



The Hegemon's Surge – China's Grand Strategy

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Executive Summary

- * China has just embarked on the implementation of the historic ascent to becoming the global Hegemon with the next milestones to come in 2021 and 2049. A major threshold was crossed in March 2018 with the completion of the actionable grand strategy for China's accelerated ascent as the global Hegemon. Beijing now has clear understanding of the role of China and the crux of the Chinese-led world order in the future world.
- * The undertakings recently committed to by Beijing are the outcome of several years of deliberation over modalities for implementation rather than the overall commitment to the historic ascent of China to lasting preeminence as a global Hegemon that was reached decades ago. Chinese President Xi Jinping clarified key issues that permit fuller understanding during the BRICS Summit in Johannesburg in July 2018.
- * Xi Jinping and the Chinese leadership want to give priority to China's grand strategy and foreign policy interests in order to attain the milestones to come: "China the dominant regional power by 2021," and "China the global Hegemon by 2049." Having been recently empowered as the "Core Leader" and made effectively president for life - Xi Jinping is all but assured to get his way with the Chinese uppermost leadership. The final resolute push for completing "the Hundred-Year Marathon" and the ascent of China as the global Hegemon has thus begun.

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Analysis

“For us Chinese, the nineteenth century was one of humiliation, the twentieth century one of restoration, and the twenty-first century will be that of domination.”

- Prime Minister Wen Jiabao (2003-2013)

“The rise of China is granted by nature. The Chinese are very proud of their early achievements in the human history of civilization. ... The Chinese regard their rise as regaining China's lost international status rather than as obtaining something new.”

- Professor Yan Xuetong, Dean of the Institute of International Relations, Tsinghua University, Beijing

China has just embarked on the implementation of the historic ascent to becoming the global Hegemon with the next milestones to come in 2021 and 2049. A major threshold was crossed in March 2018 with the completion of the actionable grand strategy for China's accelerated ascent as the global Hegemon. Beijing now has clear understanding of the role of China and the crux of the Chinese-led world order in the future world. Significantly, the undertakings recently committed to by Beijing are the outcome of several years of deliberation over modalities for implementation rather than the overall commitment to the historic ascent of China to lasting preeminence as a global Hegemon that was reached decades ago. While there were reports and indications of the path chosen by Beijing later in the spring - Chinese President Xi Jinping clarified key issues that permit fuller understanding during the BRICS Summit in Johannesburg in July 2018.

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In principle, Beijing's commitment to China's ascent to become the global Hegemon, including the apprehension of a possible clash with the US on the path to regaining historic glory, began haltingly in the early 1970's as China was slowly emerging from its self-imposed isolationism. The commitment to restoring the historic concept of Hegemon intensified as the Cold War was coming to an end. The growing awareness and commitment of Beijing became palpable since summer 1989, in the wake of the simultaneous crisis in Tiananmen Square and the cracks in the Soviet Union (made clear during then Soviet President Mikhail Gorbachev's visit to Beijing). The subsequent collapse of the Soviet Union and the ensuing end of the Cold War sent official Beijing to study anew both guaranteeing the endurance of the rule of the Communist Party and charting China's role in the dramatically changing world. Beijing's apprehension of an inevitable clash with the US over the future of East Asia, and ultimately the Eastern Hemisphere, was confirmed during the Taiwan Crisis of 1995-6 when the US intervened in support of Taipei. The actual sense of urgency erupted in the aftermath of the May 1999 US bombing of the Chinese Embassy in Belgrade in the context of the US-led NATO bombing of Serbia in order to compel it to give-up historic Kosovo. For China, the US compelled NATO into a military intervention in support of a secessionist Muslim minority - an intervention the legitimization of which Beijing cannot tolerate given the growing tension with the Muslim Uighurs and Kazakhs in Xinjiang.



