



Is China a threat?

By Charles Parton

During last year's Conservative Party leadership contest, Rishi Sunak, now Prime Minister, called the People's Republic of China (PRC) a 'threat'. Subsequently, pushed to repeat the description, he demurred. In both instances he was correct. The PRC is a threat. And prime ministers and ministers should avoid name calling with those we wish to cooperate with.

The 'refresh' of His Majesty's (HM) Government's Integrated Review talks of 'an epoch-defining and systemic challenge posed by China under the Chinese Communist Party [CCP]'.¹ But it inches towards the truth when it talks of the 'CCP threat to our people, prosperity and security' and refers to 'state threats'. Disappointingly, epoch-defining the challenge may be, but among the nine new strategies promised, there is no mention of a China strategy.

Think tanks are not in the business of reticence. Rather they should expound loudly the truth about the CCP and its relations with free and open countries. This Explainer explores the nature of the threat posed by the CCP and the methods by which it aims to achieve its goal of replacing the United States (US) as the world's primary power and of reworking global governance better to suit its interests and values. A second paper, to be published on 21st March, will outline ways of dealing with the threat.

¹ 'Integrated Review Refresh 2023: Responding to a more contested and volatile world', Cabinet Office, 13/03/2023, <http://bit.ly/3YGYJPT> (checked: 14/03/2023).



Defining the threat

It is wise to avoid talking of a ‘new cold war’. Accurate or not, it evokes an unhelpful parallel with the confrontation between the Soviet Union and ‘the West’. Interaction with the Soviet Union was marginal. Not so with the PRC: the economies of free and open countries and of the PRC are closely intertwined in trade, investment, resources, scientific and technological cooperation. They share the challenges posed by climate change and global health issues. Nor is the threat primarily one of war, although that is a possibility over Taiwan, even if an unlikely one.²

The threat which the CCP poses to free and open countries is – in the words of the ‘refresh’ of the Integrated Review – ‘systemic’. The realisation of the CCP’s aims would undermine the three pillars upholding the democratic way of life: national security, including democratic and political institutions; long-term economic prosperity (ultimately indivisible from national security); and values. The CCP is also using data from free and open countries – the ‘new oil’ – against them, while destroying the privacy of their citizens.

Being a threat presupposes hostility, intent and capability. Hostility to the US and its allies is the basic building block of the CCP’s foreign relations. The intent is to replace the US as the world’s preeminent power and to remould global governance, systems and values. Building the capability to do so is work in progress, but the methodology being employed is already clear.

Hostility and struggle

The CCP talks endlessly of a ‘struggle’ against ‘Western’ countries, even as it acknowledges the need for cooperation in areas where it is weak or cannot be self-sufficient. As Xi Jinping, General Secretary of the CCP, said in his first speech to the Central Committee in January 2013:

We must diligently prepare for a long period of cooperation and of conflict between these two social systems in each of these domains [economic, technological, and military].³

² For the argument against the CCP invading Taiwan or implementing a full-blown blockade to force unification, see: Charles Parton, ‘Taiwan: Invasion is not likely, but deterrence remains vital’, Council on Geostrategy, 06/09/2022, <http://bit.ly/3hNh5P8> (checked: 14/03/2023).

³ Tanner Greer, ‘Xi Jinping in Translation: China’s Guiding Ideology’, *Palladium Magazine*, 31/05/2019, <http://bit.ly/3Y9vHrI> (checked: 14/03/2023).



In CCP thinking, ‘Western’ countries are ‘hostile foreign forces’, which aim to derail the PRC’s future. This view of hostility and an ideological struggle has been prominent throughout Xi’s time as leader (and before). In April 2013 the CCP published the infamous ‘Document no. 9’ – more formally titled ‘Communiqué on the Current State of the Ideological Sphere’ (see Box 1). This excoriated ‘Western’ values and systems and warned that:

...the position of Western anti-China forces to pressure for urgent reform won’t change, and they will continue to point the spearhead of Westernising, splitting, and ‘Colour Revolutions’ at China.

