

Losing Face or Losing Power? How China's Quest for Socialist Modernisation Explains the Political Calculations of the Chinese Communist Party during the Trade War

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Abstract

Because of the closed-off nature of China's political system it is difficult to fathom the decision-making process within the Chinese Communist Party (CCP). To alleviate this problem, authors oftentimes revert to concepts and historical analogies derived from China's ancient past to explain contemporary behaviour and policies. For all their merits, this article contends that it is not so much this traditional past but rather the recent socialist break in history that can aid us to better understand and explain how the CCP formulates its policies. Furthermore, instead of a coming clash between hegemons, the Chinese policymakers are first and foremost concerned with the modernisation of their country.

Keywords: Trade war, socialism, modernisation, CCP, ideology.

Introduction

Trade negotiations between the United States (US) and the People's Republic of China (PRC) reached yet another impasse in early May 2019 after negotiations between the respective nations caught in the trade war broke down. Disappointed with the lack of progress, President Donald J. Trump raised tariffs from ten to twenty-

five percent on \$200 billion worth of Chinese imported goods.¹ China retaliated shortly thereafter with tariffs of its own on American goods.² The breakdown was the latest iteration of such in the ongoing trade war.³ Commentators suggest that China may, in fact, be preparing to hunker down for the long road ahead. Indeed, the point can be made that the upcoming American presidential elections in 2020 offer an interesting prism for China to prolong the negotiations,⁴ banking – if you will – on the shifting nature of democratic states and the presumed authoritarian advantage of having a more fixed-term elite leadership.⁵ A similar reasoning holds that China's long-term and holistic thinking allows it to weather the challenges that it is faced with today.⁶

However, such perspectives run counter to the empirical evidence provided by the trade war. I have written elsewhere about the fallacy of attributing ancient strategic precepts derived from

¹ BBC, 'Trump Threatens to Raise Tariffs on \$200bn of Chinese Goods', in BBC (5 May 2019), Available at: <https://www.bbc.co.uk/news/business-48171561> (16 May 2019).

² K. Bradsher, 'With Higher Tariffs, China Retaliates Against the U.S.', in The New York Times (13 May 2019), Available at: <https://www.nytimes.com/2019/05/13/business/trump-trade-china.html> (16 May 2019).

³ J. Fritze, D. Jackson & M. Collins, 'Trump Will Meet with China's Xi Jinping and Russia's Vladimir Putin during G-20', in USA Today (13 May 2019), Available at: <https://eu.usatoday.com/story/news/politics/2019/05/13/donald-trump-schedules-meetings-xi-jinping-vladimir-putin-g-20/1156351001/> (16 May 2019).

⁴ It is nevertheless important to note that while the trade war has quickly become an argument of re-election for Donald Trump, for Xi Jinping it has become a sticking point, a political challenge. See M. Landler & A. Swanson, 'Trump Sees a China Trade Deal Through a New Prism: The 2020 Election', in The New York Times (10 May 2019), Available at <https://www.nytimes.com/2019/05/10/us/politics/trump-china-trade-2020-election.html> (16 May 2019).; and C. Bodeen, 'Trade Dispute with US a Political Challenge for China's Xi', in The Washington Post (9 May 2019), Available at: <https://www.nytimes.com/aponline/2019/05/09/world/asia/ap-us-china-trade-talks-xis-challenge.html> (16 May 2019).

⁵ C. Houck, 'China Is in Denial on Trade,' in Foreign Policy (21 November 2018), Available at: <https://foreignpolicy.com/2018/11/21/china-is-in-denial-on-trade/> (16 May 2019).

⁶ See H. Kissinger, *On China* (Penguin Books, 2012), pp. 19-32; and also M. Pillsbury, *The Hundred-Year Marathon: China's Secret Strategy to Replace America as the Global Superpower* (St. Martin's Griffin, 2016).

China's Warring States period directly to the strategic decision-making of today's PRC.⁷ Indeed, such approaches all but ignore the existence of a socialist break in history marked by the victory of Mao Zedong's forces in 1949. This article points to a similar inconsistency. The returning popularity of Mao's 1938 essay *On Protracted War*, as *The Washington Post's* Anna Fifield reports,⁸ is a case in point. With its emphasis on strategic patience and playing the long game it rings similar to those aforementioned qualities of the Chinese leadership with which it seeks to "wait out" the presidency of Donald Trump. As an ongoing development, it is still too early to make any conclusive arguments about this conflict. Instead, this paper is concerned with China's behaviour in the period from 2018 until early May 2019, against the backdrop of the trade war.