By then, official Beijing began undertaking concrete steps to not only identify and analyze the emerging threats, but also to articulate the grand strategy for overcoming them. In late May 1999, a high-level study group comprised of several generals in the PLA's strategic research institutes concluded that the West was hatching "six major conspiracies" against China that would lead to direct military confrontation with the US. The group's primary recommendation was explicit. "China must be ready to fight a world war." The PLA study group concluded its report with the emphasis on the imminence of the threat. The group stressed that "before peacetime truly comes, world war could erupt at any moment. China must be fully prepared for it."

At the turn of the 21st Century, the conviction at the highest authorities led by then President and General Secretary of the Communist Party Jiang Zemin was that the only way for China to avoid this kind of crises and reverse the tightening US-led containment was to accelerate the ascent of China - first as a regional Hegemon and ultimately as a global Hegemon throughout the 21st Century. Beijing foresaw the rising China replacing the US, already in a historic decline, as the leading world power within a few decades. There was a hot debate in Beijing as to the extent of the US resistance of this handover of the mantle and the cost to China. Jiang Zemin and his confidants resolved that the ascent of China was inevitable and that China must therefore prepare for meeting all challenges.

Between mid-1999 and the fall of 2002, Jiang Zemin led the Chinese uppermost elite in making key decisions and policy formulation. The crux of these decisions was presented to wider circles of the leadership at the 16th Chinese Communist Party Congress in November 2002 and were formally endorsed at the National People's Congress Session in March 2003. In retrospect, this process proves crucial for the rise of China. Jiang Zemin, the driving force behind the ascent of the Hegemon, focused on the commitment to China's future as a world power in both the nomination of the 4th Generation Leaders (who assumed power in 2002/3) and the identification of the most promising 5th Generation Leaders and the beginning of their grooming (to assume power in 2012/3). Significantly, Xi Jinping topped Jiang Zemin's list of promising favorites for the 5th Generation Leaders and he instructed that his future rise to power be secured.

At the onset of the 21st Century, Chinese nationalism began to rise to the surface among China's uppermost elites and dominate both policy formulation and military build-up. A key element of this transformation was the overwhelming and popular rise in historic, heritage and civilizational conscientiousness. As Martin Jacques notes in his 2009 book *When China Rules the World*, the Chinese scholar Huang Ping explained in 2005 that "China is ... a living history. Here almost every event and process happening today is closely related to history, and cannot be explained without taking history into consideration. Not only scholars, but civil servants and entrepreneurs as well as ordinary people all have a strong sense of history ... no matter how little formal education people receive, they all live in history and serve as the heirs and spokesmen of history." The Chinese elites were cognizant they were guiding the nation through a historic transformation.

The turn of the 21st Century also saw a dramatic change in Beijing's self-confidence regarding the implementation of China's assertive ascent as a continental and global Hegemon. The key driving force behind this grand strategy was General Chi Haotian - Chief of the General Staff in 1987-92 and Minister of Defense in 1993-2003. In 2003-4, at the peak of his power, he delivered a series of secret lectures to the High Command outlining the Chinese grand strategy for a global surge and becoming the Hegemon.

Chi Haotian's main point was that a historic transformation of China's global posture was already unfolding. He argued that "if we refer to the 19th Century as the British Century, and the 20th century as the American Century, then the 21st Century will be the Chinese Century. ... We must greet the arrival of the Chinese Century



by raising high the banner of national revitalization." To become a global power, China must reassert itself politically and militarily. There was urgent imperative for China to surge and take control over the energy and mineral resources crucial to its economic development, as well as the worldwide transportation routes. Chi Haotian went as far as anticipating such a global struggle to escalate to a fateful war against the US that might involve the use of chemical and biological - but not nuclear - weapons against the continental US.

