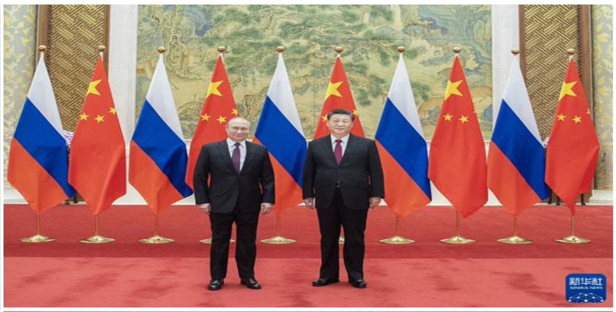
Delhi Policy Group
Advancing India's Rise as a Leading Power

DPG POLICY BRIEF

The Fraying of the China Narrative

Author

Anil Chopra



Volume VII, Issue 34

August 10, 2022

Delhi Policy Group
Core 5A, 1st Floor, India Habitat Centre, Lodhi Road, New Delhi- 110003
www.delhipolicygroup.org

Delhi Policy Group

Advancing India's Rise as a Leading Power

DPG Policy Brief Vol. VII, Issue 34
August 10, 2022

ABOUT US

Founded in 1994, the Delhi Policy Group (DPG) is among India's oldest think tanks with its primary focus on strategic and international issues of critical national interest. DPG is a non-partisan institution and is independently funded by a non-profit Trust. Over past decades, DPG has established itself in both domestic and international circles and is widely recognised today among the top security think tanks of India and of Asia's major powers.

Since 2016, in keeping with India's increasing global profile, DPG has expanded its focus areas to include India's regional and global role and its policies in the Indo-Pacific. In a realist environment, DPG remains mindful of the need to align India's ambitions with matching strategies and capabilities, from diplomatic initiatives to security policy and military modernisation.

At a time of disruptive change in the global order, DPG aims to deliver research based, relevant, reliable and realist policy perspectives to an actively engaged public, both at home and abroad. DPG is deeply committed to the growth of India's national power and purpose, the security and prosperity of the people of India and India's contributions to the global public good. We remain firmly anchored within these foundational principles which have defined DPG since its inception.

Author

Vice Admiral Anil Chopra, PVSM, AVSM (Retd.), Senior Fellow for Global Security Dynamics, Delhi Policy Group

The views expressed in this publication are those of the author and should not be attributed to the Delhi Policy Group as an Institution.

Cover Photographs:

President President's Xi Jinping and Vladimir Putin at their summit meeting in Beijing on February 4, 2022.

Taiwan ROC President Tsai Ing-Wen meeting Speaker of the United States House of Representatives, Nancy Peloci in Taipei, August 3, 2022.

Chinese President Xi Jinping, also general secretary of the Communist Party of China Central Committee and chairman of the Central Military Commission, and other senior leaders of the Party and the state, including Li Keqiang, Li Zhanshu, Wang Yang, Wang Huning, Zhao Leji, Han Zheng and Wang Qishan, attend a reception held by the Ministry of National Defense to celebrate the 95th founding anniversary of the People's Liberation Army (PLA) at the Great Hall of the People in Beijing, capital of China, July 31, 2022. Source: Xinhua/Yan Yan

Delhi Policy Group
Core 5A, 1st Floor,
India Habitat Centre,
Lodhi Road, New Delhi- 110003
www.delhipolicygroup.org

