons such as agriculture businessman Sun Dawu ([BBC](#), July 3, 2021), publisher Geng Xiaonan ([New York Times](#), February 8, 2021) and real estate mogul Ren Zhiqiang ([New York Times](#), September 22, 2020) have proven to be headaches Beijing. For instance, Jack Ma, China's most prominent tech entrepreneur, famously said in 2015 that "in the past 20 years, the government was so strong. Now it is getting weak. It's our opportunity; it's our showtime, to see how the market economy, entrepreneurship, can develop real consumption" ([Australian Financial Review](#), July 11, 2019).

Thus, Chinese policy elites have long voiced their mistrust of the private sector. In 2016, Zhu Andong, the Dean of Tsinghua University's School of Marxism, derided the impact of private enterprises and asserted that they have contributed to "the worship of money" and an emerging culture of "extreme individualism." He warned that privatization is a "fatal political problem," stating that the "current influence of capitalist ideology may have started affecting the dominance of socialist ideology" ([Beijing Forum](#), October 7, 2016). Those that dismiss scholars of Marxism at Chinese universities should be reminded that Xi Jinping himself earned a Doctor of Laws in Marxist theory, specifically from Tsinghua's School of Marxism. Courses at the Central Party School, led by professors such as Dong Yawei, emphasize that the Party still lacks sufficient control over the private sector. Dong asserts that "existing Party-building policies and systems in private enterprises are not perfect, which limits communication between the private sector and Party leadership." Therefore, Dong asserts that "the private economy and the Party's leadership will be increasingly separated" unless Party control is somehow bolstered ([Communist Party Network](#), June 5, 2019). It is not just Marxist professors advocating such

lines of thinking either. In 2017, Gu Shengzhu, an economist at Wuhan University and a vice-chairperson of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), wrote that it is vital to compel entrepreneurs to “engage with party committees and government departments at all levels” and to “communicate and adhere more to the guiding principle of ‘cleansing yourself and taking the right path’” ([People.cn](#), April 1, 2017).

At a time when domestic economic challenges are accumulating, and as China’s external security environment becomes increasingly hostile, the CCP has sought to cultivate unquestioned legitimacy at home. Any deviation from the party line, especially on the part of successful Chinese tech and business leaders, is viewed as a threat to that legitimacy. It is worth noting the timing of regulatory actions: moves against platform and internet companies on the grounds of antitrust and data security came at an important juncture, just ahead of the 20th Party Congress. Through imposing business and financial regulations, and having private elites cave to them publicly, Xi and the Party have demonstrated that they are unafraid of prominent business leaders, tech entrepreneurs, and their once-growing influence.

External Political Drivers: Strategic Decoupling from the United States

The imposition of regulatory measures has been motivated in part by a desire to decouple from the United States. Increasing the number of regulations that govern the behavior of private companies and restrict capital flows abroad simultaneously encourages business and tech leaders to adhere to the Party’s line and enables Beijing to move towards greater self-sufficiency. Recent tensions with Washington, which have included a damaging trade war and economic sanctions against critical Chinese companies, have further motivated strategic decoupling on Beijing’s part. Zhang Xiaojing, an economist at the Chinese Academy of Social Sciences (CASS), has stated that the “United States, which has already climbed to the summit, wants to kick away the ladder” ([CASS](#), February 23, 2021). Zhang Ming, another CASS economist, has claimed that “the Chinese government is not optimistic about the external environment it faces in the near-term” given a UNITED STATES policy of containment ([WSJ](#), August 12, 2020). President Xi has told state and provincial officials that “for a big country like us, ensuring the supply of primary products is a significant strategic problem” ([SCMP](#), December 13, 2021). Successfully building robust domestic supply chains requires ensuring compliant Chinese enterprises and companies willing to heed or unable to refuse Party requests and demands. This is not easy to do. In consolidating private sector controls and influence, and by embedding Party committees in private companies, Beijing has been able to ensure that no company runs afoul of Chinese export controls on equipment such as drones ([Reuters](#), August 1, 2023), that private sector executives are toeing the Party line, and that private enterprises are making active contributions to Beijing’s ultimate goal of self-sufficiency.