The aim of this article is two-fold: to argue against the presumed long-term strategic thinking on the part of today's China; and against the perception of the current trade war on military-strategic lines. The first section offers a quick overview of how Chinese strategising is rendered in the literature, before expanding on the notions of status and 'face' in section 2. Consequently, the following section notes the significant change in the tone of the Chinese policy-makers as a result of the trade war, demonstrating that, for states, there is no such thing as long-term thinking. Lastly, the conclusion offers three core ideas to remember for future studies.

Past and Present in China's Strategic Thinking

It can be a rather confusing endeavour to, at times, employ the writings of Sun Tzu (Sunzi), the famed chronicler of *The Art of War*,

⁷ See A. Dessein, 'Identifying Windows of Opportunity within China's Rise: Problematizing China's Hundred-Year Strategy towards Great-Power Status', in *Military Review*, (2019), pp. 68-81.

⁸ See A. Fifield, 'China's Hottest New Read: 'On Protracted War' by Mao - with a Trump-era Twist', in *The Washington Post* (22 December 2018), Available at: https://www.washingtonpost.com/world/asia_pacific/chinas-hottest-new-read-on-protracted-war-by-mao--with-a-trump-era-twist/2018/12/18/e685ab1a-ff7a-11e8-ba87-8c7facdf6739_story.html?noredirect=on&utm_term=.694d94ec3940 (16 May 2019).

and at other times those of the revolutionary Mao Zedong, to explain contemporary decision-making in China, especially when both strategists also contradict each other. Writing during the war against the Japanese empire, Mao described the conflict as being between “semi-colonial and semi-feudal China and imperialist Japan [with] the two sides of the war [having] many contrasting features.” Because of this imbalance in terms of “military, economic and political-organisational power,” the Chinese side of Mao Zedong was essentially the less powerful of the two. For this reason, a protracted war – essentially a form of guerrilla warfare – would be waged supported by the country’s basic features of a “vast territory, rich resources [with] a large population and plenty of soldiers, and [the capability] of sustaining a long war.”⁹ This strategic prescription is an interesting counterpoint to Sun Tzu who wrote: “though we have heard of stupid haste in war, cleverness has never been seen associated with long delays. There is no instance of a country having benefited from prolonged warfare.”¹⁰ As will be demonstrated below, a prolonged trade war would be especially risky for the Chinese modernisation drive.

As the aforementioned texts have been written in very different periods, (the ancient military treatise dating back to the fifth century B.C. and Mao Zedong’s essay to 1938), it is natural that a wide variation between the two strategists is visible. Generally speaking, there are two major problems with such an equating of cultural and time-specific particularities with the contemporary decision-making process in China. First of all, while a greater sensitivity to the specific cultural environment of China allows us to gain a better understanding of today’s PRC, there is an inherent risk of applying a “crude view of ancient and fixed ways of war,” thereby reducing

⁹ See Z. Mao, ‘On Protracted War’, in *Selected Works of Mao Tse-Tung: Volume 2* (Marxists.org, 1965), Available at: https://www.marxists.org/reference/archive/mao/selected-works/volume-2/mswv2_09.htm (16 May 2019).

¹⁰ See Sunzi, ‘Waging War’, in Sun Tzu on The Art of War, Translated by Lionel Giles (Ctext, 1910), Available at: <https://ctext.org/art-of-war/waging-war> (16 May 2019).

strategy to stereotypical views gauged from Chinese traditional culture.¹¹ Indeed, this specific strategy that is followed is highly dependent on the “exigencies of the particular conflict.”¹² The second flaw is more general and points to the selective reading of ancient texts, an argument that holds for basic works in several fields, from the Bible to resources on ancient conflicts, such as the Peloponnesian War between Sparta and Athens. It is interesting that the Sun Tzu and Mao Zedong are the sole two strategists that are often put forward in popular studies of an otherwise rich tradition of Chinese strategic thought. This article is less concerned with breaking open the Chinese way of warfare but instead aims to demonstrate how such a selective reading of a competitor’s history can add to an unclear understanding of the contemporary policy-making.

