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How Xi Jinping Views the World

The Core Interests That Shape China's Behavior

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Much has been written on Chinese President [Xi Jinping](#) ^[1]'s remarkable consolidation of political power since he took office five years ago. But an equally important question for the international community to consider is how [Xi](#) ^[2] views the world—and what that means for how China will approach it. Because of the opacity of the Chinese political system, this is hard to answer with real certainty. But clear patterns are beginning to emerge.

Xi's worldview places greater emphasis on the centrality of the Chinese Communist Party over the professional apparatus of the state and of communist ideology over policy pragmatism. It is one of Chinese nationalism suffused with a cocktail of economic achievement, political nostalgia, and national grievance together with a new culture of political self-confidence that represents a clear departure from Deng Xiaoping's orthodoxy of "hide your strength, bide your time, never take the lead."

This new approach can be best understood as a set of seven concentric circles of interests, starting with the centrality of the party and expanding out to the unity of the country; the importance of sustainable economic growth balanced against environmental concerns; keeping China's 14 border states under benign control; projecting its regional maritime power; leveraging its economic power across its continental periphery; and slowly reforming parts, but by no means all, of the postwar international rules-based order over time to better suit its interests. Whether Xi succeeds, in whole or in part, with his grand strategy is an open question.

THE PARTY AND THE NATION

The first and most immediate circle is the Chinese Communist Party itself and its overriding interest to remain in power. There has been a tacit [assumption](#) ^[3], at least across much of the collective West over the last 40 years, that China would slowly embrace the global liberal capitalist project. In making this assumption, many scholars failed to pay attention to the internal debates within the party in the late 1990s, which concluded early in the first decade of this century with the decision that there would be no systemic change, and that China would continue to be a one-party state. In addition to wanting to ensure the party's long-term survival for its own sake, the leadership also believed that China could never become a global great power in the absence of the party's

strong central leadership. Although these internal debates were concluded a decade before Xi's rise to power, Xi has completed the process of turning in China into a state capitalist society with the party at the center.

Xi has unapologetically asserted the power, prestige, and prerogatives of the party apparatus over the administrative machinery of the state. In previous decades, the role of the party had shrunk to a more narrowly defined, ideological role. That is no longer the case. Xi understood that removing the party as an institution from continued structural relevance to the country's real policy decision-making process would lead to its power fading. He has now intervened decisively to reverse this trend.

Under Xi, China's leadership has also emphasized more and more political ideology over pragmatic policy. Xi and the rest of the central leadership know that demands for political liberalization almost universally arise once per-capita income passes a certain threshold. Their response to this dilemma has been a reassertion of Marxist-Leninist ideology and an expanded propaganda campaign that now fuses the imagery of the Chinese Communist Party and the nation. Xi believes that he can defeat Francis Fukuyama's view of history, which considers Western-style liberal democracy to be the final form of government. And because this goal is turbocharged with the new technologies of state control (including social credit scores and facial recognition supported by an internal security apparatus larger than the PLA), many Chinese believe he will succeed.

The second concentric circle, in terms of the core interests of Xi and the Chinese leadership, is national unity. This remains of vital concern in Beijing, as a question of national security on the one hand and of enduring political legitimacy on the other.

From Beijing's perspective, Tibet, Xinjiang, Inner Mongolia, and Taiwan represent a core set of security interests. Each within itself represents a confluence of external and internal security factors. Tibet is a central factor in Chinese perceptions of its strategic relationship with India, which has provided political sanctuary for the Dalai Lama for more than half a century. Xinjiang represents China's gateway to what it perceives to be an increasingly hostile Islamic world, reinforced by concerns about its own, homegrown Islamic separatist movement. Inner Mongolia, despite the resolution of the common border with Russia decades ago, represents a continuing source of strategic anxiety between China and Russia, including Russian concerns over the long-term possibility of Chinese revisionism on the border settlement of 1989.

Taiwan, long seen as the equivalent of a large American aircraft carrier in the Pacific, represents in the Chinese strategic mind a grand blocking device against China's national aspirations for a more controlled, and therefore more secure, maritime frontier, as well as an impediment to national reunification. Hence deep Chinese neuralgia over the recent passage of the Taiwan Travel Act, authorizing the resumption of official-level contact between all levels of the U.S. administration and their Taiwanese counterparts. These internal security challenges will always remain China's core security challenges, apart, of course, from the security of the party itself.