The CCP has also been seeking to invigorate domestic stock exchanges through utilizing leverage over private companies to scrutinize those that are seeking foreign IPOs: In July 2021, China’s State Council imposed additional rules on companies seeking to raise capital from foreign stock exchanges ([Xinhua](#), July 6, 2021); and tech giants such as DiDi have delisted from foreign exchanges ([DiDi Global](#), May 23, 2022). Instead, Chinese companies have been encouraged to list on domestic markets in Hong Kong and Shanghai. However,

despite heeding the message, firms are finding it harder to attract foreign capital. One indicator is the Invesco Golden Dragon China Exchange-Traded Fund, based on U.S.-listed shares of Chinese companies. The fund is down nearly 20 percent on three years ago, before the regulations took hold ([Invesco](#), September 7). The problem has been exacerbated by the fallout from 2022's Covid-19 policies and related restrictions, and by the encroachment of national security concerns which have cooled the appetite of many foreign investors. This latter issue has manifested most clearly this year in the Counterespionage Law, ([Xinhua](#), April 27), which will likely increase uncertainty for foreign firms and discourage investment. Similarly, Arm's recent SEC filings adumbrate a laundry list of political risks now associated with doing business in the PRC, which run to "the potential complete loss of control over its pivotal Chinese subsidiary" ([SEC](#), September 5).

Conclusion

Understanding the political drivers of Beijing's increasingly restrictive economic regulations is essential, especially if they result in protracted economic decline. China's government estimates that private industry contributes more than 50 percent of tax revenue, over 60 percent of GDP, above 80 percent of urban employment ([Xinhua](#), June 29, 2022). A regulatory clampdown has mired the main driver of Chinese economic growth since 1978 in uncertainty and jeopardy. It is now clear that policies instigated in 2021 by Xi are having negative effects. In an effort to shore up regime stability and protect strategic industries, Beijing has ironically found itself in a position in which its economy is instead weakened and its strategic sectors hamstrung by external controls from the United States and allied countries. It is unclear how this will play out in the long-term, but what is unambiguous — and has been for a long time — is the policy direction of Xi's government, and its deleterious effect on the private sector.

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Notes

[1] Neil Thomas, "Party Committees in the Private Sector: Rising Presence, Moderate Prevalence," *MarcoPolo*, December 16, 2020, at <https://macropolo.org/party-committees-private-sector-china/?rp=e>.

[2] Scott Livingston, "The Chinese Communist Party Targets the Private Sector," *Center for International and Strategic Studies (CSIS)*, October 8, 2020 <https://www.csis.org/analysis/chinese-communist-party-targets-private-sector>

Characterizing China's Rule of Law

By Ben Lowsen



(Image: Conference on Xi Jinping Thought on the rule of law; Source: Institute of Rule of Law, China University of Political Science and Law)

Introduction

Chinese President Xi Jinping is working in earnest to develop for China what his government calls “rule by law” (法治). It is sometimes translated into English as “rule of law,” though this is misleading, as Chinese law cannot restrict arbitrary exercise of power at the highest levels: the Party leads everything. As such, an awareness of the term’s precise meaning in the PRC’s legal-political context is crucial for understanding Xi’s intent. The Chinese president has stated that “the rule of law is an important component of the country’s core competitiveness” (*People’s Daily*, November 22, 2020). In light of this, the recently promulgated Foreign Relations Law (对外关系法), which emphasizes China’s competitiveness, provides an opportunity to interrogate Xi’s conception of the rule of law. [1]

The Foreign Relations Law (henceforth, the Law) is timely. The head of the powerful Legislative Affairs Committee said in an interview that out of the PRC's 297 national laws, 52 were dedicated to foreign relations and 150 more had provisions relating to foreign relations. [2] The Law is therefore an important addition, "consolidating and describing the major policies and principles of China's foreign affairs," in the words of current (and former) foreign minister Wang Yi. [3] Moreover, it comes at a moment in which China is at once increasingly emboldened on the international stage, and whose relations with many developed countries are increasingly fraught. Support from abroad could be helpful for China as it attempts to navigate out of a mismanaged end to the Covid-19 pandemic, but there is little to reassure foreign partners that their investments rule in the country will be protected by its laws.

