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Decoding China's Dilemma: The Difficulties Of Economic Reform

by Sunny Cheung



People's Bank of China. (Source: Wikipedia)

On November 27, the State Council of the People's Republic of China (PRC) unveiled a new policy, titled "Notice on Strengthening Financial Support Measures for the Private Economy (关于强化金融支持举措助力民营经济发展壮大的通知)" ([People's Bank of China](#), November 27). The notice introduces a set of 25 measures crafted to reinvigorate the private sector. These prioritize key areas such as technological innovation, green initiatives, and primary support for small to medium-sized enterprises. The package includes increasing financial assistance and gradually enhancing the proportion of loans to private businesses. It underscores the importance of facilitating credit, lowering interest rates, issuing bonds, and other kinds of financial instruments to meet the varied financing needs of private enterprises.

This policy measure echoes mandates put forth during the 20th Party Congress in October 2022 and Central Financial Work Conference held at the end of October 2023 in response to China's deepening economic woes ([Xinhua](#), November 1). This backdrop has prompted policies aimed at addressing the challenges facing the Chinese economy. In October, the PRC National Bureau of Statistics announced that the Consumer Price Index (CPI) fell by 0.2 percent year-on-year—worse than expected and marking a contraction since July ([RTHK](#), November 9). This ominous data, which includes price deflation for both July and October this

year, is indicative of significant weakness in domestic demand, particularly due to the underperforming real estate market, which affects citizens' expectations for asset prices. The ongoing economic downturn in China also refutes the notion that economic chaos would clear up after the abandonment of the Zero-Covid policy. This situation is also similar to the Japan-style recession in the 90s in which consumption and investment are further repressed in favor of paying down debt. China's recent response has been to implement a series of economic stimulus measures in an attempt to revive its weakening national economy.

These stimulus measures initially sparked surprise and optimism within among Chinese business people and enterprises, whose “eyes lit up (眼前一亮)” at the news, according to one online report ([Baijiahao](#), November 11). For these people, it signals a strengthened commitment to empowering the private sector within China's economic landscape through long-awaited support measures, and potentially indicates a departure from the controversial strategy of “the state advances, the private sector retreats (国进民退).” Historically, this strategy posed severe challenges for private enterprises, especially during the Wen Jiabao era (2008–2012). At that time, the government disproportionately supported state-owned enterprises (SOEs) to help the nation recover from the aftermath of the global financial crisis ([China Brief](#), November 16, 2012). By comparison, small and medium-sized firms received very little state support and could not apply for loans at interest rates anywhere near as favorable as those offered to SOEs.

The question remains as to whether this seemingly relaxed policy of further stimulus can succeed in boosting domestic demand where previous policies have failed. And the PRC, especially under the leadership of Xi Jinping, has followed a pattern of advancing only to retreat, revealing an undercurrent of contradiction and indecision that often perplexes and exasperates both domestic and international observers. The economy has suffered from weak domestic demand for a while, with challenges in industrial and retail sales, and a housing market that continues to be beset by crisis. Investments into China's real estate market declined for the 17 consecutive months up to August. ([Reuters](#), August 15).

Xi Jinping is clearly aware of the structural imbalances within the Chinese economy. At the peak of pandemic in 2020, he underscored that in this era filled with uncertainty, weakened demand, and external hostility, China must adjust its economy and become more self-reliant to maintain growth even if an adversary tried to harm China's economy ([Yicai](#), May 15, 2020). Xi said that China needs its people to spend more money and its domestic manufacturers to innovate more. Xi called his new grand scheme the “Dual Circulation (双循环)” strategy. Under this policy scheme, China should regard internal demand and innovation as the primary drivers of economic development and establish a domestic economic ecosystem, while maintaining foreign markets and investors as a secondary engine for economic growth. In September 2020, Xi further issued “important instructions” on his new economic plan, stating that it is necessary to unite private economic individuals around the Party to promote the development of the private economy ([Xinhua](#), September 16, 2020).

In February 2021, the State Council's implementation of the “Anti-Monopoly Guidelines for the Platform Economy (关于平台经济领域的反垄断指南)” briefly rekindled optimism for a flourishing private sector

([SAMR](#), February 7, 2021). However, this was quickly overshadowed by stringent crackdowns on numerous private sector tech giant, including Jack Ma's Alibaba and Meituan (a platform akin to Uber-Eats), as well as ride-hailing service Didi Chuxing. A slew of new regulations accompanied the crackdowns. These moves by the regulatory authorities confounded market expectations and ironically signaled a strengthening of control over private businesses and a politicized commercial environment. No signs have shown that the private sector is strengthened significantly. To take one example, after Xi's attempt to assist the private sector, between January 2022 and June 2023, growth in private investment, however, continued to decline. ([World Bank](#), June 2023).

Economic struggles are also evident in the dramatic decline in Foreign Direct Investment (FDI) in recent months. This summer, the PRC State Administration of Foreign Exchange (SAFE)'s latest data showed that from April to June, China attracted only \$4.9 billion in FDI. This is a decrease of 76 percent compared with the first quarter of 2023, and an 87 percent drop over the same period in 2022—the lowest level in the past 25 years ([RFA](#), August 8). Despite this, China's central bank has intensified oversight of large-scale dollar purchases. This adds too many uncertainties for international businesses, including growing concerns about the disturbing impacts brought by the latest counter-espionage law, data-transfer regulations, and unexpected raids on foreign firms ([China Brief](#), October 20; [China Brief](#), November 3). For instance, Craig Allen, President of the US-China Business Council, expressed reservations about the counter-espionage law, cautioning that "Confidence in China's market will suffer further if the law is applied frequently and without a clear, narrow, and direct link to activities universally recognized as espionage" ([USCBC](#), December 1). Such concerns are supported by data from American businesses, many of whom are pessimistic about their prospects in China ([AmCham](#), April 28). For the first time in history, a majority of responding companies said China is no longer seen as a "top three investment priority." A separate statistical dataset also noted a 61 percent plunge in private equity and venture capital investments in China's telecommunications, media, and technology sectors in the second half of 2022 ([Caixin](#), June 16).

The primary challenge facing China's economy goes deeper even than longstanding structural issues like an aging population, a dwindling labor force, and a severe wealth gap. The more pressing and overriding concern lies in the Party's extensive control over domestic industries. This also entails the problems caused by Xi Jinping's conflicting actions and indecision, and the crucial question of whether the market and international business community perceive China as a reliable and trustworthy actor.

One new proposal by the State Council can hardly restore the confidence of both foreign and domestic investors, not to mention stimulating a new economic growth, without addressing its interventionist approach. It is, unfortunately, a common belief among autocratic leaders that a centralized approach is more efficient for directing a nation's economy. However, as China stands at this pivotal juncture, the challenge of balancing conflicting policy objectives while still fostering a conducive business environment is increasingly daunting. It may be too soon to take argue that this latest policy notice can bring about the fundamental changes for the economy required to alter the landscape for the private sector and to stimulate domestic consumption.

The current situation thus presents a stark reality: The new policy by the State Council is likely to be another failure, as it seeks to perpetuate the status quo and avoid the reconciliation of Xi's competing agendas and ideologies. At the end of the day, the true formula for China's economic success might not be as miraculous as the CCP claims. A controlled economy will eventually struggle to reap the benefits of a free market, where creativity and opportunity are celebrated as successes rather than controlled as threats.

The prospect is not favorable for Xi Jinping, as the market and foreign investors increasingly responds by withdrawing from the Chinese market. Wealthy Chinese also are opting to relocate their assets overseas, with an estimated outflow of over \$150 billion this year, instead of investing and spending domestically ([Bloomberg](#), August 14). The need to balance security and foreign policy priorities against the imperative to create an attractive business environment presents a formidable challenge. However, if Xi Jinping sincerely hopes for this new policy to be effective, he must work harder and in the right direction. This pivotal moment for China is made even more complex by the interplay of political rhetoric and diplomatic posturing on the global stage. The future of China's ongoing efforts at economic reform will continue to require careful observation and assessment, but it is evident that the success of this latest measure is unlikely unless there is a fundamental shift in Xi's approach to governance.