One of the most iconic concepts concerning the rise of China is the Thucydides Trap, the belief that a hegemonic power cannot ignore a rising power and the challenge that it poses to its own elevated position. Recently popularised, it is Graham Allison who argued that, just like Sparta and Athens, China and the US are “on a collision course for war.”¹³ While valuable insights can be derived from

¹¹ See P. Porter, ‘Good Anthropology, Bad History: The Cultural Turn in Studying War’, in *Parameters*, Vol. 37, No. 2 (2007), p. 46. Alastair Iain Johnston contends that the existence of a Chinese strategic culture points to (1) those “basic assumptions about [...] the strategic environment and those (2) strategic options for “dealing with the threat environment.” A.I. Johnston, *Cultural Realism: Strategic Culture and Grand Strategy in Chinese History* (Princeton University Press, 1998), p. 37

¹² See for example E.S. Boylan, ‘The Chinese Cultural Style of Warfare’, in *Comparative Strategy*, Vol. 3, No. 4 (1982), pp. 341-364. In a similar argument, James Holmes notes that, while it would greatly simplify matters for Western strategists if there in fact existed an Asian way of war but alas, the easy comparison of the stealthy archer of the East and the Western swordsman charging forward does not hold true. As Holmes observes: “Mao [Zedong] and Ho [Chiminh] were the weaker parties at the outset of the wars they waged. It was natural for them to embrace strategies of the weak that harnessed deception, indirection, and delay. Weak powers that pursue strategies of the strong court defeat. Sheer common sense dictated that the Communist Chinese and Vietnamese armies abjure decisive battle until they could fight from a position of strength with reasonable hopes of success.” See J. Holmes, ‘Is There an Asian Way of Maritime War?’, *Comparative Strategy*, Vol. 35, No. 1 (2016), p. 34.

¹³ See G. Allison, *Destined for War: Can America and China Escape Thucydides’s Trap?* (Houghton Mifflin Harcourt, 2017), p. vii.

Thucydides' epic chronicle of the Peloponnesian War, historical analogies are "theoretically useful yet incomplete"¹⁴ and as such, "important to get right."¹⁵ Here, an interesting work by Andrea Ghiselli studies how "foreign policy elites [within the People's Liberation Army] select and interpret cultural artefacts and their symbols," to understand "how and why strategic culture evolves and influences" state behaviour. In conclusion, Ghiselli argues that strategic culture "evolves through the revision of old symbols and the integration of new domestic and eventually foreign ones in order to solve the problem of war." Naturally, the author notes, domestic examples are preferred for the sake signalling a sense of continuity with the past.¹⁶

It is clear that historical analogies are worthwhile in their ability to explain contemporary events only when they are placed within a specific context and not appropriated as fixed ways of warfare displayed by specific civilisations.¹⁷ Foreign precepts too can be employed in both ways. As such, one has to note that rather than manifestations of cultural specificities, historical analogies of good strategy are to a fair degree universally applicable. Be that as it may, Edward Luttwak goes as far as to describe the "strategic unwisdom of the ancients" to point to the need for a present-day focus in understanding how these ancient texts guide contemporary strategic thinking.¹⁸ However, despite being called the trade war, it would be fanciful to apply military-strategic precepts onto what is essentially an

¹⁴ See M.V. Kauppi, 'Thucydides: Character and Capabilities', in *Security Studies*, Vol. 5, No. 2 (1995), p. 142

¹⁵ See J. Kirschner, 'Handle Him with Care: The Importance of Getting Thucydides Right', in *Security Studies* (2018).

¹⁶ See A. Ghiselli, 'Revising China's Strategic Culture: Contemporary Cherry-Picking of Ancient Strategic Thought', in *The China Quarterly*, Vol. 233 (2018), pp. 167; 171-182.

¹⁷ An account of how the Chinese navy turned its tactical disadvantage against Vietnam on its back, see T. Yoshihara, 'The 1974 Paracels Sea Battle: A Campaign Appraisal', in *Naval War College Review*, Vol. 69, No. 2 (2016), pp. 13-17.

¹⁸ See E.N. Luttwak, *The Rise of China vs. the Logic of Strategy* (The Belknap Press of Harvard University Press, 2012), pp. 72-87.

economic conflict.¹⁹ That is not to say that the trade war is not a result of a great power-struggle between two nations but instead, to argue that the conflict in its current form has to be understood from a socio-economic perspective.