Box 1: The ‘false ideological trends, positions, and activities’ noted in ‘Document no. 9’⁴

1. Promoting Western Constitutional Democracy: An attempt to undermine the current leadership and the socialism with Chinese characteristics system of governance;
2. Promoting ‘universal values’ in an attempt to weaken the theoretical foundations of the Party’s leadership;
3. Promoting civil society in an attempt to dismantle the ruling party’s social foundation;
4. Promoting Neoliberalism, attempting to change China’s Basic Economic System;
5. Promoting the West’s idea of journalism, challenging China’s principle that the media and publishing system should be subject to Party discipline;
6. Promoting historical nihilism, trying to undermine the history of the CCP and of New China; and,
7. Questioning Reform and Opening and the socialist nature of socialism with Chinese characteristics.

This attitude persists. As Xi stated at the 6th Plenum in November 2021:

Various hostile forces will never allow us to realise the great rejuvenation of the Chinese nation smoothly...⁵

⁴ Ibid.

⁵ Xi Jinping, Speech: ‘以史为鉴、开创未来 埋头苦干、勇毅前行’ [‘Take history as a mirror, create the future, work hard, and move forward bravely’], 求是 [Qishui], 01/01/2022, <http://bit.ly/3XZhCx7> (checked: 14/03/2023).



Or in the words of a document to be studied by all CCP cadres, put out in April 2022 by the Office of the Central National Security Commission and the Central Propaganda Department:

Hostile forces persistently seek to ferment [sic] a 'Colour Revolution' within our state, vainly attempting to subvert the leadership of the Chinese Communist Party and the socialist institutions of our state...On the international stage, Western hostile forces have not ceased their ideological infiltration of our country, not even for a moment. They do everything in their power to promote so-called 'universal values'.⁶

Totalitarian governments need enemies. Enemies justify imposing restrictions; they explain internal unrest; and they avoid a need to admit mistakes. Wherever the CCP experiences trouble, be it unrest in Xinjiang, pro-democracy demonstrations in Hong Kong, self-immolations in Tibet, Taiwanese resistance to 'reunification', or its own citizens protesting against Covid-19 lockdowns, the CCP warns that 'hostile foreign forces' are behind them all. This need for hostility and struggle is not confined to rhetoric: it manifests itself also in concrete policies and actions. Obvious examples are actions in the South China Sea, against Taiwan, and in the bullying of smaller countries such as Australia or Lithuania. And most trenchantly, it underpins the CCP's whole foreign policy, which is based upon deep anti-Americanism.

Intent

But what exactly does the CCP intend? What is it striving to achieve? The short answer is to achieve the 'Second Centennial Goal', a slogan first used by Jiang Zemin when he was General Secretary of the CCP and repeatedly stressed by Xi. This declares that by the centenary of the establishment of the PRC in 1949 it will become a 'strong, democratic, civilised, harmonious, and modern socialist country'. To translate from 'partyspeak' into plain English, the PRC is to become the top superpower, the US will be pushed into second position, and global governance, systems and values will be so ordered as better to suit CCP interests. In more detail, those six adjectives betoken a leading military, a CCP-led political system, a distinctive CCP version of Chinese culture, an ethnically homogenous

⁶ '总体国家安全观学习纲要' ['The Total National Security Paradigm: A Study Outline'], 中央国家安全委员会办公室 [Office of the Central National Security Commission], trans. Kitsch Liao, 2023, <http://bit.ly/3xSFgR8> (checked: 14/03/2023).



society, leadership in science and technology, and an adherence to CCP ‘core socialist values’.

