Executive Summary

The 2022–23 Wilson China Fellows studied and address a wide swathe of China-related issues, ranging from China's impact on its neighborhood to its economy and civil society. The following section provides the Wilson China Fellows' policy implications, recommendations, and key takeaways, arranged alphabetically by fellow:

Chapter 1:

Chinese Law and Development: Implications for US Rule of Law Programs

Matthew S. Erie

Abstract:
China is emerging as an alternative source for law and development for low-income and middle-income states. This is despite its conventional reluctance to engage in policy export abroad and, more immediately, its slowing economy, calcified rule, and a somewhat deprioritized foreign policy in the post-COVID era. A number of supply and demand factors account for the increasingly important role of law in its global development. On the supply side, against the backdrop of the decade-old "Belt and Road Initiative" and newer initiatives including the Global Development Initiative, Global Security Initiative, and Global Civilization Initiative, China is becoming increasingly assertive in offering "Chinese-style modernization" to host states in the Global South, part of which includes policy and law diffusion. Specifically, the Party-State has endorsed what is called "foreign-related 'rule of law'" which is a bi-directional policy initiative that seeks to both integrate more foreign law into the Chinese legal system and also incorporate more Chinese law into foreign and international law. Beyond the political bluster and political signalling, there

is evidence of such initiatives affecting legal practice and institutions. Legal organs are creating transnational networks with lawyers, judges, and businesspeople in host states to mitigate investment risk, share resources, and problem solve. Some of these networks have led to the establishment of legal institutions which, even if primarily symbolic, may gain traction over time. On the demand side, which is arguably more salient, host states value Chinese industrial policy, governance strategies, and digital ecosystem as facilitative of China's economic growth model, of which law and regulation is part. Hence, host states borrow from Chinese law, policy, and standards. Even where China is not intentionally seeking to export its law, by the sheer size of its economic footprint in smaller states, the Chinese presence may have unintended effects on the domestic legal system. In the long run, these innovations may promote South-South solidarity but they may just as likely support the commercial and geo-strategic interests of Chinese enterprises which may have aggregate effects on access to justice, procedural transparency, and human rights in vulnerable states. How should US promoters of rule of law respond to Chinese law and development? While it is still early days for China's legal development abroad, US policymakers should start thinking now about how to confront Chinese law and development, how to work with host states on building local knowledge about Chinese law, and where the US may even learn from China's experimental efforts.

Policy Implications and Key Takeaways

- Whereas the US has held a privileged position in legal development assistance in the past several decades, it is no longer the only donor and needs to prepare for a more active China in this field. Against the backdrop of an increasingly visible China in the Middle East, Latin America, Central Asia, and Indo-Pacific in the post-COVID era, the normative resources of Chinese governance, including law, policy, and standards, hold some attraction to elites in nondemocratic or weakly democratic states.

- Rather than mimic what China is doing, which is, to some degrees the US approach in development generally (e.g., the Build Back Better World

and Blue Dot Network are billed as alternatives to the Belt and Road Initiative), the US should build on its traditional strengths in supporting local actors in host states who are promoting rule of law. In fact, the US should not blunt its rule of law and democratization edge; the message needs to be communicated both more decisively and more broadly.

- Whereas the US has rejected engagement with certain regimes as a matter of principle, for example, as reflected in the Biden Administration's 2022 National Security Strategy with its emphasis on competition between democracies and autocracies, it may want to engage more coherently with those states on matters of legal development. Many states are trying to hedge between the US and China in a "decoupled" or "de-risked" world. Rather than non-engagement with those states, the US needs to develop long-term and comprehensive strategies to support rule of law in those states.

- China's efforts to nudge international law, especially international economic law, towards its own commercial and geo-strategic interests, which is one dimension of Chinese law and development, may present a long-term challenge to US interests. The US needs to "ally shore" not just other G7 states but also emerging economies within multilateral organizations and international law bodies.

- The US needs to improve its record of access to justice and quality of rule of law at home to avoid charges of hypocrisy. As part of this, state and federal legislatures must reject out-of-hand laws which discriminate against Chinese in the US, for example, in terms of their right to purchase real estate. Such discriminatory laws significantly erode the rule of law in the US. The US can only engage in rule of law promotion abroad when it has sufficiently addressed such instances of injustice on its own soil.