Chi Haotian argued that becoming a leading world power necessitated a profound shift in the Chinese involvement in world affairs. "What is a world power? A nation employing hegemony is a world power! ... All problems in China ... in the end are all problems involving the fight for Chinese hegemony." However, the war for the ascent of China as a global Hegemon need not be a conventional war. Rather, Chi Haotian envisaged China benefitting from the aggregate impact of seemingly unrelated "incidents" and "crises" worldwide with China getting involved only in the final decisive phase. Such multi-faceted war was inevitable and a precondition for the global historic ascent of China. "Marxism pointed out that violence is the midwife for the birth of the new society. Therefore, war is the midwife for the birth of China's century. As war approaches, I am full of hope for our next generation." The key element of the ensuing Chinese grand strategy and military build-up has been the conviction that the West had no staying power, strategic-military resolve, and ability to withstand prolonged attrition.

The next few years saw the political rise and empowerment of Chinese Hawks in the key centers of power, policy formulation and decision making in Beijing. Their vision was articulated in numerous secret, internal and public works. The first phase of this trend culminated in the 2009 publication of the book *China Dreams* by Senior Colonel (ret) Liu Mingfu (that was translated to English in 2015). "It has been China's dream for a century to become the world's leading nation," he wrote. "The great rejuvenation of the Chinese nation must go hand in hand with a rich and powerful army. In order to achieve this goal, China must dare to strengthen its military force, not just its economy." The ascent of China, Liu Mingfu asserted, will benefit the entire world. "The appearance of every champion nation begins a new era. The China Age, at its most basic, will be an age of prosperity. ... The China Age will not be one in which China threatens the world, it will be one in which China enriches the world."

Liu Mingfu is cognizant of the preeminence of the US and its claim to being the leader of the world. Beijing must take this into consideration as it charts the historic ascent of China. Therefore, Liu Mingfu calls for a gradual ascent process aimed to minimize confrontation with the US. "Before China can take over as world leader in the 21st century, it will need half a century to work through three stages. The first will be catching up to America and actively taking a leading role where it can in the world; the second will be racing neck-and-neck with America, and leading the world as an equal partner with America; and the third stage will be guiding the world through exercising leadership and management in the world, and thereby becoming the world's leading nation. China is already actively participating in leadership where it can, and moving toward becoming America's equal. This stage will last for another 20 to 30 years."

That said, Beijing cannot rely on Washington to cooperate in the handover of the global mantle. There is strong possibility that the US will commit to the containment of China through hostile means such as economic warfare and even use of military force, Liu Mingfu observes. Therefore, there is no substitute to a concurrent military build-up. "Only by becoming a military power can China effectively maintain its security as a market power and have the dignity of a civilized country, and have the power and conditions to play a constructive role in the international community and become a responsible big country. ... The powerfulness of China is not only



in the need for China's security and development, but also the need for world peace. ... The world in the 21st century needs peace with multipolar balance, and China in the 21st century needs a peace that can protect its development and rise. Such peace cannot be obtained relying on the friendliness of other powers, nor reliance on showing weakness and keeping a low profile. Such peace can only be gained through courage and strength." Liu Mingfu concludes that the future Chinese army must be the absolute guarantor against US attempt at containment. "A Chinese army ensures there will be no US aggression. A Chinese army will not launch wars; it is actually the fundamental guarantee for preventing wars. ... China's military strength has to be more powerful than any rivals in the world to the degree and level that no nation can contain China's rise. No country shall set a ceiling for China's power."

The overall message of *China Dreams* was adopted by General Secretary and President Xi Jinping during his ascent to power in 2012. He repeatedly spoke of the Dream of China. "This dream can be said to be the dream of a strong nation; and for the military, it is a dream of a strong military. We must achieve the great revival of the Chinese nation, and we must ensure there is unison between a prosperous country and strong military," Xi Jinping said in December 2012. Xi Jinping also embraced Liu Mingfu's concept of "the Hundred-Year Marathon" denoting the relentless campaign to attain "China's grand goal in the 21st century ... to become the world's No.1 power" at the centenary of the PRC in 2049. Xi Jinping also made the *China Dreams* book recommended reading to all pertinent Chinese officials. By now, Chinese media was heralding a new era of Western respect for a strong China. Back in February 2011, *The People's Daily* boasted of the country's new posture. "Why is China receiving so much attention now? It is because of its ever-increasing power. ... Today we have a different relationship with the world and the West: we are no longer left to their tender mercies. Instead we have slowly risen and are becoming their equal."

