Understanding China’s Grand Strategy

What are China’s short-term and long-term goals? What policies will China pursue in trying to reach those goals, and what will be the outcome of these developments? The simple truth is that nobody has the definite answers to these questions, including the Chinese leadership itself, as it has to adjust its strategies and policies in response to China’s growing capabilities and domestic and international challenges. In attempting to understand China’s grand strategy, we are left with reading ancient volumes on Chinese strategic thinking, examining relevant turning points in history on power transitions and traditional land powers going to sea, analyzing a puzzle of contemporary documents and statements issued by the Chinese party-state, and looking at China’s actual policy and behavior.

It has been a strongly held belief that a Chinese culture built on Daoism and Confucianism is peaceful and nonaggressive in nature, a narrative Chinese governments of late have used to put forward such slogans as “peaceful rise”, later re-named “peaceful development”, and “harmonious world”.

Two studies of Chinese strategic thinking, however, show that the Chinese are no less concerned with the use of military power than any other civilization. Some realists argue that rising powers will challenge the status quo and eventually get into military conflicts with the declining hegemonic power. Accordingly, China’s rise has contributed to growing instability in US-China relations and Chinese leaders are likely to prioritize national security and prestige above economic interests.

It is important, though, to underline that there are no deterministic laws applicable to theories of international relations, and we cannot uncritically deduce from history the outcome of China’s rise. There is one fundamental change, however, taking place in China’s geostrategic thinking: China’s ongoing maritime transformation from a traditional land power to a sea power. Apart from a period from 1127 during the Southern Song dynasty to the 1430s during the Ming dynasty, China has mainly been a land power, with its strategic outlook towards the interior, not towards the sea. China is now for the second time in its history undergoing a maritime transformation. China is, of course, not the first land power attempting to build sea power. Imperial Germany tried it and Soviet Russia tried it as have many other rising powers throughout history. Quite often these maritime transformations resulted in conflict, and most land powers actually failed to transform into leading sea powers.
Without prejudicing future conflicts, I would argue that China’s maritime transformation seems more sustainable than many earlier attempts by other countries, and I base this prediction on three main premises. First, a change in strategic outlook in the 1980s when China decided that the Soviet Union was no longer a threat to its security, enabling China for the first time in its history to look towards the sea without an imminent threat on its land borders. Second, China’s integration into the world economy made her coastal provinces the drivers of China’s economic rise. Third, China’s naval modernization goes hand in hand with China developing a solid commercial shipbuilding capability and one of the world’s largest merchant fleets. It is no coincidence that the latest China Maritime Development Report proclaims that China seeks to become a major power in global oceanic affairs within 20 years.6

In a speech a few days after being appointed the Chinese Communist Party’s new General Secretary in November 2012, Xi Jinping reiterated the goal of building a “well-off” (xiakang) society by 2020 and stated that by the time the People’s Republic celebrates its 100th anniversary in 2049, China will be a prosperous, strong, democratic, civilized, and harmonious socialist modernized country.7 This vision was later labeled Xi Jinping’s “China Dream”.

Since China launched its economic reforms and opening up in the late 1970s, China has pursued a foreign policy oriented towards securing economic growth and stability. National defense was from the very beginning one of the Four Modernizations enacted by Deng Xiaoping in 1978, but China’s international strategy and regional security policy were guided by the “low profile” strategy, and China managed to build peaceful relations with its neighbors, conducting a flexible policy securing almost all its land borders. In recent years, influenced by China’s pride in its handling of the 2008 global financial crisis, Beijing’s strategic thinking and security policy seem to have shifted towards a more coercive diplomacy, an increase in Chinese rhetoric on China’s “core interests”, and a more forceful policy protecting China’s maritime interests.

Xi Jinping’s main challenges

The 2013 China Maritime Development Report concluded that maritime security has become China’s leading external security issue, and the current major threat to Chinese security is the possibility that the maritime territorial disputes could escalate into military conflict. The PLA Navy remains a distant second to the US navy and maybe also to the Japanese navy, with the much-debated aircraft carrier Liaoning a far cry from being an operational asset, but China’s improved civilian and naval maritime capabilities enable it to better defend its maritime sovereignty and economic claims.

China’s policy to defend its sovereignty claims has not changed, but its new maritime geostrategic outlook, combined with economic development and military modernization, in short, China’s maritime transformation, has enabled a more focused effort against what China perceives as maritime challenges. This development has contributed to greater tension in China’s relations with its neighbors, in particular with Japan, the Philippines, and Vietnam, and a more strained relationship with the United States. China is perceived in the US as attempting to consolidate its regional hegemony and pursuing an anti-access/area denial (A2/AD) policy that diminishes US maritime presence and regional influence, thus establishing a Chinese “Monroe Doctrine” (through the declaration in 1823 of the Monroe Doctrine the US aimed to deter European interference in the US maritime sphere of influence).