Indeed, it is even more revealing to understand the basic character of the PRC as following the political thought of Marxism-Leninism towards developing China into a modernised and socialist great power (*xiandaihua shehuizhuyi de qiangguo* 现代化社会主义的强国), referring to the modernisation of China that is expected to happen on a decidedly socialist, and not a liberal, basis. Here too, the relationship between Marxism and China's history and culture is important to understand. Shaun Breslin observes that it is unclear whether or not:

“The starting point is Marxism which under the theoretical logic of socialism with Chinese characteristics it should be (which is then used to analyse historical philosophical precedents), or instead the past (which in some ways incorporates Marxist thinking), or if the two are somehow independent and separate starting points that have been combined and melded together under Xi.”²⁰

Following the observations above, this paper argues that the socialist break in history provides the answer since “culture shapes but does not direct strategy.”²¹ The socialist ideology then provides the primary lens through which Chinese decision-making takes place. While this paper will look at the trade war, it can be argued that similar insights can be gauged to judge China's behaviour in for

¹⁹ While as zero-sum as geopolitics, how states apply economic instruments in their pursuit of geopolitical ends has to be understood in their own right. Geoeconomics, as this concept is called more briefly, is thus not merely a Clausewitzian rendering of war *by other means* but instead a form of conflict that plays out entirely in its own right. See R.D. Blackwill & J.M. Harris, *War by Other Means: Geoeconomics and Statecraft* (The Belknap Press of Harvard University Press, 2016), pp. 8, 24.

²⁰ See S. Breslin, 'More Than Occidentalism? The Search for Coherence in New Chinese IR Concepts', Paper presented to the ISA Annual Convention in Toronto (March 2019), p. 33.

²¹ See P. Cornish, 'Strategic Culture in the United Kingdom', in H. Biehl, B. Giegerich, & A. Jonas, *Strategic Cultures in Europe: Security and Defence Policies Across the Continent* (Springer, 2013), pp. 361–375.

example the South China Sea. In also approaching these territorial disputes from their proper perspective, future studies ought to make themselves aware of the relationship between China's ideology and the country's strategic decision-making. Such an approach could figure as a valuable if still basic framework for studies on China's rise, its foreign policy and its grand strategy more generally.

Trade Antics: Losing Face or Losing Power?

Shortly after the breakdown of the trade negotiations, China's Vice Premier and Xi Jinping's envoy to the trade talks, Liu He, gave an interview to Chinese news media in which he argued that twists and turns can be expected within the talks between the two countries and indeed, even within the development of a big power like China. "The Chinese side could not give way in matters of principle," Liu said. Cancelling the tariffs, reaching a consensus on the purchasing of goods and the drafting of a balanced agreement were the three main stumbling blocks that remained.²² Especially this latter point, with its reference to the country's dignity (*zunyan* 尊严)²³ led commentators to draw uneasy comparisons to the unequal treaties signed by China at the end of the nineteenth century and an enduring source of national

²² See Phoenix New Media, 'Liu He Responds to Questions by Phoenix New Media Journalist: Trade Negotiations Did Not Break Down, yet We Cannot Give in to Matters of Principle (刘鹤答凤凰记者问：谈判未破裂 原则问题绝不让步)', in Phoenix New Media (11 May 2019), Available at: <https://news.ifeng.com/c/7ma1xgATP3g> (16 May 2019).

²³ For an exposition on this concept, see O. Schell & J. Delury, *Wealth and Power: China's Long March to the Twenty-First Century* (Abacus, 2013), pp. 398-400. The authors note that while China can no longer be bullied because of its economic and military might, status ambitions have not come to fruition.

shame.²⁴ This statement was interpreted along two very different lines.²⁵

The first perspective points to the important political costs that China would incur if it would once again give in to the trade demands of a foreign power,²⁶ the other to the political space that would be (forcefully) opened up to push forward the necessary economic reforms within China. A similar argument has been made to explain the oftentimes worrying centralisation drive under Xi Jinping, with the first term (2012-2017) designated for power consolidation, followed by economic reform in Xi's second term (2017-2022) and political reform later.²⁷ Here, the trade war initiated by the US would present a welcome, albeit bellicose and unexpected chance for Xi Jinping, whose presidential term limits were abolished in 2017, to convince even the most conservative of voices.²⁸ However, one should

²⁴ With the signing of the treaty of Shimonoseki in 1895, the Qing empire agreed to cede territory and open four of its ports and cities to the Japanese empire. The treaty was the first of many during the so-called century of humiliation (*bainian guochi* 百年国耻) during which China would be forced to give in to Western powers. Bloomberg News, 'Memories of China's 1895 Shame Loom over Envoy's High-Stakes Talks,' in Bloomberg News (9 May 2019), Available at: <https://www.bloomberg.com/news/articles/2019-05-09/china-trade-envoy-s-unflattering-comparison-shows-high-stakes> (16 May 2019).