Meanwhile, a profound debate about the global context of the ascent of China continued among the senior-most experts including the military. As Liu Mingfu stated, "The grand strategy of 21st-century China has to answer three questions: What kind of a China should we build? What kind of an Asia should we build? And what kind of a world should we build?"

The road to the "Chinese-led world order", Chinese experts decided, must be a gradual and subdued surge as to not unduly alarm the US-led West, but nonetheless be resolute and uncompromising. The key to Beijing's world view is that China has a unique and separate place in a world that is otherwise divided into two major blocs - the North and the South. The North is comprised of the economically and socially developed states that rely on the Judeo-Christian values and moralities to govern their lives; and the South is comprised of the largely dysfunctional but power-hungry and extremely diverse developing world.

Initially, Chinese doctrinal studies identified a monolithic North. The "V-to-V conspiracy" (V-to-V as Vladivostok to Vancouver) belt of the industrialized Judeo-Christian world was the paramount threat to the long-overdue historic ascent of China. However, with time, Chinese experts distinguished between the L-to-V (Lisbon to Vladivostok) bloc that now epitomizes the North and is friendly to China, and the increasingly isolated yet hostile US-led Anglosphere. Moreover, Russia, China's close ally and strategic partner, is increasingly gaining strong influence over Europe - thus pulling it into strategic and economic close cooperation with China.

Chinese experts are perplexed by the inner fracturing of Europe that are further aggravated by the incomprehensible yet unstoppable social and economic decline and collapse of the industrialized West. The irreconcilable contradiction between the demographic trends in, and the financial demands from, "the nanny state", or the welfare state, will doom the West, argue Chinese experts. This will make Europe increasingly



dependent on on-land trade with China and Russia.

The South is diverse. Yet, the common denominators unifying its components are the essentially endemic failures to cope with modernity, grandiose ambitions and aspirations based on past glory, increasing dependence on imported modernity, and reliance on violent-prone radical-theological doctrines as cure-all panaceas for the widening gap between the haves and have-nots in their midst and the world as a whole.

In principle, demography is THE time-bomb in the South and its relations with the rest of the world. Population explosion is a huge global threat because it engenders socio-political backwardness, shortages of food, water and energy, as well as insufficient health and education. However, because of the information revolution - particularly the prevalence of mobile phones and satellite TV - even the most remote corners of the world are subjected to a constant exposure to how the affluent West lives. Hence, the downtrodden also want to have these luxuries and are being told they are entitled to them for free for various ideological reasons. Those who can and have some mobility are heading toward the West - creating growing waves of illegal migration that the West can't absorb. The desperation of these aspirant migrants will breed violence - from riots to insurrection.

Meanwhile, there are rising demands for foreign aid in funds, food, goods and technology from those who remain in the developing world. But the affluent West is demographically shrinking to the point of self-annihilation, while the most poor and backward parts of the developing world are demographically exploding. So there emerges a marked shrinkage in the affluence that is supposed to subsidize and stall the otherwise rapidly growing destitute. Such contradictory trends cannot be sustained for long. Only the patronage of China - through development, investment and guidance programs - can prevent the otherwise impending collapse of the South, and even reverse its fall.

The crucial stand-alone power in between the two super-blocs is China. Chinese experts stress that China does not fit, and does not want to fit, into any bloc. It is economically and technologically developed - and thus befitting inclusion in the North. Its polity, however, is driven by the Chinese historic quest for the role of a global Hegemon - depicting a discriminated against civilization challenging an existing hostile world order for recognition of its greatness and assertive superpower status - thus making China the de-facto leader of the South in both challenging and confronting the perceived supremacy of the North. Much of the world's future stability will depend on where China is going to place itself vis-a-vis the two other blocs.