- The US needs to stimulate innovation both within would-be partner states and also domestically. As to the former, a greater focus on building communities on the ground that can help communicate local needs is

critical. Problem-based approaches should supersede mere technical programming. One dimension of the problem-based approach is being more actively part of local knowledge production about China's footprint in-country. As to the latter (domestic innovation), members of the legal industry in the US have not yet sufficiently tapped the deep symbolic capital of US legal institutions to build connections with partner states, for example, through dispute resolution networks. In short, the US can learn from what China is doing without following its agenda.

Chapter 2:

State-level US-China Relations at the Crossroads: Predicaments and Prospects for Subnational Engagement

Kyle A. Jaros

Abstract:
The subnational level of the US-China relationship has become increasingly important but remains poorly understood. Over the past several decades, many US states have engaged extensively with Chinese official counterparts to promote economic development, educational cooperation, and cultural exchange. Once routine, these forms of subnational interaction with China have attracted fresh scrutiny and grown politically fraught amid worsening US-China relations. In this essay, I examine the stakes of state-level engagement with China and the challenges that have arisen as low politics and high politics blur together, considering the dual risks for US states of unbalanced engagement and radical recoil. To better understand how states are navigating a rapidly changing US-China relationship, I carry out a detailed case study of Indiana-China interaction while also exploring broader nationwide trends. Through this analysis, I develop insights into the drivers of both historical moderation and recent volatility in state-level relations with China, and I distill lessons and recommendations for policymakers at both the state and federal level.

Policy Implications and Key Takeaways

- State-level US-China relations, which center around economic links, educational cooperation, and cultural exchange, have become an increasingly prominent and polarizing part of the US-China relationship in the past five years.

- The case of Indiana, a relatively typical state in most respects, highlights the practical significance of subnational ties and the increasing politicization of such ties.

- Indiana's ability over the past five years to chart a middle course between unbalanced engagement and radical recoil has depended on executive-level commitment, dedicated institutional capacity, pragmatic Chinese partners, and limited politicization. However, some of these conditions are in doubt at present.

- States and the federal government should work to forge common guidelines for subnational engagement with China and should expand efforts to educate state- and local-level policymakers on the complex stakes and dynamics of US-China relations.

Chapter 3

Bringing China Back into the World: The Historical Origin of America's Engagement Policy and Its Implications for Contemporary US-China Relations

Mao Lin

Abstract:
With the deterioration of US-China relations in recent years, America's engagement policy toward China has been heavily criticized for failing to change China into a liberal democracy and turning Beijing into a peer competitor of Washington instead. However, a more balanced history of engagement shows

that engagement has served American interests quite well. During the 1970s, American officials and the broader foreign policy public forged a new perception of China as a "frustrated modernizer." The priority of China was not to spread communism abroad but to turn the country into a first-class industrial power. However, China failed to modernize under communism, with the Sino-Soviet split further threatening China's national security. America's engagement policy was conceived as a realistic response to those changes. Engagement successfully turned China into America's tacit partner against the Soviet Union, helped Washington to end its war in Vietnam, moderated China's radical foreign policy, and contributed to the end of the Cold War. While the desire to change China into a liberal democracy loomed large in the background, that desire was only pursued as a long-term goal and no American administration ever set a firm timetable to turn it into reality. A balanced assessment of engagement can help us to forge a realistic strategy by aligning means with ends. America must realize many of the factors that will shape China's future are beyond American control. A more realistic goal for US China policy is to shape China's choices so that it will abide by the rules-based international order with or without political reforms. Washington should consistently convince Beijing that America does not seek to contain China's rise if China can truly become a responsible stakeholder.

Policy Implications and Key Takeaways

- America should achieve a balanced assessment of the US-China engagement before abandoning it. Engagement was conceived as a realistic strategy that served America's interests well since the 1970s. Regime change has never been the main aspiration of engagement. To hope that China will eventually move toward liberal democracy is not the same as setting a time-table and assuming that America has the capabilities to achieve that goal. A balanced assessment of engagement can help us to forge a realistic strategy by aligning means with ends. A more realistic goal of America's future China policy is to shape China's choices so that it will abide by the rules-based international order with or without political reforms.