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PLA Officer Cadet Recruitment: Part 2

by Kenneth W. Allen & Jie Gao



Air Force Y-20 aircraft sends newly-enrolled pilot cadets to universities. (Source: [Chinamil](#))

Editor’s Note: *This is the second article in a two-part series on People’s Liberation Army (PLA; 人民解放军) officer cadet recruitment since the PLA reduced the number of officer academic institutions (院校) in 2017 to 34, as part of the 11th Force Reduction that began in 2016. There had previously existed 63 such institutions since 1998. This article examines recruitment of aviation cadets for the PLA Air Force (PLAAF), Naval Aviation, and Army Aviation, with a focus on 2023 and 2024. The article does not discuss education or training once they assume their cadet billets. For Part 1, click [here](#).*

The recruitment process for PLAAF Aviation Branch, Naval Aviation, and Army Aviation cadets is different than that for non-aviation cadets. While there is some overlap for recruitment for each of the aviation branches, there are also distinct differences. This article discusses the recruitment process for each aviation branch in turn. For example, in July 2023, the number of PLAAF pilot cadets reached the highest number ever ([MND](#), July 19; [MND](#), November 3), and after Naval Aviation turned over its land-based combat aircraft units to the PLAAF in 2023, it began recruiting master’s degree students as new pilot cadets for carrier-based aircraft.

Aviation Branches: A Brief History

There are three main aviation branches in the PLA: the Air Force Aviation Branch (空军航空兵), Naval Aviation Branch (海军航空兵), and Army Aviation Branch (陆军航空兵). Each have their own aviation cadet academic institutions ([Jamestown Foundation](#), April 8, 2016). [1] Each of the three services also contains an Aviation Bureau (航空兵局) under the Staff Department (参谋部) that serves as the *de facto* Aviation Headquarters, as none has an official Aviation Headquarters. [2]

Air Force Aviation Branch

The Aviation Branch was created alongside the PLAAF in November 1949. [3] The PLAAF began with over 15 flight preparatory schools (航空预备学校) and aviation schools (航空学校), which provided one to three years of training before the pilots were assigned to their operational unit. [4] The schools were upgraded to four-year academies in 1985 and the number of institutions reduced to seven in the 1990s. In May 2004, the PLAAF created the Air Force Aviation University (AUAF; 空军航空大学) in Changchun, Jilin Province. All aviation cadets took a four-year training course here, before moving to one of the seven flight academies, which became responsible for two additional years of training upon graduation ([Xinhua](#), August 30, 2018). In 2011, the seven flight academies were merged into three. These are still responsible for one to two years of pilot training, depending on which airframe the students will fly once they are assigned to an operational unit.

Naval Aviation Branch

In 1952, the PLA Navy (PLAN) Headquarters established Naval Aviation as one of its five branches and created the Naval Aviation Department (海军航空部) that served as the *de facto* Naval Aviation Headquarters. [5] It was located at Liangxiang airfield near Beijing. [6] Over the next five decades, the Aviation Department was abolished (1969), reestablished (1978), and abolished again (2003). Today, there is a Naval Aviation Bureau under the PLAN Staff Department, but there is no Naval Aviation Headquarters.

The Naval Aviation University (海军航空大学), whose main campus is located in Yantai, Shandong Province, was created in July 2017 by merging the former Naval Flight College (海军航空兵学院) and the Naval Aeronautical and Astronautical College (海军航空工程学院), which is also identified as the Navy Aviation Engineering Academy ([The Paper](#), May 28, 2017). [7]

Army Aviation Branch

In October 1986, the Central Military Commission (CMC; 中央军事委员会) created an Army Aviation Bureau (陆军航空兵局) as a second-level department under the General Staff Department (GSD), which served as the PLA Army (PLAA) Headquarters. It also created a separate Army Aviation Branch under the GSD and the Army Aviation Bureau served as the *de facto* Army Aviation Headquarters. [8] At that time, most of the PLAAF's

helicopters were turned over to Army Aviation. The Army Aviation Academy (陆军航空兵学院) was approved for construction in 2001 and was opened in Beijing's Tongzhou District in November 2003. [9]

Aviation Cadet Recruitment

The recruitment process for Air Force Aviation, Naval Aviation, and Army Aviation cadets differs significantly from that of non-aviation cadets. Aviation recruits sign up through separate websites to non-aviation recruits. The PLAAF is responsible for the recruitment of both Air Force Aviation and Army Aviation cadets, while Naval Aviation has its own system. For example, the MND website ([MND](#), accessed November 7) and the Naval Aviation website ([HJZF](#), accessed November 7) are the main resources for aviation cadet recruitment.

Air Force Aviation Cadet Recruitment

New cadets who attend the AUAF for four years come from two primary sources: high school graduates and the Teenagers Aviation School of the Air Force (TASAF; 空军青少年航空学校). [10] The latter is also known as the “Little Eagle” (雏鹰) program. [11] A third program, known as the dual-enrollment program (DEP; 双学籍), was created in 2011 at three civilian universities in Beijing (Tsinghua University, Peking University, and Beijing Aeronautics and Astronautics University). Around 90 students spend their first three years at these universities before spending their fourth year at AUAF. Altogether, the PLAAF has had 12 groups of female pilot cadets. The 13th group began in 2021 and will graduate from AUAF in 2025.

The TASAF program began in 2011, and in 2015 the Ministry of Education, Ministry of Public Security, and former PLA General Political Department jointly approved the establishment of 16 such schools ([Sina](#), September 17, 2015; [China Military](#), July 24, 2015). Out of the 96 graduates in 2014, 39 were selected to join AUAF. In 2015, the first five schools recruited a total of 405 students. In August 2018, 178 of the students (44 percent) were selected to attend AUAF ([The Paper](#), August 2, 2018). In 2022, over 400 graduates from TASAF schools were selected out of over 1,000 new cadets—the highest to date ([China Military](#), August 3, 2022). The PLAAF has indicated that its goal is to increase the number of TASAF graduates who are selected and to make this program the primary source for future cadets.

Table 1 below shows the number of new male pilot cadets selected for education and training at the Aviation University for each year since 2015. It also includes the number of new female cadets in groups 11–13, as well as the number of students who completed their first three years in the DEP ([nczsk](#), September 9, 2021; [ishengxue](#), September 20, 2022).

In 2018, more than 123,000 high school graduates participated in the recruitment examination. No data was found for subsequent years, but it is reasonable to assume that the numbers have been similar since ([Ministry of Defense](#), July 18, 2018). After primary and secondary examinations, 5,100 graduates attended final physical, psychological, and political assessments. In the end, the PLAAF recruited 1,480 out of the 2,452 qualified graduates.

The number of recruits in 2023 is the highest on record. This is most likely because Naval Aviation turned over its land-based fighters (3 brigades) and bombers (2 regiments) to the PLAAF in early 2023, increasing the PLAAF's demand for pilots. [12]

Table 1: New Male and Female Pilot Cadets

Year	New Male Cadets	Comments
2015	1,300 [a]	High school graduates and dual-enrollment students
2016	Unknown	
2017	1,075 [b]	High school graduates; plus 35 women (11 th group); dual-enrollment students [c]
2018	1,480 [d]	High school graduates and dual-enrollment students
2019	1,519 [e]	High school graduates; plus 40 women (12 th group) [f]; dual-enrollment students
2020 & 2021	Unknown	35 women (13 th group) in 2021 [g]
2022	1,000+ [h]	400+ graduates from the TASAF program; 60 students selected to begin the dual-enrollment program
2023	(1,500+?) [i]	Highest number ever

(Sources: [a] [CCTV](#), November 14, 2014; [b] [The Paper](#), August 2, 2017; [c] [Xinhua](#), June 7, 2017; [d] [Ministry of Defense](#), July 18, 2018; [e] [Zhihu](#), October 12, 2019; [f] [Ministry of Defense](#), June 17, 2019; [g] [China News Guizhou](#), July 21, 2021; [h] [China Military](#), August 3, 2022; [i] [Xinhua](#), July 19.)