This vision is confrontational, not cooperative. According to the *People’s Daily*, the CCP’s paper:

In the face of major changes unseen in a century, General Secretary Xi Jinping has a far-sighted vision: ‘System competition is an important aspect of comprehensive national power competition, and the dominant position of a system is an important dominant position for a country to win the strategic initiative.’⁷

Qu Qingshan, the President of the Institute of Party History and Literature of the Central Committee of the CCP, an important organ (consider the weight Xi attached to the Historical Resolution paraded at the CCP Plenum in November 2021), put it more dramatically in a July 2022 article:

The struggle between two social systems and two ideologies will also be long-term, complex, arduous and severe. The strategic contest between China and the United States is bound to last for a long period of time, for which we must be fully prepared ideologically and work.⁸

And while Xi and the CCP may insist that the party does not aim to export its political system, that comes with a full ladle of disingenuity. It is true that the PRC’s political system could not be replicated abroad wholesale, but certainly elements could be. This goes beyond obvious areas such as internet governance, surveillance and values. As Xi himself said in a speech in 2018:

Socialism with Chinese characteristics is becoming the banner of the development of scientific socialism in the 21st century and the mainstay of the revitalisation of world socialism. Our party has the responsibility, confidence and ability to make greater historical contributions to the new development of scientific socialism.⁹

⁷ ‘继续奋斗，走好新时代赶考路’ [‘Continue to struggle and take the road of rushing for the exam in the new era’], *人民日报* [People’s Daily], 08/11/2021, <http://bit.ly/3KCfGHP> (checked: 14/03/2023).

⁸ Qu Qingshan, Speech: ‘新征程 新思想 新篇章 | 从未来维度认识把握“两个确立”’ [‘New Journey, New Thought, New Chapter | Understanding and Grasping the “Two Establishments” from the Future Dimension’], 中央纪委国家监委 [Central Commission for Discipline Inspection and the State Supervision Commission], 07/07/2022, <https://bit.ly/41vMzvS> (checked: 14/03/2023).

⁹ Xi Jinping, Speech: ‘坚持和发展中国特色社会主义. 要一以贯之’ [‘Uphold and develop socialism with Chinese characteristics. Be consistent’], 求是 [Qiushi], 05/01/2018, <http://bit.ly/3Zr3XQf> (checked: 14/03/2023).



Last September, echoing the resolution passed at the 6th Plenum in November 2021, an official commentary on 'Xi Jinping Thought' in the *People's Daily*, expounded upon 'Chinese style modernisation', which has 'solved many problems in the development of human society' and

...has expanded the way for developing countries to modernise, and provided a Chinese solution for mankind to explore a better social system.¹⁰

It remains an important theme. As Xi said in his February 2023 address to the Central Party School:

Chinese-style modernisation...provides a brand-new model of modernisation for the whole world...it transcends the theory and practice of Western-style modernisation...and provides a brand-new choice for the vast number of developing countries.¹¹

Building the capability needed for achieving global hegemony

The CCP pursues its strategy for attaining its goal of becoming the dominant world power and changing the global order through seven methods.

1. Military power

Despite the enormous modernisation programme of the People's Liberation Army (PLA) and the large annual increases in military spending, the PLA is not yet a fearsome force. It has had no combat experience since 1979, a very different era militarily. Although it is beginning to procure larger and longer-range auxiliary and naval vessels and to establish bases abroad, it is not yet logistically capable of projecting meaningful military power beyond its immediate region.

For the PLA to become a credible military threat will require at least a decade. It also presumes that the Chinese economy will continue to be able to

¹⁰ 任理轩 [Ren Lixuan], '道路自信何以更加坚定 (深入学习贯彻习近平新时代中国特色社会主义思想)' ['Why is self-confidence on the road more firm (in-depth study and implementation of Xi Jinping's new era of socialism with Chinese characteristics)'], 人民日报 [People's Daily], 29/09/2022, <http://bit.ly/3Zr2hqi> (checked: 14/03/2023).