The Fraying of the China Narrative

by

Anil Chopra

Contents

The Fraying of the China Narrative

by

Anil Chopra

Introduction

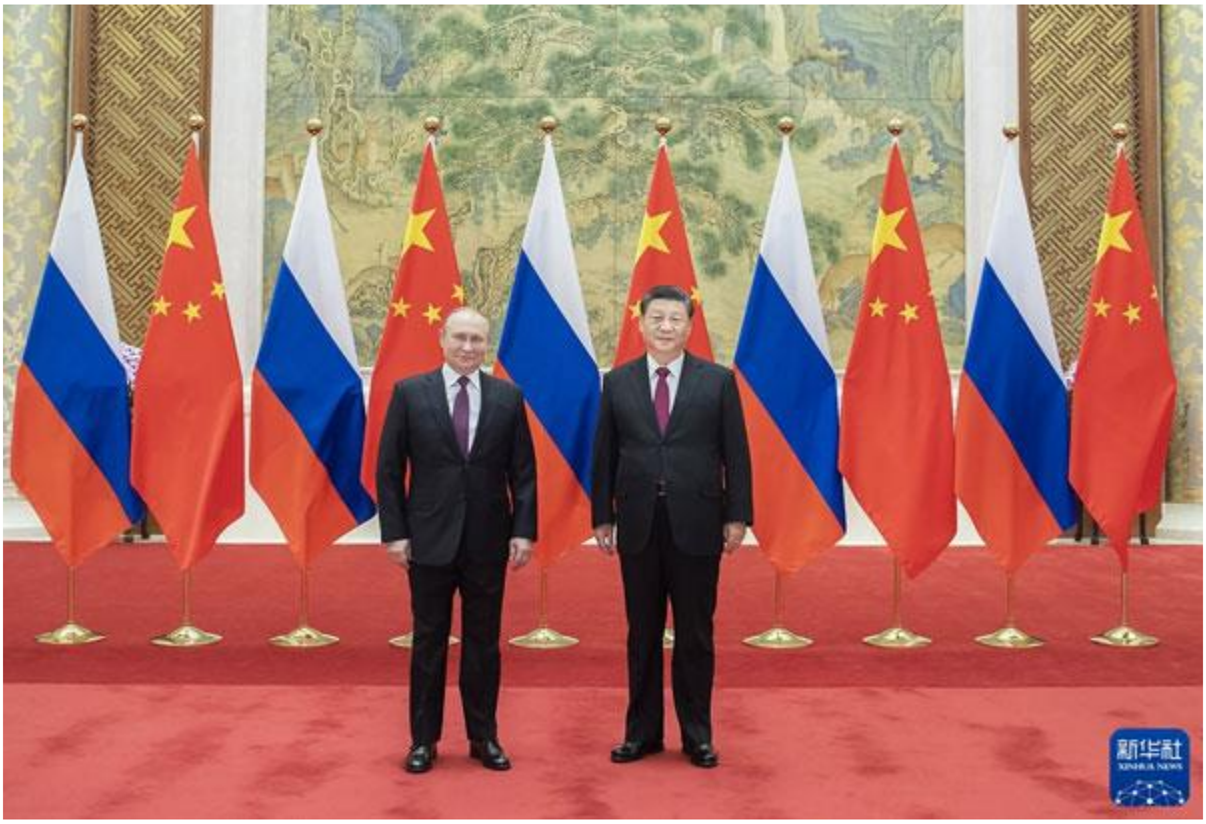
As the People's Republic of China transitions from the year of the Tiger to that of the Rabbit, it would be apparent to even its most ardent supporters that the Middle Kingdom is being confronted by multiple challenges, with recent developments creating an unscripted and unstable situation of a complexity thus far not experienced by the country in the Xi Jinping Era. Beijing stands at a crossroads, with its carefully nurtured and disseminated narrative fraying at the edges, and the prospects of the "China Dream" slowly giving way to grey realities.

Whilst grappling with the accumulating effects of the ongoing Ukraine war, and the growing Taiwan conundrum, the Chinese leadership is also having to address a slowing economy, which has been negatively impacted by a Zero Covid policy, growing debt burdens, slowing investments, and a faltering BRI. The vast multitudes of China, even though accustomed to the iron fist of the Son of Heaven, are becoming increasingly restive as the Chinese economy declines from its peak before the epidemic. This is a difficult situation for both Xi Jinping and the Communist Party of China (CPC), going as they are into the party Congress scheduled for later in the year, an occasion likely to embolden both dissidents and challengers. The situation is ominous, and Xi will perforce have to play the ultra-nationalist card to bolster his leadership credentials, and divert public attention.