Beijing has long been cognizant that China was not part of the V-to-V initiative and is not part of the L-to-V bloc that replaced it. The key to Beijing's future role was the fact that China experienced during the century of humiliation the trials and tribulation of the colonial era even if it remained nominally independent. China could legitimately boast a developing world identity stemming from the Chinese activism in the Non-Aligned Movement during the Cold War. Hence, Chinese experts recommend for China the unique role of the bridge between the L-to-V bloc and the developing world or the South - consolidating a new tapestry of power and influence based on the Eastern Hemisphere (and Latin America if possible) and driven by economic development and world-wide communications. This conviction led Beijing to, and culminated in, the One Belt One Road initiative of Autumn 2013. As well, China extract and import both hydro-carbons and rare minerals from Africa via the Indian Ocean. And as was the case "when China ruled the seas" in the 15th Century, modern China started establishing naval bases along the Indian Ocean littoral and consolidating control over the key straits and choke points.

Throughout, Chinese experts separate the US and the Anglosphere from the rest of the world. Even though US



and Chinese economies have become closely intertwined, the US continues to view China as a potential foe. The US continues leading an international campaign to contain the ascent of China and deprive it of any global posture, particularly economically-based, because of the fear of losing prominence in a world order based solely on raw military power as originally crafted by the US. Therefore, Beijing concluded, while China can continue to improve relations with the entire Eastern Hemisphere - both the North and the South - there can be no genuine compromise with the US and some form of confrontation is inevitable. The best Beijing could hope for is astute and sophisticated conflict management that will reduce the magnitude of the economic, and possibly military, confrontations to a bare minimum.

By now, the power and influence of Xi Jinping have increased tremendously. In October 2016, he assumed the crucial title of "Core Leader" and in March 2018, during the National People's Congress Session, he effectively became president for life with the removal of the two-term limit on the presidency. Significantly, Xi Jinping's thought was adopted as a tenet of Chinese polity, and he was given unprecedented executive powers during the 19th Chinese Communist Party Congress in October 2017.

In his speech to the Congress, Xi Jinping heralded a bright future for China but then warned that to "achieve great dreams there must be a great struggle" to overcome the mounting challenges. "The great rejuvenation of the Chinese nation is no walk in the park or mere drum-beating and gong-clanging," Xi Jinping reiterated. "The entire party must be prepared to make ever more difficult and harder efforts." At the same time, he had no doubt about the coming "great rejuvenation of the Chinese nation" that will be attained by "following the principle of shared growth through discussion and collaboration, and pursuing the Belt and Road Initiative."

Both the Congress Resolutions and Xi Jinping's speech delved on military reforms and national goals. The Party Constitution was amended to give Xi Jinping an almost unprecedented level of control over the People's Liberation Army (similar to the level exercised by Deng Xiaoping) and to include the paramount importance of "Xi Jinping's military thinking" in order to "help ensure the Party's absolute leadership over the People's armed forces, [and] modernize national defense and the military." In his speech to the Congress, Xi Jinping reiterated the thoroughness and magnitude of the coming "reform of the nation's military" in order to "build world-class armed forces that obey the Party's command, and can fight and win wars." Priority will be given to technological and organizational reforms, as well as acquiring superior combat power and force projection capabilities. Xi Jinping declared that the "defense and military forces modernization" will be completed by 2035, and the "creation of a world-class military force" that will make China a "leading global power" will be attained by 2050. Significantly, the first phase of these reforms should be completed by the end of 2020.

This was not an empty boast. A few weeks before the National People's Congress Session convened in March 2018, the Central Military Commission published "an internal reader" for the cadres participating in the National People's Congress Session articulating China's military reforms and objectives in accordance with President Xi Jinping's "thought on strengthening the armed forces." The reader was obtained by Japan's Kyodo News.