PLAAF Pilot Recruitment Process

The PLAAF Staff Department’s Pilot Recruitment (空军招飞局) was created in 1987 and is responsible PLAAF aviation cadet recruiting activities ([China Education Online](#), September 13, 2013). It includes regional selection centers (选拔中心) (Shenyang, Beijing, Lanzhou, Jinan, Nanjing, Guangzhou, and Chengdu), which are based on the seven former Military Region Air Force Headquarters, as well as multiple subordinate selection sites under each center ([Yangguang Gaokao](#), September 7; [Ministry of Defense](#), June 16, 2022). Since 2007, the PLAAF Pilot Recruitment Bureau has had its own pilot recruitment website (Figure 1). [13]



Bureau for all seven

Fig. 1: PLAAFF Pilot Recruitment Bureau website banner.

In September each year, high school seniors who want to become pilots submit an application form to the relevant recruiting center ([Gk114](#), September 5, 2022): The form has changed over the years, but retains the same basic information ([Gaokao Information](#), September 19, 2019). Figure 2 below shows the application form for 2023, which students filled out in late 2022. The form asks for personal identification and physical information, contact information, high school location and grades, and family background. Both applicants and their parents have to sign the form to confirm their consent.

scores for first-batch universities, or above the slightly lower “special admissions control line for those students with talent in the arts or sport. Air Force recruitment is an early batch admission, so applying for the Air Force will not affect your application for other colleges and majors [See [Part 1](#)].

The Air Force generally recruits pilot cadets through three rounds of selection (steps 2–4 below). A comprehensive selection process is as follows ([Gaokao Information](#), September 7):

1. Students who meet the basic requirements for flight recruitment can scan the QR code on the form shown in Figure 2 or search for the Flight Recruitment Intelligence” (招飞智询) mini-app on WeChat to register online and contact the relevant recruiting office.
2. From October to November 2023, the relevant Selection Center works with the education departments at all levels in all provinces, autonomous regions, and municipalities to set up test centers in each recruitment city to organize basic physical condition screening. Registered students must bring their ID card (household registration book) and “Preliminary Examination Form” (初选检测表) to the nearest location for examination. All preliminary arrangements are announced on the official WeChat account once confirmed.
3. In January 2024, the relevant Selection Center selects candidates who are expected to reach the minimum score for first batch universities based on their high school academic performance and school evaluation. It also organizes selection based on medical, psychological, and political assessments.
4. In the first half of 2024, the Air Force Pilot Recruitment Bureau organizes two stages of medical selection and psychological selection for candidates who meet the recommended, held before and after the college entrance examination. Candidates who meet the required college entrance examination scores are admitted, as long as they have also met the physical and psychological selection levels.
5. Once high school graduate pilot cadets are recruited into AUAF, they commence a three-month probationary period. Those who complete the probationary period will obtain full student status and military status.
6. Starting in 2022, the PLAAF sent Y-20 transport aircraft on July 31 and August 1 to Shijiazhuang, Jinan, Nanjing, Changsha, and Chengdu to transport newly-admitted pilot cadets to AUAF for registration for the first time ([China Military](#), August 3, 2022).

Naval Aviation Cadet Recruitment

Historically, prior to 2006, Naval Aviation recruits came from only four provinces—Liaoning, Hebei, Shandong, and Henan. For the 2014 cycle, Naval Aviation also began recruiting from Anhui and Hubei, as well as from Beijing ([Guancha](#), January 11, 2013; [Gaokao Information](#), September 26, 2013). In 2019, recruiting was extended to 22 provinces, autonomous regions, and municipalities ([China Military](#), July 26, 2019). In 2021, recruiting took place in over 20 provinces, autonomous regions, and municipalities ([Hjzf](#), October 15, 2021).

The Naval Aviation Cadet Recruitment Office (海军招收飞行学员工作办公室/海军招飞办) in PLAN Headquarters oversees all Naval Aviation pilot recruitment ([Hjzf](#), September 13). The Recruitment Office has its own website at <http://www.hjzf.mil.cn> ([Hjzf](#), September 13). Unlike the PLAAF’s Pilot Recruitment Bureau, which has subordinate offices in seven cities, the Naval Aviation Cadet Recruitment Office does not appear to have subordinate offices in any of the three Theater Command Navy Headquarters or in any of China’s regions.

New cadets attend the Naval Aviation University located in Yantai, Shandong Province ([The Paper](#), May 28, 2017). [14] New cadets come from four primary sources. The first source is male high school graduates. The second source is from the Teenagers Aviation School of the Navy (TASN; 海军青少年航校) program, which was created in nine schools beginning in 2015 to cultivate future carrier aircraft pilots. This program expanded into five additional schools in 2018 ([Xinhua](#), March 25; [China Military](#), July 26, 2019). As of March 2023, about 4,500 TASN students had passed the preliminary examination to become a cadet. The third source is the Naval Aviation's dual-enrollment program (DEP; 双学籍). This operates in the same three civilian universities in Beijing as its counterpart in the PLAAF, described above. The fourth source is a program, commenced in 2023, to recruit civilian college graduates (地方大学毕业生). The requirements for these are the same as for high school graduates except the age limit is 24 ([Hjzf](#), March 26). These students receive three to four years of education at the Naval Aviation University. Of note, Naval Aviation began recruiting its first class of female pilot cadets in early 2023 ([USNI News](#), February 21; [PLAN Wechat](#), February 19).

In early November 2023, the Navy launched its comprehensive recruitment and selection process for 2024, selecting carrier-based aircraft pilot students from among high school graduates and recent undergraduate and master's graduates in science and engineering ([Xinhua](#), November 3). This was the first time the Navy has selected pilot cadets from students with master's degrees. There are no plans to recruit female pilot cadets into the 2024 class. Admitted pilot cadets are mainly trained at the Naval Aviation University. However, the training models for high school graduates and recent college or university graduates are different. Admitted high school graduates will undergo undergraduate basic education for the first three years, before taking three to four years of aviation theory study and flight training. College and university graduates need only participate in two months of enlistment training and soldier training before starting the three to four years of aviation theory study and flight training. All personnel who wish to apply to become a naval aviator, including high school, undergraduate, and master's graduates, can log onto the Chinese Navy Recruitment Network (www.hjzf.mil.cn) to view the details for 2024 registration.

Army Aviation Recruitment

Army Aviation does not have its own recruitment organization. Responsibility falls to the PLAAF Pilot Recruitment Bureau ([Ministry of Defense](#), June 16, 2022).

All new Army Aviation helicopter pilot cadets must attend AUAF for two years of basic training ([The Paper](#), January 31, 2021). It is not clear if they wear Army uniforms at AUAF. They then transfer to the Army Aviation Academy for one year of intensive aeronautical theory education and simulated flight training and one year of trainer aircraft training in one of the Academy's Flight Training Bases. Upon graduation, they are assigned to their operational unit. Besides helicopters, Army Aviation also has a small contingent of Y-7, Y-8, and Y-9 transport aircraft, though it is not clear where they train after AUAF ([kknews](#), December 25, 2016).