The Foreign Relations Law

China's Foreign Relations Law was promulgated by the Standing Committee of the National People's Congress on June 28, 2023, and took effect on July 1. The Law itself has six sections: provisions, authorities, goals and tasks, systems for foreign relations, safeguards for developing foreign relations, and a supplementary provision. It seeks to consolidate and focus China's approach to foreign relations, while also "accelerating the construction of foreign-related rule of law, improving the level of legalization of foreign-related work, effectively responding to risks and challenges, and better safeguarding China's sovereignty, security, and development interests through legal means." [4]

In line with Xi's concerns over regime stability, a major function of the Law is buttressing the position within the government of "Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era" (article 3), as well as the Chinese Communist Party (CCP) itself (article 5; cf. *Gleichschaltung*, [Qiu Shi](#), April 1, 2019). To this end, the Law enacts provisions to constrain government bodies to perform as the Party expects: Lawmaker Wu Zeng explains that the Law "clarifie[s] the division of duties and powers of relevant state organs in handling foreign relations." [5]

One function of the Law is to codify responsibilities regarding international treaties. In articles 10-12, the legislative and executive responsibilities as stated in previous legislation are reiterated, with the exception that the Law grants authority to approve treaties to the NPC, and not just the NPC Standing Committee. Wu explains that this variance is based on the Constitution and "experience approving treaties." [6] The Law also contains provisions which constrain the scope of treaties (articles 30-31), specifying that they may not "contravene the Constitution" or "damage national sovereignty, security or societal public interests." By comparison, the U.S. Constitution places treaties on an equal footing with law, defining them as part of "the supreme Law of the Land." [7] The vagueness of these prohibitions (what falls under the scope of "damaging societal public interests"?) is a feature of the Law as a whole.

The broadness of some of the language makes the Law's impact difficult to ascertain for now, but some representative articles suggest that concern is warranted: sweeping powers, now enshrined in law, leave the

government ample room to intervene as it sees fit in various domains — potentially even beyond PRC borders. For instance, articles 6 and 37 state:

National bodies and the armed forces, each political party and people's organization, enterprises, professional institutions, and other social organizations, as well as citizens, have the responsibility and obligation in foreign exchanges and cooperation to protect national sovereignty, security, dignity, honor, and interests.

...

The state takes necessary measures according to law to protect the safety and legitimate rights and interests of Chinese citizens and organizations abroad, and to protect the country's overseas interests from threats and infringements.

The codification of laws covering extraterritorial activities are not novel to China, but the language here is indicative of an emboldened state with increasing interests overseas that it deems critical to protect. In fact, these articles are redolent of China's assertive "Wolf Warrior diplomacy" and its sometimes crude approach to foreign states and peoples: For instance, Wang Yi lamented in July that "When we go to the United States, they all think we're Asians. They can't tell the difference between Chinese, Japanese or Koreans." ([ifeng](#), July 4, 2023)

This rhetoric is at odds with Xi's more grandiose, benevolent global vision, which include the Global Development Initiative (which includes the Belt and Road Initiative), the Global Security Initiative, and the Global Civilization Initiative. These initiatives are currently lacking in substance, but essentially aim to provide a framework for China's economic, security, and cultural exchanges with countries around the world. Significantly, the new Foreign Relations Law codifies these concepts for the first time. A further tension with "Wolf Warrior" diplomacy is the Law's calls for "high-level openness towards foreign countries" (article 26), particularly broad economic cooperation, and support for the rights of foreigners and foreign organizations within China (article 18). Similarly, while article 39 promotes international cooperation to crack down on international crimes, there is a clear conflict between extraterritorial actions and programs such as Operation Fox Hunt and attempted suppression of critical speech worldwide on the one hand, and China's overtures to foreign countries under the guise of buttressing the international legal order on the other. A case in point is article 18, which states that the PRC participates in the "reform and development" of the global governance system, suggesting the PRC's intentions to proactively shape the international political environment.