¹¹ '习近平在学习贯彻党的二十大精神研讨班开班式上发表重要讲话' ['Xi Jinping delivered an important speech at the opening ceremony of the seminar on studying and implementing the spirit of the 20th National Congress of the Communist Party of China'], 新华社 [Xinhua], 07/02/2023, <http://bit.ly/3EGHGGo> (checked: 14/03/2023).



support military growth – a presumption given systemic headwinds facing the PRC and other demands on the exchequer.¹²

The greatest threat posed by the PLA is an invasion or blockade of Taiwan, which could trigger open hostilities with the US, Japan and other countries. More than the military difficulties of invasion, the economic consequences for the PRC are what make invasion or blockade most unlikely in the foreseeable future: the cratering of the Chinese economy would lead to mass unemployment, riots against the CCP and possibly its overthrow.¹³

In sum, the CCP tries to use intimidation through military threat to achieve its aims. But for the foreseeable future this is more bark than bite. Governments should not kowtow. For example, they should continue to uphold international law by insisting upon the right to naval and air passage through the South China Sea.

2. Economic sticks and carrots

The mainstay of Chinese diplomacy plays upon the idea that if countries align themselves with CCP aims they will benefit from access to the PRC's enormous domestic market, Chinese investment, or development aid. The Belt and Road Initiative (BRI), an effective slogan for Chinese globalisation, is the symbol of this. Conversely, those countries which offend the CCP are denied these benefits.

Yet neither benefits nor downsides are as great as the CCP tries to promote. While cooperation with the PRC is mutually beneficial and to be encouraged in non-sensitive areas, it is not the case that those who end up in the 'diplomatic doghouse' suffer to any great degree.¹⁴ This means that free and open countries should make policy with an eye fixed on their own interests and without fear of CCP pressure.

Behind the sticks and the carrots lies the CCP aim of ensuring its energy, food and resource security. For Africa, Asia and South America, this is dressed up under new initiatives: the Global Development Initiative and the Global Security Initiative, in effect BRI 2.0. It is pure solipsism cloaked in a 'community of shared future'.

¹² George Magnus, 'The Chinese economy: Troubled times ahead', Council on Geostrategy, 05/10/2022, <http://bit.ly/3Ut6uaJ> (checked: 14/03/2023) and George Magnus, 'China's "Two Sessions" paper over cracks in a troubled economy', Council on Geostrategy, 06/09/2022, <http://bit.ly/3xSKqNo> (checked: 14/03/2023).

¹³ Charles Parton, 'Taiwan: Invasion is not likely, but deterrence remains vital', Council on Geostrategy, 06/09/2022, <http://bit.ly/3hNh5P8> (checked: 14/03/2023).

¹⁴ Charles Parton, 'Empty threats? Policymaking amidst Chinese pressure', Council on Geostrategy, 06/07/2021, <http://bit.ly/3kouEgq> (checked: 14/03/2023).

3. Foreign propaganda – influence from the outside

The CCP devotes enormous resources to its external propaganda department. David Shambaugh, Professor of Asian Studies at George Washington University, estimated that in 2017 the CCP spent over US\$10 billion (£8.25 billion) a year.¹⁵ Six years later the figure must be considerably more.

The overarching theme, aimed at changing the global narrative on the PRC, is that its rise is irresistible and inevitable. The CCP seeks not only to capture Chinese language press in foreign countries, but also to ensure that, wherever possible, foreign language media echo CCP lines. It has done this by increasing the size of its media bureaus abroad, and by opening in places where many established bureaus from free and open countries are not present, thus providing pictures and reports whose slant supports Beijing.

For many developed countries the propaganda is not persuasive. Chinese media does not command a big audience and CCP attempts to sell its line do not convince. But while Covid-19 propaganda in Europe was a disaster, the main audience was in the PRC, as the CCP played back to its own citizens the effectiveness of its personal protective equipment (PPE) exports or other aid. Research shows that in many African, Asian and South American countries the CCP's messages are better received.¹⁶

4. The United Front Work Department (UFWD) – influence from inside

Under Xi, the UFWD, always an important CCP department, has gained added weight and duties. In 2018, it took overall control of the bodies overseeing religion, ethnic matters and overseas Chinese.¹⁷ As globalisation has grown, so too has the UFWD's overseas significance.