- Washington should consistently convince Beijing that America does not seek to contain China's rise if China can truly become a responsible stakeholder. The feeling that China can never do right in the eyes of America, is the kind of perception that America should dismantle. History proves that China is willing to work with America on specific issues, even thorny ones, when it believes that the overall relationship is on a constructive track. For many Chinese, China's rise in the recent past was largely achieved within the US-led international order. America should encourage the argument that China can continue to develop within the existing world order without disrupting it.

- Being consistent is the key. America should refrain from overreacting to the China challenge and focus on areas where America has maximum leverage and enjoys broad support from its allies. America should not hesitate to offer carrots when China makes verifiable changes. By doing so, Washington can demonstrate that it is willing to work with Beijing on specific issues, rather than containing China across the board. Equally importantly, Washington should demand Beijing make deliverable and verifiable pledges that China does not seek to promote its interests at America's expense.

- America should take China's legitimate concerns seriously. America and China must work together to uphold rules acceptable to both and negotiate their differences in good faith. It also helps if America can have frank conversations with China about its "Century of Humiliation." America should make it clear that uncontrolled nationalism will only have detrimental effects on China's future development.

- The White House should play a more forceful role in shaping a balanced narrative about China. In the world of diplomacy, rhetoric and symbols matter. Even if there is no substantial change of policy, a more balanced narrative is likely to alleviate concerns among US allies and smooth relations with Beijing.

- Continued engagement is the practical policy toward China. Engagement is not appeasement, and the alternatives carry more risks than benefits. A

new Cold War aimed at containing China cannot work, given the high degree of China's integration into the world. Plus, few nations are willing to choose side between America and China. A shooting war between the two nations is unimaginable.

Chapter 4

Scaling Up and Going Out: The Politics of Chinese Agribusiness Development

Kristen E. Looney

Abstract:

This paper investigates the politics of Chinese agribusinesses "scaling up" production domestically and "going out" to make investments globally. It addresses the following questions: What are the key drivers behind the transition from smallholder farming to industrial-scale agriculture in China? What are the domestic and global implications of this transition? The paper argues that the development of dragon head enterprises, or large-scale, agro-industrial firms, lies at the heart of China's recent agricultural modernization efforts, that the factors driving their development are irreversible, and that US firms will face tough competition with them both within China and globally. Given the economic importance US-China agricultural relations and the two countries' shared interest in promoting global food security, US policymakers should focus on enhancing the transparency of Chinese firms' global activities, rather than banning Chinese investment in the US agricultural sector.

Policy Implications and Key Takeaways

- China's largest agribusiness firms, known as dragon head enterprises, have emerged as central players in the development of Chinese and global agriculture. They are responsible for "scaling up" production domestically and "going out" to make investments globally.

- The factors driving dragon head development are irreversible. On the domestic side, the shift from smallholder to industrial farming is tied to shifts in the rural economy, changes in urban consumption, concerns about food safety, and promises of food self-sufficiency. On the international side, outbound agricultural investments are intended to mitigate global food supply risks, to improve firm competitiveness, and to help the Chinese state project political power.

- The idea that China is taking over America's farmland and food supply is more myth than reality. The United States is not a major target of Chinese agribusiness activity, which means that recent efforts to ban investment are unnecessarily pushing Chinese firms toward other markets. This trend makes it more difficult for the US to understand and compete with China, and it is costing potential jobs and export opportunities that those investments would have generated.

- US policymakers interested in repairing US-China agricultural relations should work toward normalizing trade relations, reducing barriers to Chinese investment in the US, and vice versa, and allocating more resources for enhancing the transparency of Chinese firms engaged in international trade and investment.