The Law also covers the state's approach to sanctions. Article 35 authorizes the government to "implement binding sanctions resolutions and related measures issued by the UN Security Council under Chapter VII of the UN Charter." This is curious because, as much as Beijing criticizes the United States for its use of official sanctions, [8] the PRC regularly uses unofficial sanctions to express its displeasure, for example against South Korea after it accepted the United States's THAAD system and Australia after it called for an investigation into Covid-19's origins ([Peterson Institute](#), December 14, 2020). Since a key goal of the Law was to formalize authorities, one might have expected the Law to formalize this form of sanctioning, but it does not. To be sure,

the Law authorizes the PRC to adopt “countermeasures and restrictive measures” in response to foreign sanctions and other negative acts (article 33), similar to provisions found in the Countering Foreign Sanctions Law of June 10, 2021. However, such a process is not defined. This underlines one of the Law’s inherent contradictions: Even while the Law can be seen as part of a wider project to build a comprehensive legal apparatus for the state, the Party nevertheless sits above the entire edifice ([NPC](#), February 28, 2018). Political scientist Minxin Pei, in an interview with Willy Lam, notes that the law “provides Beijing a legal instrument to impose sanctions on its adversaries in the future.” Lam concurs, seeing it as a vehicle to legitimize tough measures that Beijing is taking against the ‘bullying’ of the ‘hegemonic West’ ([China Brief](#), July 5, 2023).

Overall, as Lam has argued, the Law is geared to “legitimize – and reinforce – foreign policy goals set by Xi since he came to power in 2012,” while underscoring the PRC tradition that “the No. 1 leader in the party has sole responsibilities in formulating foreign and national-security policies.” The Law also has utility for supporting what he calls “Xi’s controversial decisions to back up his good friend Vladimir Putin and to engage in breakneck competition with the US-led ‘anti-China’ coalition” ([China Brief](#), July 5, 2023).

On the Rule of Law

Intertwined in Xi’s goals for the law is his program to develop “the rule of law,” although that is a misleading translation of the Chinese term (法治). This has been a goal for PRC paramount leaders for some time. [9] According to the Party’s “Implementation Outline for the Development of Government under Rule of Law (2021-2025)”:

By 2025, government conduct will be fully integrated into the track of rule according to law... laying a solid foundation for the establishment of a country under the rule of law, a government under the rule of law, and a society under the rule of law by 2035. [10]

The PRC’s use of “rule of law” conflates what Wang Yi and Wu Zeng call “socialist rule of law with Chinese characteristics” with the Western democratic variety. In the Chinese tradition, the term harkens back to the Legalist tradition, whereby the law is used instrumentally as a tool of governance. A closer translation of this concept might be “rule by law.” However, the modern English usage connotes a form of tyranny while the ancient Legalists saw it as a way to control the population and make the country “wealthy and strong.” [11] Thus the connotation of “rule by law” is positive in Chinese but negative in English. The translation of the term as “rule of law” in English is also seen in the formulation “ruling the country according to law” (依法治国). This translation follows modern PRC practice but again potentially glosses over profound differences in meaning. Constitutional scholar Zhu Fuhui clarifies it this way: “China’s socialist constitutional governance is government-led, unlike those of Western countries in which the constitution rules over the government. In a nutshell...it is the political and law enforcement systems that reform and establish a modern system of government to ensure political legitimacy and socialist democracy are naturally interwoven.” [12]

Since the “rule of law” in the West refers to “the restriction of the arbitrary exercise of power by subordinating it to well-defined and established laws,” [13] we might see the Law’s clarification of responsibilities as signaling a crucial check on power. However, while assigning powers to government bodies can define a legitimate process, it cannot by itself prevent abuse. Thus, there is little expectation that the Law will be applied impartially in the liminal area between government corruption and malfeasance and Xi’s perception of political threats.

Conclusion

There is a fundamental contradiction between Xi Jinping’s desire for modern governance and his need for authoritarian control. He wishes China to have a full array of laws that constrain his government, but do not constrain him. This system of “socialist rule of law with Chinese characteristics” has a form of limited governance, individual rights (in the ability to vote), and juridical legitimacy. [14] But Xi’s ability to set the legislative agenda, to use the security apparatus to eliminate any perceived threat, to violate the rights of citizens *en masse* in the most extreme fashion [15], and to stifle any mention of violation of rights, all without legal recourse, demonstrate that the true potential power of the PRC state is unlimited by law.