The third in this series of concentric circles is the Chinese economy, together with its strategic counterfoil, environmental sustainability. In policy terms, China's first phase of economic reform was characterized by small-scale, local family enterprises involved in light industry; low-wage, labor-intensive manufacturing for export; and high-level state

investment in public infrastructure, including telecommunications, broadband, road, rail, port, and power generation, transmission, and distribution. In early 2013, Xi released a new blueprint for the second phase of China's economic reform program. Its defining characteristics were a new emphasis on the domestic consumption market rather than exports as the principal driver of future economic growth; the explosion of China's private sector at the expense of the overall market share of its state-owned enterprises; and leapfrogging the West in critical new technology sectors, including biotechnology, informational technology, and artificial intelligence, all within the new framework of environmentally sustainable development, particularly air pollution and climate change.

Five years out, there has been little if any real progress on investment, trade, finance, and state-owned enterprise and land reform, while China appears to be backsliding on fiscal policy, competition, and labor reform. The open question for the economy is whether Xi, having further consolidated his power, wants to deploy the political capital necessary to these new, essential, but deeply sensitive areas of reform where the forces of resistance and inertia are great. There are other worrying signs, too. The role of party secretaries within private firms now seems to have been enhanced, and there is an open debate as to whether the state should acquire equity within China's most successful private firms. In the wake of the anti-corruption campaign and other compliance irregularities, we also see a number of prominent Chinese private firms in real political trouble. Beijing recently seized the insurance conglomerate Anbang, assuming temporary control of the company's assets after its chair was taken into custody, charged, and convicted. Compounding all of the above is a continuing lack of truly independent commercial courts and arbitration mechanisms.

Beijing, has, however, made real progress on innovation policy, where massive levels of state-directed research and development have begun to yield results, and on environmental reform, including a significant reduction in air pollution across major cities over the last two years. This is a particularly important achievement, because the tragedy of China's rapid development over the first 35 years has been wholesale environmental destruction. Of course, the environment is not just a domestic concern for the Chinese people. The amount of greenhouse gases that China emits is of fundamental relevance to the future of global climate security and therefore of the planet. Within the framework of China's current and emerging worldview, both a strong economy and clean environment represent core determinants of the party's future political legitimacy.

REGIONAL INTERESTS

The fourth in this widening series of concentric circles moves beyond domestic concerns to what China considers its sphere of influence. This relates to China's 14 neighboring states. Historically, they've been the avenue through which China's national security has been threatened, resulting in successive foreign invasions. Through political and economic diplomacy, China thus wishes to secure positive, accommodating, and, wherever possible, compliant individual relationships with all these countries.

But beyond that, Beijing is also forming a deeper strategy of engagement across its continental periphery. We see this in China's political, economic, and military diplomacy across its vast continental flank from Northeast through Central to Southeast Asia. We also see it reflected in groups such as the Shanghai Cooperation Organization and in ambitious infrastructure projects, especially its Belt and Road Initiative.

The strategic imperative behind these programs is clear: to consolidate China's relationships with its neighboring states. And by and large, this means enhancing its strategic position across the Eurasian continent, thereby consolidating China's continental periphery.

A fifth concentric circle of China's strategic interests is its maritime periphery. Xi and the central leadership consider this to be an especially hostile arena. China sees its territorial claims in the East and South China Seas ^[4] as under threat, and now routinely refers to these as "core national interests," placing them in a similar category to Taiwan. China also sees the region as strategically allied against it—with a ring of U.S. allies from South Korea to Japan to Taiwan to the Philippines and onto Australia, not to mention the formidable array of U.S. military assets deployed by U.S. Pacific Command across the entire region.

China's maritime strategy seeks to fracture these U.S. alliances, which it argues are relics of the Cold War, while enhancing the capability of its navy and air force relative to its army. Under Xi, the change in China's military organization, doctrine, and force structure has been profound. Chinese naval and air capabilities now extend to reclaimed islands in the South China Sea, and Beijing has rapidly developed its land-based missile force targeted at both Taiwan and wider U.S. naval operations in the Western Pacific. China's overall political-military strategy is clear: to cause sufficient doubt in the minds any future U.S. administration as to its ability to win any armed conflict against Chinese forces within the first island chain. This includes raising American doubts over its ability to defend Taiwan.