The Perils of Confrontation

By publicly allying with Russia through the 'unity spectacle' provided by the Xi-Putin Summit in Beijing in February this year, which underscored "unprecedented" ties with "no forbidden areas" of cooperation and coordination, China threw down the gauntlet to the Western powers. It was a deliberate move by Beijing to escalate its confrontational posture, broadening the contestation from the confines of the Pacific to the plains of Europe, and the preserves of the Atlantic alliance, and virtually created an Eurasian geopolitical alliance of authoritarian states. The reality of a renewed two-bloc struggle was underlined by Moscow's "special military operation" in the heart of Europe later that month, which drew some support, albeit muted, from

Beijing. Xi Jinping could hardly admit that he was in the dark about Vladimir Putin's plans, even if that were to be true.



Presidents Xi Jinping and Vladimir Putin at their summit meeting in Beijing on February 4, 2022.

Subsequent events have thus far shown that the combined posturing by the two continental giants has only served to unite the West in a manner not seen in the current millennium. The established Western powers Allies have turned the spotlight on China with greater intensity, clubbing it with Russia as a major military threat. Most measured analyses of the relative power of the two camps, are conclusive that the Beijing-Moscow axis is not yet in a position to either militarily or economically confront the United States and its allies in Europe and Asia.

China's leadership has again displayed the impatience which has been the hallmark of the Xi Jinping era. On this occasion, the tide of US inaction, which had been discernible in the South China Sea a decade ago, has turned into a show of resolve demonstrated by the actions taken by the West in Europe, and now in Taiwan, where Speaker Pelosi appears to have correctly called the bluff, and exposed Beijing's bluster for what it is, massive military drills and increased tensions notwithstanding.

Upping the competition with the status-quo powers was possibly a well thought-out strategy to enhance Xi Jinping's profile in re-election year, as it were, but it may only result in lowering his stature within the party and people, especially as the slowing economy hurts, and the Taiwan imbroglio results in a loss of face. This is likely to embolden those elements in the CPC who may be opposed to a third term for the Chinese president, and have thus far been quietly critical of his muscular and aggressive foreign policy, which has only given impetus to forceful "pushbacks" from many quarters, and alienated China even in the Global South, apart from some fawning "captured elites". At this juncture, the outcome of the Party Congress cannot be presumed to be certain, which in turn portends uncertainty for Asia and the Indo-Pacific.

Beijing's coercive assertions around its periphery, which had thus far not unduly alarmed the European powers, have now focused the attention of Germany, France, the UK, and the EU as a whole, and the NATO alliance apparatus, because of Beijing's now very visible alliance with a military aggressor, Russia. The aligning of the G-7 and OECD powers, with the common strategic objective of constraining Beijing, can but only reduce China's strategic advantage in the Pacific theatre.

Apart from the West, Chinese aggressiveness and its militaristic stance has also resulted in the hardening of sentiment and opposition to Beijing in Japan, South Korea, Australia, India, and even in ASEAN/Southeast Asia. Ruling elites compromised by rent-seeking are still beholden to Beijing in many parts of Africa, Central Asia, and West Asia, as well as in the smaller island nations of the Indo-Pacific. However, even in these quarters, the recent fate of Sri Lanka and the 'debt traps' being faced by many recipients of Chinese largesse is causing consternation, and will likely lead to changing equations in the near future.

China's Dilemmas

Significantly, Beijing has been particularly cautious in regard to supporting the Russian military action in the Ukraine, despite the February proclamation of a "no limits" comprehensive strategic partnership. The swift and surprisingly united response of the EU, NATO, and the US was clearly an unexpected development for the Chinese leadership, accustomed as it is to having its own way in its territorial forays in the South China Sea, and in its subduing of Hong Kong, without any real opposition or consequences. The reverses and slow progress of the Russian campaign, and questions about the survival of Putin, clearly weighed heavily in the halls of Beijing in the initial months of the conflict, and continue to do so despite Russia having improved its ground situation in eastern Ukraine.

However, with Moscow having loudly proclaimed its solidarity over Beijing's outrage at the Pelosi visit, and facing increasing pushback from other powers, China may have little choice but to be more forthcoming in support to the Kremlin in the immediate future. On the other hand, the Chinese cannot but be aware of the mounting difficulties of the relatively small Russian economy, and of the potential for social unrest, or even a change of leadership in an embattled country. The obvious contradictions inherent in the relationship, from Central Asia to the Russian Far East, may well come to the forefront, as both countries simultaneously weather internal and external challenges.