The primary objective of the military reform is "expanding [China's] military might from the traditional focus on land territories to maritime influence to protect the nation's strategic interests in a new era." China will have to project power worldwide in order to shield and protect its global interests. "As we open up and expand our national interests beyond borders, we desperately need a comprehensive protection of our own security around the globe." The build-up of a new generation military will ensure that the "balance, dimension and expansion of our strategic goal will be strengthened." Consequently, it will be possible for Beijing to "more



effectively create a situation, manage a crisis, contain a conflict, win a war, defend the expansion of our country's strategic interests in an all-round fashion and realize the goals set by the party and Chairman Xi."

The reader stressed that in order to accomplish China's ascent, China will have to surpass the military might of the US while attempting to avoid direct confrontation or war. "The lessons of history teach us that strong military might is important for a country to grow from being big to being strong," the reader explained. "A strong military is the way to avoid the 'Thucydides Trap' and escape the [US] obsession that war is unavoidable between an emerging power and a ruling hegemony."

In April 2018, the high command of the People's Liberation Army issued new military rules that "stress Comrade Xi's thought" and guidance "on strengthening the armed forces." These are revised regulations and fundamental rules governing the PLA from mundane administrative issues to force structure, priorities in weapons development and national grand strategy.

On 16 May 2018, Xi Jinping conducted an inspection of the PLA's Academy of Military Science. He instructed the cadres "to conduct high-quality studies and provide strong support for fulfilling the goal of strengthening the military in the new era." Xi Jinping stressed that China is facing major challenges in its rise to global prominence and that Chinese military power will have to be adapted profoundly to defeat these challenges. "Military science is a key force in guiding military practices and reforms," Xi Jinping said. "China needs to speed up its development in modern military sciences, and build high-quality research institutions," he told the senior staff. "Military science and research push boundaries, so innovations should be a top priority. ... Military scientists should improve strategic planning and top-level design and strengthen innovation in doctrine, defense technologies and organization of research to keep the engine of military research and operations at full speed." Xi Jinping urged the staff to "consolidate and strengthen military technologies in which China has an edge while incubating strategic, advanced and groundbreaking technologies with a strong focus on realistic combat."

A week later, on 22 May 2018, over four hundred senior officers - colonels and generals - from the PLA's Ground Forces gathered for a special 4-day brain-storming session in Korla city in the northwestern region of Xinjiang. General Han Weiguo, the Commander of the Ground Forces, and political commissar Liu Lei were present. The attendees were to formulate new plans "to hone modern warfare preparations ... amid the ongoing drive to transform the PLA into up-to-date fighting force." The focus of the sessions was on "centralizing teaching, encouraging reflection and review ... and to discuss and exchange thoughts." The senior officers "experienced a simulated future war, war-zone scenarios, and lived a combat-ready routine." The commanders of the event stressed the unique circumstances. "The PLA is in the process of undergoing an extensive overhaul with the aim of making it a modern fighting force with the ability to project its influence over a long range." The overall objective, as ordered by Xi Jinping, is "to transform the Ground Force into a fully modernized army capable of conducting joint operations with sea and air-based forces by 2035 and the world's top-ranked military force by 2050." The top commanders stressed the magnitude of the challenge. "It is not just about operational changes, but will require a change in mindset from the commanders."

Significantly, the challenge of confronting the US is pushed aside as a completely separate issue. On the one hand, there is the long-term use of military power in the Eastern Hemisphere to support the ascent of China as the new global Hegemon. On the other hand, there is the build-up of forces and doctrine to confront the American growing efforts to contain China's rise. Beijing's objective is to minimize the friction with the US in order to be able to focus on the ascent of China. At the same time, China will not permit the US to interfere



with China's historic rise to global prominence.