The first group of ten female helicopter cadets graduated from the Army Aviation Academy in 2021 ([Sina](#), October 25, 2021). Unfortunately, no additional information was found concerning the number of cadets who have been recruited.

Conclusion

As shown in Parts 1 and 2, the process for recruiting aviation cadets is different than for non-aviation cadets. While the PLAAF still focuses primarily on recruiting high school graduates, Naval Aviation is now focusing on recruiting civilian college/university graduates with a bachelor's or master's degree. In addition, each of the services have recruited female pilots.

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Notes

[1] Services are *junzhong* (军种) and branches, which are also called arms, are *bingzhong* (兵种).

[2] United States Department of Defense, Defense Intelligence Agency, *Directory of PRC Military Personalities October 2022*, Washington DC, 2022.

[3] Yao Wei, ed., [*China Air Force Encyclopedia*] [中国空军百科全书], Beijing: Aviation Industry Press, November 2005, Volume 1, 223-233.

[4] Kenneth W. Allen and Christina L. Garafola, *70 Years of the PLA Air Force*, (Montgomery, AL: Air University China Aerospace Studies Institute (CASI), 21 April 2021). Accessed at <https://www.airuniversity.af.edu/CASI/Display/Article/2564684/70-years-of-the-peoples-liberation-army-air-force/>.

[5] Yuan Hongchao, "Department of Naval Aviation" in Zhang Fujiang and Zhang Hui , eds., *China Navy Encyclopedia* (中国海军百科全书), Beijing: Haichao Publishing House, December 1998, p. 431. "China's People's Liberation Army Naval Aviation" (中国人民解放军海军航空兵), accessed at <http://baike.baidu.com/link?url=q8xjTnF7wBdKS-z31jrZn8h3xcTQmT6x08r1hk5uZR-d71M47IYZkYMPBhHsfpFfD2VwKTcfkDHnYIMvZLVNK>.

[6] Yao Jun, editor, *A History of China's Aviation Zhongguo Hangkong Shi* (中国航空史), Zhengzhou, China, Dajia Publishers, September 1998, 183-189. The five other first level departments (*yijibu*) included the headquarters department, political department, logistics department, equipment and technical department, and equipment repair department. Each of these departments has numerous subordinate departments, bureaus, divisions, and offices.

[7] The PLA has not been consistent concerning its official English names for its academic institutions. For official English names of the Naval Flight College and Navy Aeronautical and Astronautical College, see Dong

Huiyu and Mou Xianming, eds., “The Third Military Medical University” [第三军医大学], in *Dictionary of Modern Military Education* [现代军校教育辞典], Second Edition (Beijing: National Defense University Press, 2011), 476-478. For the official name of Navy Flight Academy, see Zhao et al., *PLA Military History* [中国人民解放军军史], Volume 3 (Beijing: Encyclopedia of China Publishing House, December 2007), 745-746. For the official name Navy Aviation Engineering Academy, see Zhao et al., *PLA Military History*, 740.

[8] “Army Aviation” (陆军航空兵) in Hu Guangzheng, ed., *Military Organization* (军制) volume in *China Military Encyclopedia* Second Edition (中国军事百科全书第二版), Beijing: Encyclopedia of China Publishing House, 2007, p. 201-203. “Army Aviation” (陆军航空兵) accessed at http://baike.baidu.com/link?url=gzlocRXmSB4HJWaPK0323qMYqK14dbwHRBn22IU SowrzPP8L109aOF_p9-KTPY9m4sKSHBYjJwqRlyMqDQFmhq

[9] Kenneth W. Allen and Mingzhi Chen, *The People’s Liberation Army’s 37 Academic Institutions*; Montgomery, AL: China Aerospace Studies Institute, 2020. <https://www.airuniversity.af.edu/CASI/Display/Article/2216778/the-peoples-liberation-armys-academic-institutions/>

[10] See [4]

[11] Marcus Clay, *China’s “Little Eagles”: People’s Liberation Army Developing Its Next-Generation Pilots*, (Montgomery, AL: China Aerospace Studies Institute, 2019).

[12] Rod Lee, “PLA Naval Aviation Reorganization 2023,” (Montgomery, AL: China Aerospace Studies Institute, 2023), https://www.airuniversity.af.edu/Portals/10/CASI/documents/Research/PLAN_Aviation/2023-07-31%20PLAN%20Aviation%20Reorg%202023%20Clean.pdf

[13] Note: The website has two separate URLs: <http://www.kjzfw.net/> and <http://www.kjzfw.mil.cn/>.

[14] The PLA has not been consistent concerning its official English names for its academic institutions. For official English names of the Naval Flight College and Navy Aeronautical and Astronautical College, see Dong Huiyu and Mou Xianming, eds., “The Third Military Medical University” [第三军医大学], in *Dictionary of Modern Military Education* [现代军校教育辞典], Second Edition (Beijing: National Defense University Press, 2011), 476-478. For the official name of Navy Flight Academy, see Zhao et al., *PLA Military History* [中国人民解放军军史], Volume 3 (Beijing: Encyclopedia of China Publishing House, December 2007), 745-746. For the official name Navy Aviation Engineering Academy, see Zhao et al., *PLA Military History*, 740.

Much Cause But Little Recourse For Popular Discontent

by Willy Wo-Lap Lam



Students at Xi'an Jiaotong University Protest the Urumqi Fire on November 27, 2022. (Source: Wikipedia)

The last quarter of 2022 saw an outburst of Chinese people power. Citizens in as many as 28 cities, including Shanghai, Beijing, and Chongqing staged spontaneous protests on their campuses or out on the streets. The underlying cause was Beijing's draconian lockdown measures, which led to unnecessary deaths, including a three year-old boy in Lanzhou who passed away after lockdown measures delayed his access to medical treatment following exposure to a gas leak ([Channel News Asia](#), November 3, 2022). In late November, these protests escalated dramatically, with the proximate cause being the deaths of a few dozen residents in an apartment building in Urumqi: Those trapped could not flee the inferno because city operatives were enforcing strict anti-pandemic policies, blocking the building's fire escapes ([VOA](#), November 27). Yet the protests quickly shifted from anger against China's "Zero Covid" policies to other grave errors of the Chinese Communist Party (CCP). Protestors held up sheets of A4 paper on which were written demands for government transparency and freedom of the media, among other issues. The movement came to be known as the "White Paper protests (白纸云动)" ([Amnesty International](#), November 27; [Human Rights Watch](#), November 19).

At the Party's 20th National Congress in October 2022, Xi Jinping was declared its leader for life; and amendments of both the People's Republic of China (PRC) and the CCP charters designated "Xi Jinping Thought on Socialism with Chinese Characteristics for a new era" as the guiding light of the Party-state apparatus. Popular anger at Xi's one-upmanship was demonstrated the same month when dissident Peng Lifa (彭立发) hoisted a big banner along a footbridge proclaiming "we want to eat, not take nucleic acid [tests]; we want dignity, not falsehoods; we want reforms, not the Cultural Revolution; we want ballots, not leaders" ([BBC Chinese](#), November 28, 2022; [VOA Chinese](#), October 19, 2022). Meanwhile, one female student at Tsinghua University was filmed crying out, "If we don't dare to speak because we fear arrest, I feel that our people will be disappointed in us. As a Tsinghua student, I would regret that for the rest of my life!" and counterparts in Chengdu demanded an end to "one-man rule," the return of popular elections, and freedom of expression. There were even isolated calls for "the end of the CCP" and for Xi Jinping to step down ([Radio Free Asia](#), November 28, 2022; [Youtube](#), November 27, 2022; [China Digital Times](#), November 27, 2022). Police arrested dozens of participants in the protests, which seemed to have run out of steam by early this year. The protest movements have undergone a marked re-orientation after Beijing succumbed to popular sentiment and scrapped all pandemic-related restrictions early December 2022. However, while their ferocity may have diminished, one online media account that closely follows such activities believes that they have become much more frequent over the last year ([Bumingbai](#), November 25).