Moreover, it would be apparent to the Chinese leadership that the closer it draws to Moscow, the further the possibility of any rapprochement or accommodation with the US. In fact, faced with determined and rising opposition to the Russia-China combine, Beijing will continue to exercise caution over the Ukrainian conflict. China's leading dilemma thus relates to its grand strategic embrace of a declining Russia, and the wisdom of sustaining the same may likely be raised the forthcoming CPC Congress.

The war in Ukraine has many lessons for militaries the world over, but particularly for Beijing in respect of an armed invasion of Taiwan. Given modern weaponry, and a relatively transparent battle-space, it is evident that a small but determined military, fighting for national survival in urban settings, can more than hold off a superior invading force, and inflict massive casualties on the men and material of the aggressor. The attendant negative coverage across world media would be a total disaster for China's authoritarian regime, which thrives on positive narratives to sustain its legitimacy with the masses, notwithstanding internal censorship in China.

Moreover, Taipei also possesses a potent, well-trained military which is unlikely to be a walkover for a PLA conscript force with little combat experience. Taiwan's rugged, jungle-covered mountainous terrain is also an attacker's nightmare. The island is heavily urbanized, and the few beach-areas available for amphibious landing are teeming with defensive obstacles to stave off the remote possibility of a sea-borne invasion. An amphibious assault would have to be undertaken across a stretch of water five times wider than that negotiated by the Allies off Normandy in 1944, and wherein China's adversaries can freely intervene.

Taiwan ROC President Tsai Ing-Wen meeting Speaker of the United States House of Representatives, Nancy Peloci in Taipei, August 3, 2022.

The element of surprise achieved by the Allies on D-Day is also impossible to replicate, making it more likely that any planned invasion will mainly comprise airborne means and envelopment; bombardment by missiles, aircraft and ships; concurrent cyber-attacks; EW suppression; and sabotage by fifth columnists. Such an enterprise would still entail significant losses of a magnitude unacceptable to public opinion on the mainland. Even if successful, the aftermath of such an invasion will require a large military occupation force to contain the prolonged resistance likely to be encountered. Last but not least, an attack on Taiwan is will lead to a direct confrontation with the US military, with all the attendant consequences for China, the region and the world.

Despite these obvious pitfalls, it is possible that Xi Jinping may not act in a rational fashion, and disregard a potential cataclysm for China should he embark on an invasion across the Taiwan Strait. Consumed by dreams of legacy and glory, and impatient to avail of the window now open before China's economic, demographic and societal problems take their inevitable toll, and before Western resolve manifests into unbeatable force-levels and deployments, the Chinese leader may roll the dice, and play with the Fates for a shot at immortality.

However, on balance, the many developments since Russian tanks rolled into Ukraine, and the subsequent lessons learnt, would certainly have highlighted the foolhardiness of invading Taiwan.

The status quo option had worked well for Beijing, and it was surprising that it fell for the bait of the Pelosi visit, issuing dire warnings against it. The resultant stand-off has only underlined China's blustering impotence with respect to militarily attacking Taiwan, and this will be even harder to swallow as the dust settles after the immediate bullying "drills" off the coast of the beleaguered island. This second dilemma over Taiwan is also likely to impact the outcomes of the CPC Congress.

Beijing's third dilemma has everything to do with Japan, which has thus far resisted major provocations from both China and the DPRK over the last decade, and maintained a peaceful posture. Nonetheless, it is becoming increasingly clear to many in Japan, that rearmament may become a necessity in the face of the Chinese challenge, and even contemplate the possible use of military force. The Abe years certainly witnessed a sea-change in the internal political landscape of Japan, with debates about the need to be militarily more self-reliant taking centre-stage in the discourse within and without the Diet.

The current developments in Taiwan will renew these deliberations in Japan, and modest changes to Article 9 of the Japanese post-war constitution, which forbids the maintenance of military forces, may become a reality. This may be supported by a strategically stretched US, and even tolerated by Seoul, a past victim of Japanese militarism, but also of Chinese high-handedness. North Korea's constant sabre-rattling is only adding to the pressures on Tokyo's leadership to strengthen capability to address the strategic environment in Northeast Asia. Joint naval exercises by Russia and China around the disputed northern Kuril Islands and in the East China Sea, may also serve to push Tokyo's military buildup.