As much as the body itself, it is the wider united front strategy which is proving an effective tool for getting foreigners themselves to do the CCP's work. In essence, that strategy identifies the 'main enemy' and seeks to isolate it by moving its allies to the neutral position and those in the neutral position to one favourable to the CCP. The easiest targets are smaller nations, such as Pacific and Caribbean island states, which the CCP seeks to peel away from a pro-American stance and realign their interests.

¹⁵ 'China is spending billions to make the world love it', *The Economist*, 23/03/2017, <http://bit.ly/3EHknMN> (checked: 14/03/2023).

¹⁶ 'Chinese propaganda is surprisingly effective abroad', *The Economist*, 16/02/2023, <http://bit.ly/3EGmK2k> (checked: 14/03/2023).

¹⁷ Alex Joske, 'Reorganising the United Front Work Department: New Structures for a New Era of Diaspora and Religious Affairs Work', *Jamestown Foundation*, 09/05/2019, <http://bit.ly/41tfi4a> (checked: 14/03/2023).



But united front work also lies behind the CCP's interference – defined by Malcolm Turnbull, former Australian Prime Minister, as 'covert, coercive and corrupt[ing]' activities – in bigger free and open countries. Here the UFWD and Chinese officials, all of whom have united front objectives as part of their jobs, seek to control the narrative amongst foreign politicians, think tanks, businessmen, academics and others who may influence a foreign country's perceptions and policies towards the PRC.

5. Altering global governance

The CCP puts much effort into changing existing international organisations, standards and values so that they better align with its own interests and values. Internet governance and human rights are obvious examples. It also seeks to mould global governance in new areas, such as space, or the Arctic and Antarctic regions.

The CCP seeks to get its officials into leadership positions in the United Nations (UN) and other global institutions. Another reason for lavishing resources and attention on small nations is that each has a vote in international organisations. The vote of Kiribati in the UN counts as much as the vote of the UK, US or Japan.

6. Dominating new sciences, technologies and industries

The drive to be the leading superpower will not succeed unless the PRC can dominate the new sciences and industries. Achieving that would provide the economic rents sufficient to sustain the CCP's geopolitical ambitions.

Planning towards this objective has been longstanding and consistent. In 2003 the PRC set out its 'Medium and Long-Term Plan for Science and Technology Development'. The 12th Five Year Plan (2011–2015) set out seven strategic industries, as well as the 'Made in China 2025' plan which listed ten priority areas. The 13th (2016–2020) introduced the 'Science and Technology Innovation 2030' project, which listed 18 priority areas,¹⁸ while the 14th (2021–2025) states that by 2035, the PRC is to make 'significant breakthroughs' in core technologies and to be among the most innovative nations in the world.¹⁹

¹⁸ Karen Sutter, 'Foreign technology through commerce', William Hannas and Didi Tatlow (eds.), *China's Quest for Foreign Technology* (London: Routledge 2020), pp. 59–60.

¹⁹ Seven 'frontier' areas are listed: artificial intelligence, quantum information, semiconductors, neurosciences, genetic research and biotechnology, advanced clinical medicine and healthcare, and deep-space, deep-sea and polar exploration. See: Caroline Meinhardt and Gregor Sebastian, 'Xi speech on innovation + Five-Year Plan + Foreign R&D investment', *Mercator Institute for China Studies*, 06/04/2021, <http://bit.ly/41FFCIG> (checked: 14/03/2023).