The softer edge of China's strategy in East Asia and the Western Pacific is economic engagement through trade, investment, capital flows, and development aid. In both reality and in perception, China has already become a more important economic partner than the United States to practically every country in wider East Asia.

BEIJING AND THE WIDER WORLD

The final two circles relate to how China sees its future on the wider global stage. In the sixth circle, Beijing's order of strategic priorities is the country's relationship with the developing world, which has historical roots going back to Chairman Mao Zedong and Premier Zhou Enlai's role in the Non-Aligned Movement during the Cold War. Today, it applies particularly in Africa. But we also see it in countries such as Bangladesh, Pakistan, and Sri Lanka.

Across Africa, China has laid out large slabs of the continent's emerging infrastructure, and has also engaged in large-scale trade and investment across Latin America and Asia. Each of these projects is generating its own local controversies. But the remarkable thing about China's strategy is its persistence and its ability to adapt and adjust over time. Western academics have now conducted multiple field studies on Chinese investment projects in the developing world. Some have not been good, for example in Zambia, where the behavior of certain Chinese firms soon translated itself into national political controversy and a change in government. But others have demonstrated real improvements over time, such as in Ethiopia, where Chinese firms have increased the opportunities for local labor, improved wage levels, and invested in local communities.

What is remarkable is how many positive stories are now emerging across developing economies. So when China looks for local voices to support its interests, either in the United Nations or across the labyrinth of the global multilateral system, its ability to pull in political and diplomatic support is unprecedented.

The seventh concentric circle concerns the future of the global rules-based order. The United States built this order after World War II on two pillars: first, a series of essentially liberal international institutions including the UN, the Bretton Woods machinery, the GATT (later WTO), and the 1948 Universal Declaration of Human Rights; second, the possession and predisposition to use U.S. political, economic, and military power to defend the order it created. Ever since then, the United States has sought to defend this system through its global network of alliances, such as NATO in Europe and its bilateral security partnerships across East Asia. Up until today, the United States has remained the dominant superpower. Now it finds itself in a period of profound change and challenge.

The deeper foundations of the liberal order are also now under threat from without and within. Many Western citizens are disillusioned with their own democratic forms of government. Meanwhile, China is loud and proud about its “authoritarian capitalist” alternative to the American model. China is also on the cusp of replacing the United States as the world’s largest economy, but will soon have the ability to challenge U.S. regional (but not global) military dominance. China is also creating its own new multilateral institutions, such as the Asian Infrastructure Investment Bank, and continues to expand its strategic and economic reach across Europe and Asia. Xi himself has made clear he does not see China’s role as simply replicating the current U.S.-led liberal international order for the future.

China has consistently said that the current order was created by Western, and by-and-large colonial, powers, who happened to be the principal victors of the Second World War. But it has so far left open what specific changes it will push to change in the international rules-based system for the future. China’s expectation of the future order will be one that is more suited to its own national interests and values. This will have implications, for example, for the current international order on human rights, anchored in the three international treaties and the Human Rights Council in Geneva, where the agreed normative political framework is primarily anchored in the precepts of liberal democracy.

It will also have implications for the future international economic order, including the WTO, particularly in the aftermath of any unfolding trade war with the United States if the United States steps outside WTO rules in any attempt to unilaterally resolve the dispute in its favor. As for the future international security order, we now find ourselves in completely uncertain terrain for reasons increasingly shaped by the future contours of both American and Chinese domestic politics. Will the United States wish to remain the global policeman of last resort? And would China have any interest in filling this role? The evidence to date is that Beijing would not.

THE FUTURE OF CHINESE FOREIGN POLICY

These broad trend lines of China under Xi are becoming increasingly apparent. In many respects, they are the direct result of China beginning to fulfill its century-long aspiration to acquire national wealth and power, going back to the last days of the Qing. Back then, the galvanizing Chinese national interest was simply to maintain its territorial integrity and

political sovereignty against waves of foreign intrusion and invasion. That task has now been achieved. However, where China has no ready historical script from which to draw from its long tradition is how to harness its newfound wealth and power to guide its behavior in the world at large. Xi's worldview begins to give some clear guidance on this. We have just entered the third period of China's post-1949 international reality: from Mao's national political revolution to Deng's economic modernization to Xi's emerging vision for China in the world. Xi's China does not intend to be a status quo power. The question for the rest of the world is how to now engage this newly assertive China of the future.

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