Whilst treating Tokyo with disdain as an American protectorate, China is only too aware of the latent military, technological and economic potential and strength of its experienced eastern neighbour, which could be unleashed if freed from self-imposed restraints on military capability and the acquisition of nuclear weapons. A militarily resurgent Japan could lead to a vastly altered strategic landscape for Beijing, and thinking minds within the CPC would be aware of the danger of over-provocation of Tokyo.

India, of course, continues to be yet another dilemma for Beijing. The jury is still out on whether Xi Jinping would risk a serious debacle should he foray into another Himalayan adventure against a well-prepared and entrenched Indian military, and an Indian establishment which can no longer be taken by surprise. Though New Delhi is not part of any military alliance, and the QUAD is far from being such a vehicle, India's increasingly closer strategic ties with the United States and other Western powers, despite concurrent disagreements, must give China pause. The nuances and longevity of the India-Russia relationship would also have to be factored by Beijing. In fact, the recent deployment of the Russian S-400 system on India's northern borders facing China, with the US likely to wave off CAATSA sanctions, could be construed as Russia and the US acting in tandem to caution China from repeating a Himalayan blunder.

Inspite of these overwhelmingly dissuasive factors, New Delhi must keep the irrationality paradigm uppermost, and not be induced into letting down its guard, especially since China may appear to make some conciliatory overtures to India, even while continuing its military build-up along the LAC. New Delhi's strong emphasis on modernising the military may also lead China to believe that the time is nigh to assert its territorial claims along the LAC, before a significant increase in India's CNP inhibits such a venture.

Finally, the CPC, if not the Chinese populace at large, would have noted the marked rise in anti-China sentiment globally, a decline in its soft power, and a distinct trust deficit even amongst its beneficiaries. This may well bring to fore the question of what has really been achieved by all the aggressiveness and confrontation unleashed by Xi Jinping over the last decade. Can the CPC bring about a reversal and return to a "peaceful rise" posture, and would this be in China's interest? This may be the final and most challenging dilemma for the CPC Congress to address.

Economic Red-Flags and Tiananmen Echoes

The global spread of Covid-19 from China, and of possible Beijing's culpability for the same, has slowed the momentum of its economy, and dented its soft power. This in turn has impacted its investments, markets, connectivities and energy security, as the lure of Beijing's inducements, and the draw of its contractual promises, fades under the glare of an increasing trust deficit. The broad backlash against globalisation, relative decline in world trade, and supply chain problems caused by Covid lockdowns, is also a major setback for Beijing, as the "world's factory" is majorly dependent on vibrant demand and markets for its deliberate excess manufacturing capacity.

The disenchantment amongst a large number of Western/Asian companies and businesses, and their expatriate employees, will eventually affect the output of China's economy and its GDP. The massive flows of investments from abroad, which was the starting point of China's export-led rise, has also significantly reduced. In this scenario, it made little rational sense for Xi Jinping to launch his "common prosperity" campaign and rhetoric in 2021, virtually taking the wind out of the sails of the country's private sector, the very vehicle which had transformed China, brought affluence to its people, and given Beijing its military and economic power.

In all probability, the future of the Belt and Road Initiative is also now open to question. Not only will Beijing likely have less funds to throw around, but its partners, including Pakistan, will be looking more carefully at terms and conditions, which have thus far been strongly slanted in China's favor. The probability of Beijing recovering its loans from countries like Venezuela or Sri Lanka, or extracting assets as collateral, looks bleak as the challenge from alternative infrastructure funding mechanisms being floated by the US, Japan and others grows.

Though the economic sanctions on Russia, and the consequent commodities and grain shortages, have not majorly impacted China, its internationally connected economy, is quite vulnerable to global economic developments. The long term effect of the Ukraine war on global prosperity and trade is unlikely to leave Beijing unscathed.

Based on recent accounts of disturbances within China, public displays of discontentment are growing. There has also been a remarkable increase in critical postings on the social media not so far witnessed in the Xi era. The protests on the streets in regard to mortgage payments, and the heavy-handed deployment of tanks to quell the same, is an indicator of the insecurity being experienced at the highest levels of Government. The CPC leadership would only be too cognisant of the fact that by their very nature, authoritarian states are remarkably brittle.