Domination in these areas is to be achieved by fair means or foul. The PRC has good indigenous research. Cooperation with companies through joint ventures have insisted on technology transfer as a condition of entry into the Chinese market. There is also the systematic buying and hiring of foreign brains, the former through ‘venture communism’, the buying up or into of startup companies, the latter involving the commissioning of research in foreign universities or the attracting of foreign talent to Chinese universities and research organisations. But the CCP has also had detailed plans for covert science and technology collection from the democracies since the 1950s, through espionage, cyber intrusion or theft by Chinese researchers and PhD students.

7. Data and dependencies: the ‘Huawei strategy’

The CCP has a defined strategy for promoting companies to become global champions in crucial sectors for the future. 5G telecommunications (Huawei), CCTV cameras (Hikvision), and drones (DJI) are the best known examples. But cellular ‘internet of things’ (IoT) modules (Quectel, Fibocom, China Mobile) represent the most dangerous area.²⁰

The strategy involves state subsidy with cheap finance, land, shared research, including from cyber and espionage. It matters not whether the companies are state-owned or private, or indeed that the national security laws lay down that companies and individuals must help the security services on demand. As anyone with experience in the PRC knows, if the CCP says ‘jump’, the only answer is ‘how high?’

The aim is to undercut foreign competition on price and drive it from the market. If the CCP can achieve a monopoly on a crucial technology and associated equipment this will provide:

- **Strategic dependency.** Reliance on the PRC for crucial components means that the CCP can impose its will upon the policies of free and open countries. The implied threat of withholding things vital to economic well-being will make governments reluctant to cross the PRC in many policy areas. Threats by the CCP to cut off the supply of PPE during the Covid-19 crisis shows its willingness to use this form of pressure.
- **Data.** This is the new oil (and cliché). Cellular IoT modules, Huawei astride 5G telecommunications, CCTV cameras and much more are allowing the

²⁰ For a paper explaining the threat from the CCP’s aim to establish a monopoly for its cellular IoT module companies, see: Charles Parton, ‘Cellular IoT modules – Supply Chain Security’, OODA Loop, 25/01/2023, <https://bit.ly/3yoEVvF> (checked: 14/03/2023).



CCP to amass vast amounts of data, the possession of which allows the formation of powerful tools or weapons.

- **Switching off or degrading critical national infrastructure.** In particular, a monopoly of cellular IoT modules would allow the CCP to cause, for example, power blackouts, bring traffic, logistic or industrial processes to a halt, disarm alarm or fire systems in office buildings, and much more.

Conclusion

The PRC is already a threat. The CCP is hostile, it has intent. The strategies for building the capability to carry out its aims have been worked out and are being implemented. Of the seven methods being used, the last two are the most potent. They are also the least easy for governments, business and academia to acknowledge and to defend against. Assuming that the CCP stays in power and that it can continue to grow its economic heft – by no means a given, the likelihood is that the world is now seeing ‘plateau China’ – the threat is likely to be even greater by 2049.

The question is: how should the governments of free and open countries? The answers will be provided in a subsequent Primer, which will look at how free and open countries should recognise and deal with the pessimistic diagnosis laid out above. Welcome or not, the world finds itself in new territory. Both Russia and the PRC are prepared not to play by the rules when it suits them. The difference is that interaction with Russia during the Cold War was minimal, whereas now globalisation and mutual dependency with a strong PRC is well advanced.

When it comes to the ‘D’ word, decoupling has limits; divergence or ‘de-risking’ are already in train. The question is to what degree. Free and open countries should work with the PRC, in trade, investment, climate change, health and non-sensitive areas of science and technology. The ideal is a ‘Goldilocks China’: not too hot and not too cold (both would be a disaster).

Working out relations with the PRC requires a clear view of the nature of the threat which it poses. As Bruno Kahl, President of the German Federal Intelligence Service, said, ‘Russia is the storm. China is climate change.’²¹ And to ignore climate change would be irresponsible.

²¹ ‘China spying on Germany, say intelligence chiefs’, DW, 17/10/2022, <http://bit.ly/3ZooYuZ> (checked: 14/03/2023).



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