²⁵ N. Taplin, 'China Could Lose Face, Get Rich From a Trade Deal', in the Wall Street Journal (14 May 2019), Available at: <https://www.wsj.com/articles/china-could-lose-face-get-rich-from-a-trade-deal-11557827455> (16 May 2019).; C. Buckley & S.L. Myers, 'As China Trade Talks Stall, Xi Faces a Dilemma: Fold? Or Double Down?', in The New York Times (9 May 2019), Available at: <https://www.nytimes.com/2019/05/09/world/asia/xi-jinping-donald-trump.html> (16 May 2019).

²⁶ See A.I. Johnston & K. Quek, 'Can China Back Down? Crisis De-escalation in the Shadow of Popular Opposition', in *International Security*, Vol. 42, No. 3 (2018), pp. 7-36.

²⁷ Such a centralisation was deemed necessary to overcome "the opposition of nearly every major interest group." To do so, Xi Jinping presented the "strong personality polar opposite to the less energetic and less assertive Hu Jintao." W. Overholt, *China's Crisis of Success* (Cambridge University Press, 2018), pp. 210-214; 260-272

²⁸ See S. Babones, 'Leader For Life: Xi Jinping Strengthens Hold On Power As China Communist Party Ends Term Limits', in *Forbes* (25 February 2018), Available at: <https://www.forbes.com/sites/salvatorebabones/2018/02/25/leader-for-life-xi>

be well-aware that for China, giving in to Western demands is not necessarily about losing face but rather about the derailment of its modernisation under socialism writ large. Indeed, having reached a critical juncture in its economic growth, the Chinese economy is now transforming from high-speed to high-quality development. The policy of Made in China 2025 (*Zhongguo zhizao 2025*, 中国制造2025), announced by the country's State Council in 2015, serves exactly this purpose.²⁹ Little wonder that it has become the main point for tensions between the US and China.³⁰

Here, it is interesting to point to the deadlines that are an inherent part of the various policies pursued by the contemporary PRC. Made in China 2025 is one example, the creation of a well-off society (*xiaokang shehui* 小康社会) by 2021 and reaching socialist modernisation by 2049 are two others. Interestingly, while the former set out a time period to upgrade the specific industry of manufacturing, the latter two refer to the two centennial goals of strife (*liang ge yibainian fendou mubiao* 两个百年奋斗目标).³¹ These

[jinpings-strengthens-hold-on-power-as-china-communist-party-ends-term-limits/](#) (16 May 2019).

²⁹ See State Council, 'Notice by the State Council on the Publication of "Made in China 2025" (*Guowuyuan guanyu yinfa Zhongguo zhizao 2025 de tongzhi* 国务院关于印发《中国制造2025》的通知)', in Gov.cn (2015), Available at: http://www.gov.cn/zhengce/content/2015-05/19/content_9784.htm (16 May 2019).

³⁰ See T. Kawanami & T. Hoyama, 'Team Trump Seeks to Roll Back 'Made in China 2025'', in Asia Nikkei Review (2 May 2018), Available at: <https://asia.nikkei.com/Economy/Trade-war/Team-Trump-seeks-to-roll-back-Made-in-China-2025> (16 May 2019).

³¹ While this concept can equally be translated as 'struggle,' there is an interesting linguistic issue captured herein. The term struggle in the Chinese context harkens back to the Maoist period of class struggle (*jieji douzheng* 阶级斗争) and has recently been employed by Xi Jinping as a warning for party cadres to brace for the hardship that the ongoing trade war is delivering. See D. Bandurski, 'The Party is Struggling', in China Media Project (6 September 2019), Available at: <https://chinamediaproject.org/2019/09/06/the-party-is-struggling/> (6 October 2019). However, Xi's presidency is since 2012 characterised as 'striving for achievement' (*fenfa youwei* 奋发有为). It is within this context that the 'goals of strife' ought to be understood, not as a struggle faced with adversity but as a forging ahead towards a common goal. See D. Chen & J. Wang, 'Lying Low No

progressive goals are the future of China and its society and feature as prime examples of the interplay between the country's socialist ideology and its traditional past.³² Above all, these goals present one of the better frameworks derived from domestic speeches and policy documents with which to judge China today. Rather than bestowed with the gift of long-term thinking over an indefinite time period, the strategic policy-making of the Chinese polity is firmly situated within the ideas of progress and modernisation.³³ A somewhat unfortunate result of the end of history, the liberal-democratic West seems to have all but forgotten about such policies, deeming its own model of development as the normative end-goal which can be achieved by developing nations through the liberalisation (and democratisation) of their institutions.³⁴