Whilst the CPC has much experience in quashing dissent by brute force, as witnessed in Hong Kong, Tibet and Xinjiang, it would be altogether a different matter if disturbances spread within the heart of mainland China. There is little doubt that among the senior echelons of the CPC, there would be growing concern in respect of both the Chinese economy and social order, after over two years of Xi's harsh Zero Covid policy, and his continuing confrontational behaviour. This will also bring pressure on Xi Jinping from within the Party, as the CPC Congress draws near.

Quo Vadis?

Whither goes China? This question has considerable relevance at this juncture. It is, of course, possible that Beijing's leadership successfully addresses all the multifold challenges and dilemmas weighing down on it, both internally and externally, and thereby maintains the status-quo of current power structures. In such an event, an even more empowered Helmsman would-- in his third term-- most likely double-down on 'Xi Jinping Thought', and the accompanying aggressive-expansionist policies. This would increase the possibility of regional or even wider conflict, and of a likely invasion of Taiwan, notwithstanding the risks involved in such a mis-adventure. The possibility of Xi moderating his approach in the face of CPC dissent and increasing threats to internal stability appear remote at present.

Chinese President Xi Jinping, also general secretary of the Communist Party of China Central Committee and chairman of the Central Military Commission, and other senior leaders of the Party and the state, including Li Keqiang, Li Zhanshu, Wang Yang, Wang Huning, Zhao Leji, Han Zheng and Wang Qishan, attend a reception held by the Ministry of National Defense to celebrate the 95th founding anniversary of the People's Liberation Army (PLA) at the Great Hall of the People in Beijing, capital of China, July 31, 2022. Source: Xinhua/Yan Yan

There are, however, alternative scenarios within the bounds of possibility, the occurrence of any of which would take China down a very different road. The CCP Congress may generate enough opposition to Xi Jinping to nudge him to step down voluntarily without seeking a third term. Beijing may then revert to its earlier strategy of "peaceful rise" under a new leadership. Going down this path would likely result in China's continued rise as an economic and industrial power, with considerable heft and influence in global affairs, more so as it regains trust and acceptance in the global south and beyond

A Soviet- type collapse brought about by social mayhem caused by burgeoning unrest and civic violence, cannot be entirely discounted. Whilst the CPC must have analysed and drawn lessons from the circumstances leading to the the disintegration of the USSR, there is little stopping the waters of a dam that has burst. Such a scenario would be detrimental for global stability and prosperity, as any collapse of the Chinese economy would severely affect markets and manufacturing elsewhere in the world.

The path taken by in China will also be affected by the situation in Europe and the trajectory of Russia, which itself is contending with major predicaments. Any positive or negative Black Swan event afflicting its most powerful ally would undoubtedly strengthen or weaken Beijing's hand, and its latitude for action in respect of adversaries. Similarly, any major developments in Japan or North Korea in the coming months will also influence the direction that China eventually takes.

No amount of peering into a crystal ball can assuredly determine the path that China will embark on during the run-up to the CPC Congress or in its immediate aftermath. However, what can be said at this point of time is that the forthcoming CPC Congress will be amongst the most consequential in the history of the People's Republic of China (PRC).

Conclusion

Ideological fellow-travelers may yet envision the PRC as the world's primary power in 2049, but for those not enamored of totalitarian utopias, the writing is on the wall— China is past her apogee.. There is as much likelihood of a steady decline, or even a systemic collapse, as there is of achieving superpower status, by the second-half of this century.

The Taiwan Crisis may well expose Xi Jinping as an impatient, assertive leader whose overweening ambition proved to be his downfall. In his quest for great power status, Xi Jinping has discounted the intrinsic geopolitical, geographic and socio-economic vulnerabilities of China, which had, until his arrival on the scene, been on the road to realising global economic superstardom. As of now, the world still awaits a China that sets out in a different direction, one with a more sustainable narrative and a more realisable dream.

***

Delhi Policy Group
Core 5A, 1st Floor,
India Habitat Centre, Lodhi Road
New Delhi - 110003
India

www.delhipolicygroup.org