Xi Jinping has a stronger position than any Chinese leader in the post-Deng Xiaoping era. The creation of the State
Security Committee and the Leading Small Group for Deepening Reform, both headed by Xi Jinping, will improve the coordination and implementation of policies in two important sectors. At the same time, Xi Jinping faces a more complex set of challenges than his recent predecessors. Xi has to manage the difficult task of developing further China’s peaceful rise and increasing great-power status while sustaining a stable international environment by reassuring neighboring states and avoiding a regional crisis or even great-power confrontation. Xi Jinping has to take on this task just as China has reached a turning point in its development path when a new shift is called for, replacing the old investment-driven model with a more consumption- and welfare-based development model.

This important transition has to be crafted while China is experiencing lower GDP growth and very likely increased unemployment, challenging increased mass expectations. In fact, the mandate of the new State Security Committee includes both domestic and external security, indicating that these two issues are now more closely linked than before, and the budget for internal security is larger than the defence budget. The domestic challenges explain why Xi Jinping has personally associated his leadership with the “China dream,” the title of a 2010 popular nationalist book written by a senior colonel at the National Defense University. However, Xi’s “China dream” political campaign could encourage a greater nationalist sentiment and increase domestic pressure on the leadership to adopt a hard-line Chinese foreign policy.

We should keep in mind that China’s military budgets are growing in coordination with economic development, and China’s military expenditure of approximately 2.0 per cent of the GDP is only half of what the US and Russia spend on defense. The Chinese government could choose to spend much more on military modernization than it currently does. We are still not witnessing an arms race in Asia, but a military build-up and an increase in the People’s Liberation Army’s presence in airspace and waters in disputed territories in the East China Sea and the South China Sea heighten the risk of accidents and conflict escalation.

China and international order

Although China’s influence in international politics has grown, China complies in large part with its obligations under international regimes like the World Trade Organization, the Arms Control and Disarmament regime, and the human rights regime, and China played a constructive role in the G-20 process during the financial crisis. China, as do other countries, wants to use each regime to maximize Chinese interests and challenge a traditional norm, like its interpretation of innocent passage under the UNCLOS, and seek changes in the international status quo, such as in the international monetary system where it wishes to strengthen the Chinese yuan’s position and diminish the dollar’s dominating role as the leading reserve currency.

China is also beginning to deploy its economic wealth to support foreign policy goals on a wider range of issues, including to deter arms sales to Taiwan, isolate the Dalai Lama, avoid criticism of China’s human rights policies, and to defend its maritime claims. However, we cannot claim that China is seeking to overthrow international regimes or promoting a “Chinese model”, and in this sense China is behaving more like a status quo power than a revisionist power. Also, we should be careful not to overestimate China’s influence because, as David Shambaugh argues, China’s global presence is more broad than deep.

Concluding observations

China’s rise offers both opportunities and challenges. East Asia has been the most peaceful and economically vital region over the last three decades, and China has played a large part in this achievement. China has pointed to provocative actions from neighboring countries and the US to explain its recent more assertive foreign policy, but there is no denying that the latest developments in the region have encouraged growing nationalism and anti-Chinese sentiments in Japan, the Philippines, and Vietnam, with Vietnam experiencing large anti-China demonstrations. These states are becoming increasingly concerned about China’s rise and are seeking a counterweight through closer ties with the US.

With a strong US presence and alliance obligations in the region, East Asia and, in particular, the maritime theater of East Asia are now also emerging as the strategic and security focal point of the 21st century. As such, China’s rise and emergence as a sea power may have wider global implications as the US is rebalancing towards East Asia.
forcing the European NATO partners to fend more for their own security, a development coinciding with Russia’s more assertive policy in Eastern Europe and a number of energy deals signaling a closer co-operation between China and Russia. As China’s global power continues to grow, China’s new leader Xi Jinping is grappling with domestic challenges that, if handled well, will fulfill his “China Dream”, but if mishandled, could temporarily derail China’s great power ambitions.

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Chinese Sailors man the rails aboard the destroyer Qingdao as they arrive in Pearl Harbor, Hawaii. There is one fundamental change taking place in China’s geostrategic thinking: China’s ongoing maritime transformation from a traditional land power to a sea power (photo: U.S. Navy/ Joe Kane)