Chapter 5

The Decline of Factions in the PLA

Daniel Mattingly

Abstract:
How has the People's Liberation Army (PLA) changed under Xi Jinping? This study examines this question through a study of factional networks in the PLA. The presence of factions in the PLA has implications for the military's battlefield effectiveness, loyalty to the party's civilian leadership, and ability to maintain domestic stability. To investigate the changing role of factions in the PLA, I draw on a dataset of over 12,000 appointments to top military

positions. I show a striking decline of the importance of promotion networks between Hu Jintao and Xi Jinping. Under Hu Jintao, having a career tie to one of the generals sitting on the Central Military Commission (CMC) was highly predictive of promotion. As later corruption prosecutions made clear, officers in the Hu Era were systematically paying patrons for promotion up the ladder. This likely eroded military readiness and increased the risk of domestic political instability. Under Xi, however, having a career tie to a CMC vice chairman no longer helps a general's career prospects. In recent years, generals with ties to a military officer on the CMC member leader are not more likely to be promoted than average. Instead, ties to Xi Jinping himself matter for promotion. The decline of intra-military factions in the PLA—and the rise in importance of ties to Xi Jinping—has likely ensured the army's loyalty to Xi while on balance increasing professionalism.

Policy Implications and Key Takeaways

- For US policymakers assessing the PLA's ability to project power outside of China, the picture is mixed, but on balance points to growing military professionalism under Xi. Strong patronage networks within the PLA under Hu Jintao eroded military professionalism. Xi has largely stamped out these networks, although uncertainties remain. *Policy Implications*: Military assessments of PLA military readiness should not assume that the PLA will be vulnerable to the same severe corruption issues that have evidently harmed the Russian invasion of Ukraine.

- For US policymakers assessing the likelihood of domestic political instability in China, the military is significantly less likely than before to support an elite split. Under Hu, the factionalism of the military elevated the risk that some generals could side with a challenger to the top leader. Under Xi, that risk, already low, has become much smaller. *Policy Implication*: Policymakers in the United States should expect a continuation of the status quo in elite politics as long as Xi is healthy and does not retire.

- For US policymakers assessing the likelihood of armed conflict in the Taiwan straits, Xi's tight control over PLA personnel suggests that

compared to his recent predecessors he is likely to be less susceptible to pressure from PLA officers to ratchet up (or down) conflict. Moreover, the composition of the new Central Military Commission (CMC) should not be seen as a signal that Xi intends to go to war soon. *Policy Implication*: When assessing PRC behavior in the Taiwan Straits, United State military and civilian officials should not view Taiwan as a likely wedge issue in Chinese elite politics. Leaders should continue to seek military-to-military exchanges and conflict de-escalation hotlines, even if these efforts are rebuffed.

Chapter 6

Lending Tree: The Motives Behind and Implications of Chinese Bank Branch Growth in Foreign Markets

Daniel McDowell

Abstract:

China's four largest banks are setting up shop abroad. In 2020, these banks actively managed over 500 foreign brick-and-mortar locations, up from fewer than 100 in 2007. What is behind the international expansion of China's state-owned banks? What economic motives are driving these banks to "go out" and what, if any, role does geopolitics play in their overseas branch growth? Using an original dataset of foreign branches of China's "Big Four" banks, I find that these major state-backed financial institutions have opened more foreign branches in markets where China also has a larger presence in the development project space. Countries that are official participants in BRI, for example, have more Chinese bank branches. Similarly, as the number of Chinese development projects in a country grows, or as the size of the development project financial commitment increases, so too do the number of branches. Notably, a battery of geopolitical variables are not correlated with bank branch numbers, suggesting that—to date—bank expansion is primarily about executing China's foreign economic policy. However, in time, the presence of Chinese banks in these markets may play a role in improving Chinese resilience to economic pressure from the United States in the form of financial sanctions.

Policy Implications and Key Takeaways

- US policymakers should recognize that the Belt and Road Initiative and China's broader involvement in foreign development projects serve as a critical entry point for China's banks into foreign markets through the opening of branches and subsidiaries.

- Though their internationalization centers on serving Chinese firms operating abroad today in the development space, in time, these branches may deepen financial ties with local, host-country firms in other areas. Bank branches, then, may act as a beachhead for Beijing to develop closer financial ties between foreign firms and its financial institutions. Policymakers should support the robust funding for US-backed multilateral development banks so as not to cede the development lending space to Chinese state-owned banks.

- The growing number of Chinese firms operating abroad in the development space is in turn attracting Chinese banks to expand into these markets. US policymakers should consider steps to offset this. One way is to implement policies that incentivize American companies to bid on US-backed multilateral development contracts in foreign markets where Chinese firms are especially active. In turn, US banks will have incentives to "follow their customers" into these markets, countering the rising number of Chinese banks in these locations.