Popular Discontent At China's Faltering Economy

The dire performance of the Chinese economy—despite the lifting of all anti-Covid-19 strictures—has spawned a wider-based series of demonstrations that highlight areas of economic decline and social malaise that affect the daily life of even usually apolitical citizens. Take, for example, the public outpouring of frustrations in a few dozen cities by those who have already paid huge deposits for homes that remain under construction (and likely will remain unfinished for another year or two). To add insult to injury, the hapless owners of these so-called "rotten-tail apartments (烂尾楼)" are still obliged to pay banks hefty mortgages incurred when they first bought the properties.

According to statistics compiled by overseas financial and real-estate research institutions, there were 321 unfinished apartment buildings in 113 cities by the end of July 2022. Most of the dissatisfied homebuyers have taken some sort of action in protest against either the developers or the local governments. Some have stopped paying mortgages to the banks altogether ([Radio Free Asia](#), July 29, 2022; [VOA](#), July 19, 2022). Others have conducted mass protests focusing on banks—mostly the local-level branches of State-owned financial institutions—which do not seem to have enough funds to allow depositors to withdraw their cash. Bank runs, or depositors holding demonstrations outside insolvent ones, took place since this spring in the provinces of Liaoning, Sichuan, Jiangsu, Yunnan, and the cities of Tianjin, Lishui (Zhejiang Province), Changchun (Jilin), Cangzhou (Chongqing); Chengdu (Sichuan), and Raoping (Guangdong) ([YouTube](#), October 28; [Asia Times](#), October 14; [Asiainancial.com](#), October 13; [First Financial Post](#), October 10, [Foreign Policy](#), July 27, 2022). Several banks have run out of money due to their having made dubious loans to Evergrande and other irresponsible property developers.

The increasingly vehement—if still largely passive—revolt against Xi’s one-man rule testifies to the apparent failure of the “supreme leader” to solve the nation’s most severe and imminent problems. Xu Jiayin (许家印), the gung-ho CEO of Evergrande, declared in late 2021 that his empire had become insolvent and that he lacked the resources to complete the apartments already sold to customers. This was followed by similar statements made of other heavyweight developers. Yet it was not until October 2023 that the Xi team came out with some dubious solutions. It was announced that the state-owned banks would be allowed to lend needy developers up to 1 trillion Renminbi (RMB) in special loans, without necessary collateral. 50 designated property firms are expected to benefit from this largesse ([Caixin](#), November 27; [Global Times](#), November 17; [SCMP](#), October 25).

Popular discontent towards the Xi regime was also demonstrated after the untimely death of former premier Li Keqiang at the relatively young age of 68. Even though the only mass gathering of mourners took place for just a few days at Li’s hometown of Hefei, Jiangsu, the large number of pro-Li—and pro-reform—postings on social media testified to people’s opposition to the supreme leader’s resuscitation of Mao Zedong-style dictatorship. Many of Li’s colorful quotations made it onto the internet before being scrubbed clean by the censors after just ten minutes or so. Examples of Li slogans that were cited include “to cut of bureaucratic red tape we must have the will [of a principled and brave person] who is willing to cut off his own right arm,” and an axiom that Li made while visiting Shenzhen—where chief architect of reform Deng Xiaoping’s created China’s first special economic zone—a few months before his demise: Li said that reform must go on “just as the waters of the Yellow River and the Yangzi River will not flow backwards” ([Nikkei Asia](#), November 6; [BBC Chinese](#), October 31; [VOA Chinese](#) October 27). That the outpouring of emotion for Li Keqiang was simultaneously a veiled protest against Xi Jinping also became clear with the sudden popularity of the song “It’s a pity it wasn’t you (可惜不是你)” ([Youtube](#), April 1).

The Wealthy Flee, The State Pushes Back

Increasing numbers of Chinese who have apparently lost faith in their country have sought different ways to try to go abroad. However, this has become more difficult due to the fact both the central and local administrations have run out of both the Chinese RMB and US dollars ([Reuters](#), September 14). The number of legal emigrants that the CCP has allowed out of the country has also dwindled. A few thousand would-be emigrants have become so desperate that they have tried to reach the United States through treacherous terrain in Central and South America ([WSJ](#), April 16). It is estimated that 22,000 illegal immigrants from China tried to get into the United States in the first nine months of this year ([Chosun Daily, Chinese Edition](#), November 28; [HK.finance.yahoo.com](#), November 1; [Radio Free Asia](#), March 17; [VOA Chinese](#), April 8).

Equally crucial to whether the Xi administration can beat back the new challenges is the strength of its vaunted 24-hour, AI-assisted surveillance, and police-state apparatus. Owing to the fact that local-level administrations have piled up debt equal to an estimated 92 trillion RMB, a number of cities and counties have to cut the salaries of police and the Ministry of State Security personnel (([VOA](#), November 2; [Radio Free Asia](#), November 6; [Creaders.net](#), August 8). In response, security authorities in Beijing have asked financially sound state-owned enterprises to set up *renwubu* (人武部) or militia-like security departments,

whose responsibilities include ensuring the security of the districts in which these SOEs are located ([Xinhua](#), October 26; [VOA Chinese](#), October 26). Xi and other top cadres have also repeatedly lauded the so-called “Fengqiao experience.” This is a reference to Mao Zedong’s high valuation of how, during the ideological campaigns launched in the 1950s and 1960s, citizens of Fengqiao, Zhejiang Province, voluntarily established quasi-police groups to ensure local law and order ([Qstheory.cn](#), November 22; [People’s Daily](#), September 27; [China Brief](#), October 19, 2022).

Conclusion

The Xi administration seems to have run out of ideas for resuscitating citizens’ confidence and keeping the economy going while reducing debt. This is evident from the fact that the much-awaited Third Plenary Session of the 20th Central Committee has still not been called. Traditionally, the third plenary session of the Central Committee is held in October or November, and is devoted to theoretical and practical issues regarding pushing forward economic—and occasionally political—reform ([Council on Foreign Relations](#), November 28; [SCMP](#), November 12). That this crucial conclave looks to have been delayed until 2024 is yet another indication that short of Band-Aid-type measures such as earmarking 1 trillion RMB to “save” the property sector and inchoate steps to build “subsidized housing (保障房).” The supreme leader is reluctant about the revival of market-oriented steps that would attract foreign capital and give a shot in the arm to domestic enterprises. The majority of Chinese—including a large section of cadres—are convinced that only Deng Xiaoping-style reform, in the form of a retreat of state interference and fuller play given to private and foreign enterprises, can save China.

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Chokepoint Consortium: Chinese Experts on Confronting American Pressure

by Michael Laha



Professor Chen Jin delivering a keynote address at Tsinghua University on accelerating the development strategy for implementing an innovation drive. (Source: Tsinghua University)

News broke this September that Huawei released a new 5G-capable phone produced with domestic chip technology reportedly in contravention of US export controls. While experts disagree to what extent this new product represents a true domestic breakthrough, it serves as an important symbolic win for a nation-wide effort by the People's Republic of China (PRC) to overcome restrictions imposed by the United States ([SCMP](#), September 6; [SCMP](#), September 30). Concerns about becoming technologically independent have by now become an enduring thrust of PRC leadership's strategic thinking. Just this week, President Xi Jinping visited the Shanghai Science and Technology Innovation Exhibition in order to promote the city's importance to this mission ([People's Daily](#), November 29).