"China should have two-pronged strategy. On one hand, we are not afraid of it if the US takes on China. On the other hand, China won't take the initiative in changing the collaborative relations with the US. Instead, we advocate for constructing new type of great power relations characterized by no conflict, no confrontation, mutual respect, and win-win cooperation," Senior Colonel (ret) Fan Gaoyue, a former chief specialist at the PLA's Academy of Military Science, told Xiaofeng Wang of *The Diplomat* in late July.

Army Major General (ret) Luo Yuan, one of China's leading "military hawks", warned that "the probability of confrontation and conflict between China and the United States is growing higher" as a result of unilateral steps taken by Washington. US doctrine "implies that the competition between China and the US would expand from western Pacific to the whole Pacific Ocean, the Indian Ocean, South Asia and Central Asia," Luo Yuan told Xiaofeng Wang. "It takes two to tango. We should not only consider what we think, but also what the US thinks as well," he said. "The US termed China as chief security threat, so we must have our own strategy to deal with it. As Chinese saying goes, never think about hurting others but always keep an eye open on others. Thus, we need to have strategic composure and confidence rather than being shaken by US influence in order to enhance our overall strength and defense capability step by step."

Meanwhile, China formulated grand strategy for the next phases of the ascent with precise steps and concrete ideas in mind. The overall doctrine was approved in October 2017, during the 19th Chinese Communist Party Congress, and formally committed to during the National People's Congress Session in March 2018. The crux of Beijing's vision is that China will glue together the North and the South - thus leading the global ascent of the Eastern Hemisphere with China as the up-and-coming supreme leader and guide. All Chinese endeavors - such as military build-up, macro-economic development, international relations, and especially the continuously expanded Belt and Road Initiative - will be adapted and optimized to meet these challenges and opportunities.

Xi Jinping introduced China's vision of the future at the BRICS Summit in Johannesburg in July 2018. He shared his vision with the assembled leaders, stressing their joint "new advances in the next Golden Decade". Significantly, he gained the support of Russia in a lengthy private meeting with his Russian counterpart Vladimir Putin. On 25 July, Xi Jinping alluded to Beijing's vision in his speech. "The next decade will be a crucial one in which new global growth drivers will take the place of old ones, seeing faster changes in the international landscape and the international alignment of forces, and witnessing a profound reshaping of the global governance system," he said. "We must seize this important opportunity to enable emerging markets and developing countries to achieve leapfrog development."

Xi Jinping stressed that the world is moving toward multi-polarity amid setbacks. "Geopolitical hotspots keep emerging, and the dark shadow of terrorism and armed conflicts still haunts us." It is high time to decide how to address and overcome these challenges. "The international community has reached a new crossroads; and we are facing a choice between cooperation and confrontation, between opening-up and a close-door policy, and between mutual benefit and a beggar-thy-neighbor approach." Xi Jinping sees China, via BRICS, leading the rest of the world in charting a new course. "We BRICS countries should keep abreast of the historical trend, seize development opportunities, jointly meet challenges, and play a constructive role in building a new type of international relations and a community with a shared future for mankind."

In the first weekend of August 2018, Chinese leaders started heading to the Beidaihe beach resort, 280km east of Beijing on the Bohai Sea, for their annual most secret brain storming about the present and the future. The



critical issues on the table are defining the vision and goals for the two forthcoming historic milestones - the centenary of the Chinese Communist Party in 2021, and the centenary of the People's Republic of China in 2049 - and then formulating concrete plans and strategies how to attain these historic goals.

On 31 July, before leaving Beijing, Xi Jinping hosted a meeting with the 25-member Politburo. According to Chinese officials, the meeting covered the issues of "discipline," "new challenges and obvious changes to the external environment" in relation to the economy, and "resolutely upholding the authority of the Party with comrade Xi Jinping as the core [leader]." Xi Jinping also "outlined protocol to stabilize a potentially unstable economy." These issues will be prominent at Beidaihe as well.