- Policymakers should consider the potential role of Chinese banks in providing cross-border financial services, like trade settlement, in China's currency (RMB). This might eventually enhance China's economic resiliency in the face of US financial sanctions.

Chapter 7

Claiming the South China Sea with a New National Mythology: Hainan Island and the South China Sea in China's History and Current Geopolitics

Jeremy A. Murray

Abstract:

This paper examines the shifting histories of the relationship between mainland Chinese regimes and their southern coast, Hainan Island, and the South China Sea. While Beijing today claims that Chinese regimes have administered the South China Sea in some form for 2,000 years, from the perspective of successive dynasties' centers of power, the far regions of the Sea were in fact culturally alien territory, and often far beyond their administrative control. When we examine the South China Sea from the perspective of the Hainanese people, not to mention that of China's neighbors around the Sea, the mainland myth of continuous administrative control and Chinese cultural presence quickly breaks down. It is important, in a scholarly context, to counter this mainland mythology of continuous Chinese dominance in the region, and also present a version of this history that reflects the region's reality, diversity, and complexity. The People's Republic of China's (PRC) current narrative of the South China Sea, embodied by the "nine-dash line" maritime boundary, is a retroactively imposed cultural lineage within the region, not a story of real political control through the imperial past. Past narratives, and the current one, embody a range of the regimes' anxieties and ambitions, and while they may be disingenuous, we can and must still learn much from them. Rather than confronting these claims' historical veracity directly in a political context, however, the United States should continue to articulate its firm support of a rules-based international order, particularly through the United Nations Convention on the Law of the Sea (UNCLOS), and the legal claims of other regional players. Washington's failure to formally accede to this framework prevents the US from ensuring that it will have a hand in shaping a stable and peaceful future for the South China Sea, and an equitable and sustainable future for other regions, including the Arctic and Antarctic polar regions. Through ratification of UNCLOS and more robust support for the claims and interests of other regional players—such as the Philippines,

Vietnam, Taiwan, Indonesia, and others—Washington could more effectively, safely, and sustainably counter Beijing's unilateral and ahistorical claims to the South China Sea.

Policy Implications and Key Takeaways

- The United States should ratify the United Nations Convention on the Law of the Sea (UNCLOS) through a two-thirds US Senate vote for advice and consent. This is among the most common-sense and beneficial treaties in US history, and a great achievement of the legal team of US President Ronald Reagan, as led by John Norton Moore. Failure to ratify UNCLOS, in spite of numerous efforts, and after all reservations and real concerns and arguments against the treaty have already been completely addressed, is causing Washington and US businesses loss of revenue, security, and international credibility. At the time of writing, Washington remains outside of the framework, and is a signatory but not a ratified member.

- The United States should continue to support the claims of regional states to their sovereign maritime territory and Exclusive Economic Zones (EEZ) according to UNCLOS, especially where those claims are violated by Beijing's refuted nine-dash line. While some in the United States may be wary of the optics of publicly challenging Beijing's "historical" claims, endorsement of the rules-based order, international law, and legal claims by regional states is a sustainable and necessary position.

- The United States should take a more active hand in shaping the region's media and scholarly narratives by consistently endorsing the legitimate claims of regional players such as the Philippines, Vietnam, Taiwan, Indonesia, and others. This could include scholarly exchanges and funded research in the region, expanded academic ties, and public diplomacy. This starts with a deeper understanding and appreciation for the region's complex history and geopolitics, beyond the simplistic framework of US-China rivalry in the region.

- Through official and non-official channels, the US government and American citizens should be wary of implicitly or explicitly endorsing Beijing's narrative of the region when it violates international law and the sovereignty claims of other regional players. These endorsements may come in the form of silence or ignorance in the face of false claims, or in pop culture products, scholarship, or public diplomacy that reproduce Beijing's false claims of historical continuity and the "nine-dash line."

- Americans should recognize and counter two related aspects of the PRC educational and media environments: Beijing's efforts to close off foreign influences on key issues, and its efforts to impose a constrained narrative of history within popular culture and academia. Americans should energetically nurture dialogues, institutional ties, and personal friendships in the PRC, and amplify the diverse voices that have always been expressed and heard there.