An interesting query asks whether the PRC will instead be able to reach its goal of socialist modernisation without such changes in its basic political character, in a challenge to the Western model.³⁵ At the same time, it is interesting to observe the shift away from the end of history's perception of the West as the normative example for economic development. Indeed, in light of rising powers such as

More? China's New Thinking on the Tao Guang Yang Hui Strategy', in *China: An International Journal*, Vol. 9, No. 2 (2011), pp. 195-216.

³² See B. Dessein, 'A New Confucian Social Harmony', in *From Dog to Rabbit: 5 Years China Platform*, (2011), pp. 72-77.; and B. Dessein, 'Yearning for the Lost Paradise: the 'Great Unity' (Datong) and its Philosophical Interpretations, in *Azijske Studije*, Vol. 5, No. 1 (2017), pp. 83-102.

³³ Here, Yuen Yuen Ang describes Chinese policy-making as campaigns, in which the state puts forward a grand vision that is subsequently left to a top-down process of mass mobilisation and recalibration. See Y.Y. Ang, 'Demystifying Belt and Road: The Struggle to Define China's 'Project of the Century'', in *Foreign Affairs* (22 May 2019). Available at: <https://www.foreignaffairs.com/articles/china/2019-05-22/demystifying-belt-and-road> (Accessed: 29 August 2019).

³⁴ See E. Hendriks, 'The Eternal Centre: Why China is not a Model to Emulate', in *Quadrant*, Vol. 61, No. ½ (2017).

³⁵ One obstacle that each developing nation faces is the middle-income trap, an economic concept that maps a clear juncture in the rise of a given power where that country ought to liberalise its model of economic growth to avoid the slippery slope of rising labour costs, which would lead to the country no longer being competitive in sectors of mass production, but because of low productivity, also not able to compete in greater value-added industries. See B. Mações, *Belt and Road: A Chinese World Order* (Hurst & Company, 2018), pp. 75-76

China, the world is said to be becoming post-Western, with the economic and political points of gravity now increasingly shifting towards the East.³⁶ In such a world, it is indeed possible that there exist multiple pathways to modernity, as Bruno Maçães argues. For this reason, Xi Jinping in 2017 already promoted the idea of the China Solution (*Zhongguo fang'an* 中国方案), the country's model of development as "a new choice for those countries and populations that aim to speed up their development while preserving their autonomy and independence."³⁷ However, as outlined above, the Trump administration's trade war has the potential to fundamentally alter China's current trajectory by undermining the very policies that it is pursuing during its transformation towards high-quality growth. For China, it is of existential importance to weather this storm.

China's Change in Tone

During those few months in 2016, amidst growing populism in Europe, the election of Donald Trump and the Brexit referendum, China witnessed the burgeoning political turmoil in the West. Following just a few years after the economic crisis of 2007-2008, these events seemed to provide further proof of the arrival of a new international order,³⁸ where the erstwhile developing states would be taking over the wheel. This newfound glory on the part of the rising powers was most visible just one year later during China's five-yearly National Party Congress of October 2017 and its subsequent National People's Congress in March 2018. These events were the culmination point of a year in which China – and the world – presented Xi Jinping almost as the opposite of Donald Trump, with Xi as the Davos Man

³⁶ See O. Stuenkel, *Post-Western World: How Emerging Powers Are Remaking Global Order* (Polity Press, 2016).

³⁷ See Xi Jinping, 'Full Text of the Report to the 19th National Party Congress (*Xi Jinping shijiuda baogao* 习近平十九大报告全文) in DuoWei News (18 October 2017), Available at: http://news.dwnews.com/china/news/2017-10-18/60018047_all.html (16 May 2019).