The seeds of China's self-reliance strategy were planted many years ago and gained real momentum when the United States began scrutinizing Huawei. That happened when Huawei's CFO Meng Wanzhou (孟晚舟) was arrested in Vancouver in December 2018, accelerating tensions over the Chinese telecommunications giant ([CNET](#), September 30, 2021). The leadership in Beijing quickly realized that not only were Huawei sales in the United States becoming near impossible, but also that the company might soon find it difficult to

get their hands on American technology. The United States would exploit—as party leaders would refer to it—one of China’s “chokepoints.” The Chinese government needed help, fast.

NSFC Funds Expert Response Team

In April 2019, the National Natural Science Foundation of China (NSFC) dispatched a call for applications for a special grant. The project, funded through the foundation’s emergency management program was titled “A study on pathways toward breakthroughs in our country’s key and core technology ‘chokepoint’ problem” ([NSFC](#), April 24, 2019). The program’s aims were to “provide timely analysis and policy recommendations for high-level party and government decision making” by conducting “research on ‘hot’ and ‘difficult’ issues.” Within less than a month of the grant’s posting, Huawei was placed on the Department of Commerce Entity List ([Federal Register](#), May 21, 2019).

The Department of Management Science at the NSFC has a track-record of quickly responding to current events. For instance, in 2017, after President Donald Trump pulled out of the Paris Climate Agreement, the department issued a call for applications to assess “The Impact of the United States’ Withdrawal from the Paris Climate Change Agreement on Global Climate Governance and China’s Response Strategy.” President Trump pulled out of the agreement on June 1; by June 23, a public call for proposals was posted on the website ([NSFC](#), June 23, 2017). A similar call was issued within weeks of the Chinese government’s acknowledgement of the COVID-19 outbreak ([NSFC](#), February 26, 2020).

The “chokepoint” grant went to a consortium of six lead scholars who managed dozens of researchers with expertise in innovation studies. The project was divided into six parts: one general topic and five sub-topics dealing with more specific issues such as the role of military-civil fusion in addressing chokepoints. The general project had 250,000 Renminbi (\$35,000) to work with, while 160,000 RMB (\$22,000) was allocated to the smaller sub-topics ([NSFC](#), April 29, 2020). The grantees had one year to complete their work.

The lead project, which was also the largest, went to Chen Jin (陈劲), a professor based at Tsinghua University Technology Innovation Research Center, a well-regarded Chinese innovation think-tank. Professor Chen is an influential figure in Chinese debates on science and technology policy and his views are regularly solicited by government and corporate players in China. He is also a prolific writer, whose bibliography includes a recently published book titled “National Strategic Science” ([Science Net](#), July 28). He sits on the education committee of the Chinese Academy of Engineering and on the science and technology committee management department of the Ministry of Education ([Tsinghua University](#); [7th Science and Technology Commission of the Ministry of Education](#), accessed November 27).

Chen regularly engages in public discourse on US-China tech competition including writing op-eds for the People’s Daily. For instance, he has written articles extolling the benefits of collaborative research for developing domestic version of chokepoint technologies and emphasizing the centrality of talent to China’s self-reliance drive ([People’s Daily](#), May 23, 2019; [People’s Daily](#), October 12, 2020).

Surveying The Chokepoint Research

At least one paper that Chen Jin and his co-authors published maps out systems for how various stakeholders—both government and non-governmental—would weigh in on the process for determining and then coordinating work on chokepoint technologies. Such a system would integrate top-level coordination as well as establish a S&T national security strategy, including an early-warning system. [1] The paper also says that China’s current “scientific and technological organization model” is unable to carry out the solutions needed to make progress on self-reliance including chokepoints. It further argued that coordination across multiple departments was inadequate and that a “higher-level national scientific and technological decision-making and leadership system” needed to be erected to rise to the task. In many ways, this thinking foreshadowed the creation of the Central Commission for Science and Technology established in early 2023. While the exact membership of this commission is still unknown, such political constructs usually involve high-level officials from different Chinese ministries, thus enjoying a great deal of latitude to coordinate policy across multiple ministries.

One of the other project leads is Zhang Zhihe (张治河), an expert of innovation studies and former dean of the international business school at Shaanxi Normal University. He is not as high-profile as Chen Jin, though he worked on China’s most high-profile chokepoint—high-end semiconductors. According to a project summary posted on a Shaanxi Normal University department website, his research on China’s integrated circuit industry happened in close consultation with key Chinese companies in the chip sector ([Shaanxi Normal University](#), accessed November 27). Throughout the entire project, researchers were in “close communication and collaboration” with the Hubei Semiconductor Industry Association, Yangtze Memory Technologies Corp. (YMTC), and Wuhan Xinxin Semiconductor Manufacturing Corp. (XMC).

Their work produced the following recommendations. Noting that many foreign high-end chip makers were reinvesting their profits into R&D, companies such as YMTC were not there yet. To this day, YMTC is not able to deploy its own money and needs government injections of cash to keep pace—earlier in 2023, the company received \$7 billion in state backing ([Yahoo News](#), March 2). Second, talent is everything. China needed to build a pool of talent, including by expanding and implementing talent programs. Third, China’s indigenous innovation drive would only thrive if both government and industry forces were unleashed. This included “effective and targeted collaboration between universities and enterprises.” The fourth recommendation proposed “five-pronged attack mechanisms” for escaping its chokepoints, including for “strategy research, innovation competition, coordination of key tasks, resource deployment, and organizational assurances.” The last item refers to the policy coordinating systems in place to ensure follow-through. Finally, the report emphasizes the importance of basic science and recommends action items for the National Natural Science Foundation of China ([Shaanxi Normal University](#), accessed November 27).

The summary claims that the project produced reports read by some of China’s highest-level decision makers ([Shaanxi Normal University](#)). In total, eight high-level CCP officials appraised the reports including three at the Hubei Provincial vice-gubernatorial level, and another report noted as “confidential” was

presented to Vice Premier Liu He (刘鹤), who was charged with China's economy and also served on the Small Leading Group for Science and Technology ([State Council](#), July 28, 2018).

In addition to direct interactions with Chinese leadership, Zhang's grant also spun off a handful of academic articles which give insight into the approaches with which China's experts are experimenting. Many of the ideas recur regularly in papers produced by different consortium members. For instance, Zhang published a paper advocating for various practices already employed in technology foresight analysis in countries such as Japan or the United States, proposing a framework for identifying chokepoint technologies. His approach blends analysis of datasets such as patents and the Delphi survey method, which uses structured questionnaires of relevant experts ([Journal of Shaanxi Normal University](#), August 4, 2020).

Another paper co-authored by Zhang employs TRIZ, a Russian acronym that stands for "Theory of Inventive Problem Solving," an approach to innovation developed by Soviet engineers. The paper also looks at past examples of technology and trade competition, most notably between Japan and the United States in the second half of the 20th century. It notes, for example, that while Japan was an American ally at the time, China is not. Crucially, the article reasons that Japan ultimately gave in to pressure from the United States before enduring a long period of economic stagnation. Meanwhile, Beijing is standing up to Washington with the help of "self-reliance." The paper concludes with recommendations to develop "cross-industry linkages," reasoning that critical technologies will not be developed in China by any one research institution or company but instead by groups or "platforms" that can attract different kinds of talent. [2]

The Policy Impact of Chokepoint Research

Some of these ideas—whether by way of this consortium or other forums—appear to have embedded themselves in Chinese innovation policy-making. It is likely that they were already being considered and the work of these researchers merely offered additional support. For instance, the Ministry of Education announced in early 2019 it was going to create a series of research platforms, which it has proceeded to do in the years since—including for high-end chip R&D ([Ministry of Education](#), February 22, 2019). The goal of these platforms is to attract talent and bring together disparate actors to work on one specific task.