Dealing with such immediate issues as the ongoing trade war with the United States are inescapable. There is a growing sense of urgency among some traditionalist party leaders because of their concerns that the Chinese economy "could go bankrupt" if the trade war with the US continues for a long time. Nor can party leaders escape the public discontent over economic problems and corruption. Ultimately, observes Deng Yuwen of the *South China Morning Post*, "openly and secretly, the party has a heightened sense of crisis, and is always on the lookout for any factors that could harm its political dominance and which need to be eliminated before they accumulate." The overall posture inside China "is not that pretty." The more traditionalist faction within the party wants the Chinese people "to have faith in Communist Party rule, trusting that the party could bring China to a bright future and realize the 'two centenary goals': a 'moderately prosperous society' by 2021, and a country that is 'rich, powerful, democratic, civilized and harmonious' by 2049."

Hence, there are rumors and whispers about the emergence of internal opposition to Xi Jinping on account of national priorities. Closed meetings will enable the dissenters to raise some issues - but will not produce any consensus.

Members of the traditionalist faction, Chinese officials acknowledge, "are not wholeheartedly behind Xi." The great quandary is their impact particularly since Premier Li Keqiang, their reported leader seen as counter-balance to Xi's power, is responsible for the recent rabies vaccine scandal and will therefore lose most, perhaps all, of his power. On the eve of the Beidaihe summit, a party official who is a protégé of Hu Jintao told Akio Yaita of the *Sankei Shinbun* that "Xi Jinping may be under criticism from the elder party members for his handling of the US-China trade conflict, as most older statesmen are firmly against a prolonged trade conflict with the US." According to this party official, "such party elders as Jiang Zemin, Hu Jintao, Zhu Rongji, and Wen Jiabao sent a letter under their joint names to the Party leadership early July. They urged the leadership to review both economic and diplomatic policies. While rating highly the Xi administration's achievements over the past few years, the letter noted that the party has a host of problems, including a tendency toward personality cult leadership and leftist radicalism, which, it stressed, 'must be rectified as swiftly as possible.'" Thus, the leading expert on Chinese leadership Willy Wo-Lap Lam suggests that "while Xi Jinping remains China's undisputed paramount, his authority seems somewhat diminished."

Xi Jinping and the majority faction of Chinese nationalists, if not chauvinists, want to give priority to China's grand strategy and foreign policy interests in order to attain the milestones to come: "China the dominant regional power by 2021," and "China the global Hegemon by 2049." For them, this is the epitome of "the Hundred-Year Marathon." Xi Jinping intends for all Chinese undertakings - from the trade war with the US, to the crisis on the Korean Peninsula, to the spread of Chinese investments and influence throughout Africa, Central Asia, the Middle East and Europe - to be conducted in the context of the acceleration of the ascent, empowering and consolidation of China at the top - the global Hegemon.



Both the PLA's mighty high command and the powerful foreign policy establishment are solidly behind Xi Jinping. Yang Jiechi, the Director of the Central Foreign Affairs Commission Office, leads the party faction (as distinct from the PLA elite) supporting Xi Jinping at the Party center and foreign policy decision-making bodies. On 1 August, Yang Jiechi published an article stressing that Xi Jinping "should be safeguarded at the core of China's foreign policy" and that his "centralized leadership" must be further strengthened. "The most important achievement is to establish the guiding position of Xi Jinping's diplomatic thinking" because this "diplomatic thought" is an essential aspect of "Xi Jinping's new era of socialism with Chinese characteristics," Yang Jiechi wrote.

Having been recently empowered as the "Core Leader" and made effectively president for life - Xi Jinping is all but assured to get his way with the Chinese uppermost leadership. The final resolute push for completing "the Hundred-Year Marathon" and the ascent of China as the global Hegemon has thus begun.

Remarks: Opinions expressed in this contribution are those of the author.

About the Author of this Issue

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