Indeed, a system by which laws are established and periodically updated is the lifeblood of modern governance. While Xi’s system does that, its lack of checks on executive power negates the benefits. Without these safeguards, China’s laws are at best a vehicle to promote the paramount leader’s objectives. The PRC’s “securitization” of society and expanded definitions of security issues should give pause to anyone visiting or conducting business with the PRC.

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Notes

[1] The Law on Foreign Relations of the People's Republic of China ([CN [link to gov.cn](#)] English here: <https://english.news.cn/20230628/28c7aedd386440ba9c370eb22476d430/c.html>).

[2] “全国人大常委会法工委负责人就对外关系法答记者问 [Leader of the NPC Standing Committee Legislative Affairs Commission Answers a Reporter’s Questions on the Foreign Relations Law],” (hereafter “NPCSC LAC”) (<http://www.npc.gov.cn/npc/c30834/202306/dfb5d69d9ba34a3ca36bbc76d6b567d5.shtml>); 学习平台 [Learn from Xi Platform] website (<http://www.12371.cn/special/xxzd/hxnr/wj/>).

[3] Wang Yi, “贯彻对外关系法，为新时代中国特色大国外交提供坚强法治保障 [Implement the Foreign Relations Law to Provide a Strong Guarantee of Rule According to Law for Great Power Diplomacy with Chinese Characteristics in the New Era],” *People’s Daily*, June 29, 2023 (<http://politics.people.com.cn/n1/2023/0629/c1001-40023485.html>);

[4] NPCSC LAC.

[5] Wu Zeng, “关于《中华人民共和国对外关系法（草案）》的说明 [An Explanation of the PRC Foreign Relations Law (Draft)],” October 27, 2022 (given at the 37th meeting of the 13th session of the NPC Standing Committee, http://www.npc.gov.cn/npc/c30834/202306/6aa6c46e80574fc88e3821a9e47eb646.shtml?utm_source=subst&utm_medium=email).

[6] *ibid.*

[7] Constitution of the United States of America, section 4, article 6 (<https://www.senate.gov/about/origins-foundations/senate-and-constitution/constitution.htm>); Constitution of the People’s Republic of China, 1982 (https://www.gov.cn/guoqing/2018-03/22/content_5276318.htm).

[8] PRC Ministry of Foreign Affairs, *US Hegemony and Its Perils*, February 20, 2023.

[9] “胡锦涛强调依法治国依法执政 [Hu Jintao Emphasizes Rule According to Law and Governance According to Law],” *Xinhua*, October 10, 2007 (https://www.gov.cn/test/2007-10/10/content_773239.htm); See also *Zhongguo Gongchandang Xinwen*.

[10] “中共中央 国务院印发《法治政府建设实施纲要（2021—2025年）》 [CCP Central Committee Publishes ‘Implementation Outline for the Development of Government under Rule According to Law (2021-2025)’],” *Xinhua*, August 11, 2021 (https://www.gov.cn/zhengce/2021-08/11/content_5630802.htm); draft translation at China Law Translate (<https://www.chinalawtranslate.com/en/gov-rule-of-law-outline/>)

[11] “Biography of Shang Jun,” chapter 68 in Sima Qian, *史记* [*Chronicles of the Historian*].

[12] Zhu Fuhui, et. al, *Towards Constitutional Governance: Studies in Basic Issues of Chinese Socialist Constitutional Governance*, (Xiamen: Xiamen University Press, 2011), foreword.

[13] Google.com definition by Oxford Languages.

[14] Zhu Fuhui, et. al, *Towards Constitutional Governance: Studies in Basic Issues of Chinese Socialist Constitutional Governance*, (Xiamen: Xiamen University Press, 2011), foreword.

[15] OHCHR Assessment of human rights concerns in the Xinjiang Uyghur Autonomous Region, People’s Republic of China, August 31 2022. (<https://www.ohchr.org/sites/default/files/documents/countries/2022-08-31/22-08-31-final-assesment.pdf>);