Zhang's paper also recommends emphasizing the importance of "all kinds of laboratories and engineering centers." These are terms too broad to connect to any particular program, though so-called "engineering research centers" were indeed reformed to focus on chokepoints. Also in line with the recommendations noted earlier, these centers are geared toward university-company cooperation. However, those changes were already underway by the time this paper was published in 2021 ([ASPI The Strategist](#), September 22, 2022).

Conclusion

China's semiconductor industry has clearly scored mixed results, regardless of how some of these ideas have embedded themselves in practice. In 2022, China's so-called "Big fund," the country's chief investment vehicle for boosting domestic semiconductor development, was plagued by corruption investigations ([Sina](#)

[Finance](#), March 22). Despite this, in a challenge to US technology export restrictions, YMTC reported in late 2023 that it had developed the world's leading 3D NAND memory chip ([SCMP](#), October 26). The success of US export controls in stunting technological advances in targeted technologies such as high-end chips will depend in part on how ideas by Chinese experts such as Chen Jin and Zhang Zhihe are implemented.

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Notes

[1] Chen, Jin 陈劲; Zhu, Ziqin 朱子钦. "Guanjian hexin jishu 'qia bozi' wenti tupo lujing yanjiu" 关键核心技术“卡脖子”问题突破路径研究 [Breakthrough pathways for key and core susceptible to 'chokepoints]. *Chuangxin keji 创新科技* 20 (2020) online.

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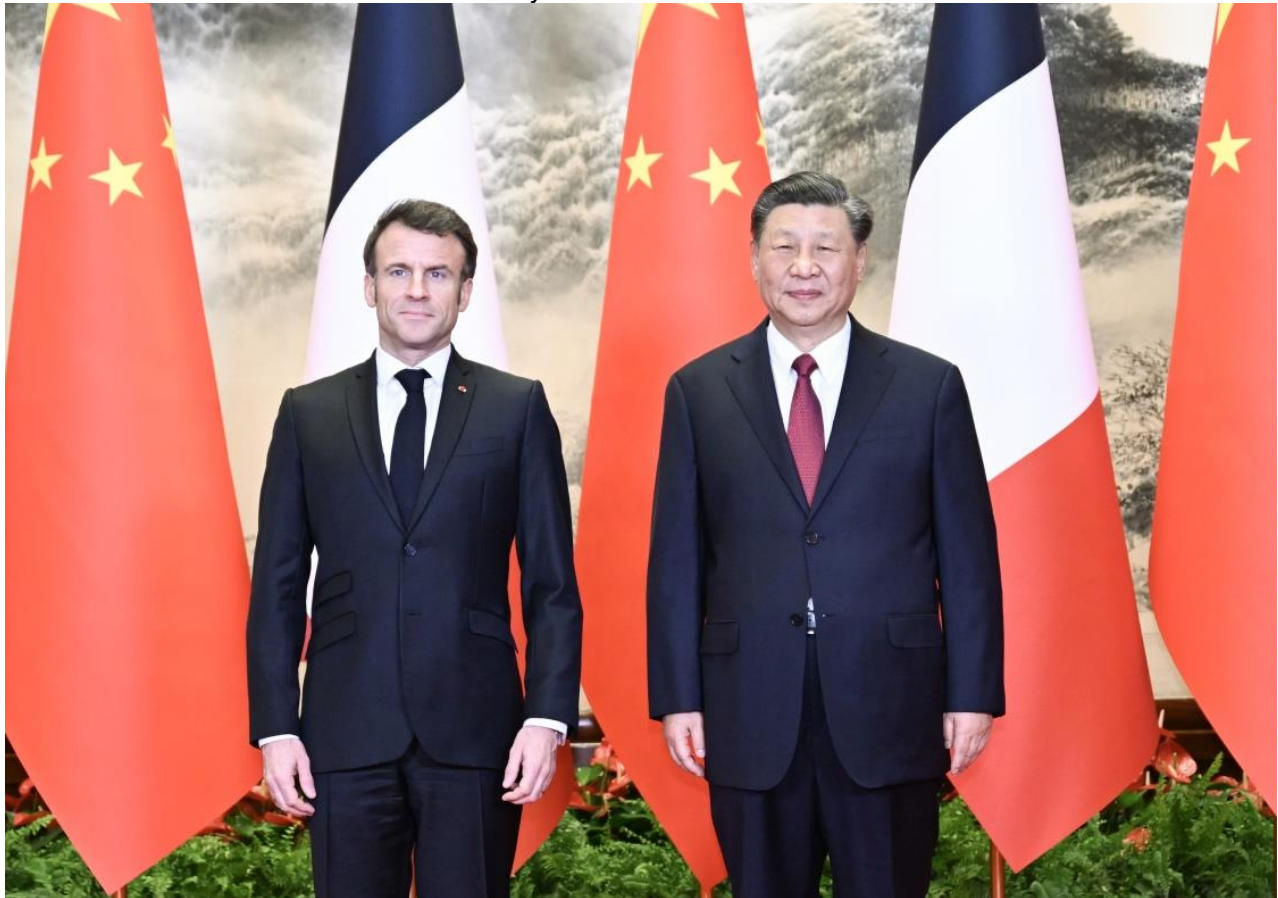
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The Sino-French Relationship At 60: China's Losing Bet On A Reset

by Juliana Bouchaud



President Xi Jinping receives President Macron at the Great Hall of the People in Beijing. (Source: Ministry of National Defense)

Against a background of increasingly fraught relations with the European Commission, China has been doubling down on its outreach to member states, with France chief among them. The two countries have been gearing up to the 60th anniversary of their bilateral relationship in January 2024 with a flurry of diplomatic exchanges. These have included high-level visits by President Emmanuel Macron in April, Economic Minister Bruno Le Maire in July, diplomatic adviser Emmanuel Bonne in late October, and most recently Foreign Affairs Minister Catherine Colonna ([FMPRC](#), November 22). On the Chinese side, Premier Li Qiang traveled to Paris in June to take part in the Summit for a New Global Financing Pact. However, this year also saw Paris deal some blows to China's economic ambitions, with Macron being one of the driving forces behind Brussels' ongoing anti-subsidy investigation into China-made electric vehicles and revamping its own EV purchase credits to exclude Chinese-made models ([Service Public](#), October 10)

During Bonne's visit, Wang Yi framed his expectations for the anniversary in no uncertain terms, calling on China and France to "revisit the original intention (重温建交初衷)" of their bilateral ties and "consolidate

and reset (巩固和再出发) the relationship” ([FMPRC](#), October 30). Paris’ appetite for meeting Beijing halfway in “resetting” the relationship is far less certain. Most likely, China’s lofty ambitions for a reset will be met with more ambiguity from France, continuing its diplomatic outreach to safeguard economic opportunities in China, all the while pushing for more assertive policies within Brussels to achieve its vision of “strategic autonomy.” While some scholars are not entirely immune to the “dual-faced (两面性)” nature of French diplomacy ([Fudan Development Institute](#), March 2), a prevalent view—or hope—among officials in Beijing is that Macron’s vision of strategic autonomy is primarily about asserting an independent foreign policy from the United States. However, in reality, strategic autonomy also informs France’s own de-risking agenda toward China.

France as a “major independent country”

France’s commercial linkages play a key role in France’s strategic importance to Beijing. While France’s trade ties with China are not as large as Germany’s, the country is still a top exporter of industrial products in strategic fields, principally aeronautics. French firm Safran, for example, provides engines for COMAC’s C919, China’s answer to the Boeing 737, as well as a majority of its helicopters ([Safran website](#), accessed November 28). Airbus has jointly developed helicopters with the Aviation Industry Corporation of China (AVIC) and has most recently sold 50 multi-role H160 models to Chinese lessor GDAT ([Airbus](#), March 26, 2014; [Airbus](#), April 7). In terms of investment, France is part of the “chosen few” countries—which include the four European states alongside Germany, the Netherlands, and the UK—that constitute more than 80 percent of EU foreign direct investment into China ([Rhodium Group](#), September 14, 2022).