³⁸ B. Womack, 'International Crises and China's Rise: Comparing the 2008 Global Financial Crisis and the 2017 Global Political Crisis', in *The Chinese Journal of International Politics*, Vol. 10, No. 4 (2017), pp. 383-401.

and a staunch defender of globalisation.^{39,40} Yet the optimism displayed here came to an abrupt stop with the official launch of the trade war in July 2018.⁴¹ In many ways then, the election of Donald Trump represented a premature end to China's period of strategic opportunity that it had assessed to take place between 2000 and 2020. Indeed, by March 2019 the tone became rather downtrodden. In his government's work report to the National People's Congress that year, China's Premier Li Keqiang for example outlined the policies of opening domestic demand, poverty alleviation and rural rejuvenation, the harmonising of regional growth and the promotion of green development. All of these are elements of China's new economic story but interestingly, Li also observed that the trade war represented daunting challenges for the country's great transformation.⁴²

At the same time and in another move away from the report of the previous year, no mention was made of Made in China 2025. However, the policy was present in all but name through the goal of China becoming a 'manufacturing great power' (*zhizao qiangguo* 制造)

³⁹ N. Barkin & E. Piper, 'In Davos, Xi Makes Case for Chinese Leadership Role', in Reuters (17 January 2017), Available at: <https://www.reuters.com/article/us-davos-meeting-china/in-davos-xi-makes-case-for-chinese-leadership-role-idUSKBN15118V> (16 May 2019).

⁴⁰ Here, Elizabeth Economy observes a great paradox between "Xi Jinping's effort to position himself as a champion of globalization, while at the same time restricting the free flow of capital, information, and goods between China and the rest of the world." See E.C. Economy, *The Third Revolution: Xi Jinping and the New Chinese State* (Oxford University Press, 2018), p. x.

⁴¹ A. Swanson, 'Trump's Trade War with China is Officially Underway', in The New York Times (5 July 2018), Available at: <https://www.nytimes.com/2018/07/05/business/china-us-trade-war-trump-tariffs.html> (16 May 2019).; and R. Tan, 'The U.S.-China Trade War has Begun. Here's How Things got to this Point', in The Washington Post (6 July 2018), Available at: https://www.washingtonpost.com/news/worldviews/wp/2018/07/05/a-timeline-of-how-the-u-s-china-trade-war-led-us-to-this-code-red-situation/?noredirect=on&utm_term=.17a7bfee35c4 (16 May 2019).

⁴² Li Keqiang, 'Government Work Report (*zhengfu gongzuo baogao* 政府工作报告)', in Gov.cn (2019), Available at: http://www.gov.cn/premier/2019-03/16/content_5374314.htm (16 May 2019).

强国).⁴³ Here, it is important to note that this concept brings the transformation of China's economy in line with other goals, such as becoming a maritime great power (*haiyang qiangguo* 海洋强国), a great nation in outer space (*taikong qiangguo* 太空强国) and a footballing great power (*zuqiu qiangguo* 足球强国). Indeed, while the government's position remained unchanged, its tone was altered significantly back to what in the past was known as China's low-profile behaviour in its foreign policy.⁴⁴ Above all, this change is proof of the fact that the decision-making process in China – much like in other countries – is earmarked by uncertainty and predispositions, rather than a form a prescient long-term thinking, operates within a “complex or ambiguous [environment] where meaningful probability distributions are unknown, and actors often disagree on the rules of the game, or what situation they are facing”.⁴⁵

It is perhaps time to go back to the most recent breakdown of the trade talks with which this paper began. In a series of articles published shortly thereafter, the official mouthpiece of the Chinese Communist Party, the People's Daily (*Renmin ribao* 人民日报), first argued that no challenge whatsoever could stop the advance of China.⁴⁶ Another piece put forward the notion of the American

⁴³ Ibid.

⁴⁴ See for example G. Magnus, 'China's 'Two Sessions' had One Downbeat Message', in CapX (5 March 2019), Available at: <https://capx.co/chinas-two-sessions-had-one-downbeat-message/> (16 May 2019).; and T. Takahashi, 'China Adopts Quieter Path to Greatness as Pressure Mounts', in Asia Nikkei Review (16 March 2019), Available at: <https://asia.nikkei.com/Politics/China-People-s-Congress/China-adopts-quieter-path-to-greatness-as-pressure-mounts> (16 May 2019).. As I argue elsewhere however, this shift in tone is not as straightforward. See A. Desein, 'Identifying Windows of Opportunity', in Military Review, (2019: forthcoming).

⁴⁵ See R. Brutger & J.D. Kertzer, 'A Dispositional Theory of Reputation Costs', in International Organization, Vol. 72 (2018), p. 699.; and D. Kennedy, *A World of Struggle: How Power, Law, and Expertise Shape Global Political Economy* (Princeton University Press, 2016).

⁴⁶ See J. Guo, 'No Challenge Can Bring the Advancing Footsteps of China to a Halt (*renhe tiaozhan dou dangbuzhu Zhongguo qianjin de bufa* 任何挑战都挡不住中国前进的

'doctrine of loss' (*Meiguo chikui lun* 美国吃亏论) and called for the zero-sum thinking of the US to be abolished. Instead, the piece argues, "trade between the US and China has expanded 230 times in size over the past forty years, if this was not win-win but a zero-sum situation in which one party came out victorious, how could it produce such changes?"⁴⁷ These two set the tone for many more similar articles that same week following the then most recent standstill.⁴⁸ An interesting commentary on this latter article was published on the *China Media Project* website. Here, David Bandurski argues that the piece is a good measure of China's tone and the careful messaging that is being put forward by the country's leadership: steadfast but without antagonising any party.⁴⁹ This calibrated response is a good indication of the country's current foreign policy behaviour.

步伐), in *People's Daily* (13 May 2019), Available at:

<http://theory.people.com.cn/n1/2019/0513/c40531-31080455.html> (16 May 2019).

⁴⁷ See S. Zhong, 'Who Talks about Neologisms: The American Doctrine of Loss Can be Put to Rest (*Shei zai wei fu xinci qiang shuo chou - Meiguo chikui lun keyi xiuyi* 谁在为赋新词强说愁 —— “美国吃亏论” 可以休矣)', in *People's Daily* (14 May 2019), Available at <http://opinion.people.com.cn/n1/2019/0514/c1003-31082647.html> (16 May 2019).

⁴⁸ While for the sake of referencing, I have given the names of the presumed authors both in footnote 42 and 43, one has to note that these are homophonous pennames and thus present, according to the name that is given at the top, commentary on specific issues related to China. Guo Jiping (国纪平) refers to "relevant international commentary" (*youguan guoji de zhongyao pinglun* 有关国际的重要评论), while Zhong Sheng (钟声) refers to the voice of China sounding the alarm bells (*Zhongguo zhi zheng, jingshi zhongsheng* 中国之声, 警世钟声) more generally. See D. Gitter, & L. Fang, 'The Chinese Communist Party's Use of Homophonous Pen Names: An Open-Source Open Secret', in *Asia Policy*, Vol. 13, No. 1 (2018), pp. 71-73; 107-112.

⁴⁹ See D. Bandurski, 'Trump and Xi: Are Things Getting Personal?', in *China Media Project* (14 May 2019), Available at: <http://chinamediaproject.org/2019/05/14/trump-and-xi-are-things-getting-personal/> (16 May 2019).

Conclusion

Between 2012 and 2019, the policies of Chinese president Xi Jinping have gone from being almost unassailable to receiving even more criticism. As such, the National People's Congress of 2019 might not have the consequential image of that same congress just the year before but might yet turn out to have been even more pivotal for China's future. Faced with daunting challenges in its domestic economy and confronted on the international front with an unrelenting trade war, the country had to shift gears. This article took a brief look at the fallacy of applying military-strategic maxims derived from China's ancient past and employing these precepts as direct explanations of China's contemporary behaviour.

There are three elements worth remembering. First of all, this paper has shown that instead of long-term strategic thinking, aimed at for example overthrowing the American hegemonic position, the real goal of China's leadership is firmly situated within the socialist modernisation of China. Secondly, within these ideas surrounding progress and modernity, it is the socialist ideology that ought to be in pole position in studies on Chinese policies. Lastly, equating traditional China with the current situation risks obscuring the true nature of today's Chinese polity, which is fundamentally based on the political theory of Marxism-Leninism. For this reason, we ought not to get stuck on concepts such as saving face or the harmonious idea of win-win or the idea of China's low-profile behaviour as fixed and unchanging. The common-sensical rules of strategy would deem such perspectives not sensical at all. In other words, while it may be good strategic thinking to define the rise of one's own country in terms of morality and benevolence, it would not be a good strategy to pursue this goal in exactly that way. Even for Confucians who perceived of morality as the supreme political instrument, the "practical presence

of military threat [meant that] maintaining a military power was a practical necessity.”⁵⁰

⁵⁰ See B. Dessen, ‘No Country has ever Benefited from a Protracted War: China and the Art of War’, in Danny Praet, *Philosophy of War and Peace* (VUB Press, 2017), p. 30.