Beyond commercial ties, France’s importance to Beijing also rests on its geopolitical positioning as a “major independent country (独立自主大国),” a term used quasi-systematically in recent diplomatic readouts. In January 1964, famously guided by “the weight of evidence and reason,” President Charles de Gaulle made France the first major Western country to recognize China, nearly a decade before the People’s Republic of China (PRC) would gain its seat at the United Nations. De Gaulle is reported to have said “there is something abnormal in the fact that we do not have relations with the most populous country in the world on the pretext that its regime does not please the Americans” ([L’Obs](#), January 28, 2013). From the outset of the relationship, Beijing has held expectations for Paris to serve as a powerful *troisième voie* against deeper alignment with the United States.

Macron borrows from de Gaulle’s pragmatism, has a heavy dose of skepticism towards the United States, and has influence within the EU. Chinese policymakers and shapers thus see in Macron an attractive partner for engagement. The cornerstone of France’s appeal to Beijing’s diplomatic agenda is Macron’s desire for “strategic autonomy.” While the concept of “strategic autonomy” entered Brussels parlance in 2013, Macron elevated its importance during a 2017 speech at the Sorbonne ([Elysee](#), December 26, 2017).

Although intended as a vision of a more capable and independent EU able to act autonomously in important policy areas, the concept of strategic autonomy has largely—and somewhat mistakenly—been framed by some Chinese academics and think tankers as a shield against deeper alignment with the United States. For

example, Cui Hongjian (崔洪建), the director of the Department for European Studies at Peking University's China Institute for International Studies, sees the EU as being divided between an “Atlantic faction” and a “strategic autonomy faction,” with Macron leading the latter ([People's Daily](#), May 27).

Strategic Autonomy, But *En Même Temps*... [1]

The best characterization of France's China policy is not the pursuit of strategic autonomy, but rather the diplomacy of “en même temps.” Paris has continuously balanced economic and symbolic tilts towards China to serve its commercial interests, while also pushing policies in Brussels which clearly go against Chinese interest. During its Presidency of the Council, France formalized the European Commission's International Procurement Instrument—a regulation it had fought for a decade to concretize ([MEAE](#), June 22, 2022)—championed the beginning of talks on the Anti-Coercion Instrument ([MEAE](#), March 28) and was a strong backer of the Foreign Subsidies Regulation. All three regulations are seen as the bedrock of the EU's new toolkit to address China's market-distortive practices. The blurriness of this approach, combined with the lack of a document clarifying the government's China strategy, has led to repeated irritants with other diplomatic partners.

Macron's “en même temps” diplomacy can be seen across recent developments. On the one hand, Macron's visit in April saw a lengthy Joint Statement and a raft of economic agreements, notably in the aeronautical field, as well as highly controversial interview called on Europe not to be a “follower of the United States” ([Les Echos](#), April 9). Framed under the auspices of strategic autonomy, the visit was perceived as a rousing success in Chinese diplomatic circles and fed into the Chinese narrative of France's strategic autonomy pushing back against deeper US alignment ([Global Times](#), April 8). Former foreign affairs minister Jean-Pierre Raffarin attended China's Belt and Road Forum in Beijing in October, despite most other EU member states avoiding the summit ([Xinhua](#), October 19). This constituted, in Beijing's eyes, a powerful show of support. At the same time, Paris was one of the main backers of the EU Commission's push for the anti-subsidy probe into China-made EVs and has also revamped its tax credit policy to exclude China-made models.

While the EU's anti-subsidy probe will not be concluded for several months, most China-made models risk being excluded from France's purchase credit for new EV purchases, starting from January 2024. Under the new policy, qualifying models will have to obtain sufficient points against a newly designed environmental framework. This framework considers not only the characteristics of the battery and model themselves but also the environmental impact of the materials used, the vehicle's assembly, and the transportation process. This scoring system paves the way for broader adoption among member states, with Italy reportedly considering taking action next ([Reuters](#), 2 October 2023). Country-agnostic in its design, the framework could also discourage purchases of EV exports from other trade partners like South Korea, the United States, or Japan. It may also discriminate against American and European models that are manufactured in China, like the popular Dacia Spring. But to Beijing, this may read as Paris following in the footsteps of the United States' Inflation Reduction Act, which makes EV credits conditional on United States-manufactured content. At a time when China's overall economy and trade activity are slowing, its EV sector has stood out

as a relative bright spot, making France's trade defense action appear as a tough blow on to its export-driven model.

Macron's pushback against Chinese EV exports is couched in the same language of "strategic autonomy" that Chinese officials typically welcome and see as a positive item in the bilateral relationship. While creating barriers to exports, France hopes to attract more investment from Chinese battery manufacturers in order to build up its strategic autonomy in the green transition. The Northern "Battery Valley" ([Economy Ministry](#), May; [Hauts-de-France](#), accessed November 27) already counts announced plants by Shanghai-headquartered Envision AESC and a joint venture between XTC New Energy Materials Xiamen Co. and Orano. However, some Chinese commentators are beginning to take note and raise concerns. Some are suggesting Chinese firms should not follow through with investment plans, as the "hostile policies" of France may bring increasing scrutiny of Chinese firms ([Auto Magazine](#), September 27).

For now, Beijing has responded by announcing restrictions (which take effect in December) on graphite products—key inputs to EV batteries—sending a clear signal it can leverage its dominance in the critical minerals and raw materials supply chain to thwart western industrialization plans by withholding upstream exports ([MOFCOM](#), October 20). Despite scholars acknowledging France's role in the EU's turn against Chinese EVs ([Shijie Zhishi](#), October 26), China has avoided direct retaliation against French actors for now. French luxury and cosmetics retailers—which are usually on the frontlines when tensions do arise in the bilateral relationship—have not raised alarm bells thus far. A *Global Times* article commenting on Colonna's visit to Beijing noted, "Although the European anti-subsidy investigation into Chinese electric vehicles (EVs) is considered a negative move in China-EU trade cooperation, it won't fundamentally affect the development of the bilateral ties between China and France" ([Global Times](#), 23 November). This suggests Beijing may be trying to preserve the relationship ahead of the 60th anniversary in January and beyond.

Somewhat ironically, in the recent Chinese readout of Li Qiang's meeting with Colonna, the Chinese side expressed hope Paris would help temper the EU's China policy and "actively encourage the European side to uphold the spirit of free trade" ([FMPRC](#), 24 November). For Paris, Beijing's export controls will be perceived as an affront to its ambitions for strategic autonomy—especially as it tries to build its "Battery Valley" in its northern regions. It will also serve to quicken the pace of de-risking and other trade-defense-related policies in Europe.

Looking towards the future

Come January 2024, Paris may celebrate the 60th anniversary of bilateral ties with pomp and circumstance—and a potential visit by President Xi Jinping at some point during the year—but Beijing's hoped "return to the original intention" of the relationship is unlikely to happen. Beijing might wish to turn back the clock to a time where EU-China relations were not as fraught, but tapping Paris to do so is a false bet. Paris will continue its diplomatic engagement with Beijing to seek its cooperation on global challenges like climate change and international crises like the Ukraine-Russia and Israel-Hamas conflicts, while also trying to preserve the economic interests of French firms in China for as long as possible. At the same time, guided by Macron's

vision for strategic autonomy, and its attendant ambiguity, Paris will be equally active within Brussels to build up new defensive mechanisms targeting China's growing footprint in critical sectors.

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Notes

[1] At the risk of explaining the joke, the phrase “en même temps” (at the same time) has become a common derisory epithet for Macron, who frequently uses it to argue for and then against a case (See for instance: [Institut Montaigne](#), April 21; [France 24](#), October 19, 2022).