Chapter 8

Legal Hedging: Power Acceptance and Rejection in Sino-Southeast Asian Ties

Trang (Mae) Nguyen

Abstract:
This research paper examines Southeast Asian states' use of law as a tool to both enmesh and resist the outsized impact of the People's Republic of China (PRC). This use of law—what I call "legal hedging"—combines strategies of power acceptance and rejection as a "bundled" foreign policy to at once take advantage of deeply enmeshed economic ties with China while hedging the risk of domination. Studies on Southeast Asia and its regional institutions, most prominently the Association for Southeast Asian Nations (ASEAN), have tended to emphasize pragmatism as the major mode of engagement with China. It would be remiss, however, to gloss over the dense network of laws and agreements that undergird this important relationship, as well as the nuanced ways in which Southeast Asian states use international law to advance

their interests. Through case studies of Indonesia, Vietnam, and Cambodia, this paper analyzes how these states implement hedging strategies through selective partnership with China and the Western legal order, deliberate multilateralism, and pursuit of new legal innovations. Taken together, the legal strategies of Southeast Asian states suggest a robust, highly functional regional model that merit careful study. Importantly, they also demonstrate a subtle use of law and policies unique to Asian regionalism that does not cater to either the Washington Consensus or the Beijing Consensus but aims to selectively cooperate with both.

Policy Implications and Key Takeaways

1. "Legal hedging" is a prominent strategy used by Southeast Asian states to both enmesh and resist China's influence. By combining strategies of power acceptance and power rejection, Indonesia, Vietnam, and Cambodia each attempt to capture the benefits of the deeply enmeshed economic ties with China while simultaneously hedge the risk of Chinese ambition. As participant states in the Regional Comprehensive Economic Partnership (RCEP), China's Belt and Road Initiative (BRI), and the Sino supply chain networks, these states have benefited from the infrastructural, legal, and business linkages with China. At the same time, they have adopted robust strategies of "power rejection" hedging through engagement in multilateralism and selective embrace of the liberal legal order.

2. Taken together, the legal strategies of Southeast Asian states demonstrate a subtle use of law and policies that does not cater to either the Washington Consensus or the Beijing Consensus but aims to selectively cooperate with both. This suggests a highly functional regional model that may offers lessons for other states in their dealings with China.

3. To US policymakers, this model of legal hedging offers a number of policy implications:

    a. First, despite conventional wisdom on Southeast Asia's relatively inactive participation in international law, we are seeing increasing

participation and innovation in tandem with the region's economic rise. As such, opportunities exist for the United States to align its interests with Southeast Asian countries in supporting the revitalization of the region's economic and geopolitical rise, as an effective form of strategic competition with the PRC.

b. Second, to be effective, the United States' engagement with Southeast Asian states needs to start from a basis of understanding of these states' use and vision of the international legal order. As the case studies show, Southeast Asian states, not unlike other secondary states, prefer a pluralist vision of international law, even if they may at times embrace the alternative model offered by big authoritarian powers such as China. Such instinct to stay embedded in multiple legal orders stems from Southeast Asian nations' wariness of being overdependent on any single outside force and of being pressured to take side in great-power rivalries. Providing the space for these states to embrace aspects of the current US-led legal order would thus enable their continued engagement.

c. Third, it is critical for US policymakers to appreciate the legal and economic enmeshment of Sino-Southeast Asian economic ties, in order to ensure the effectiveness of US policies and enhance US competitiveness in the region. As one example, the dense linkages of the Sino-Southeast Asian supply chains can pose difficulty for the United States and other countries in enforcing tariffs and import exclusion on Chinese products. Effective enforcement may require cooperation from Southeast Asian host states. Additionally, the RCEP's liberalizing rules-of-origin regime will create barriers for US suppliers when trying to access ASEAN and Asian trade blocs. The United States will thus need to strengthen its trade and economic presence in Southeast Asia to overcome these structural barriers—as it already starts doing through the Indo-Pacific Economic Framework for Prosperity, the Just Energy Transition Partnership, among other initiatives.

d. Fourth and finally, Southeast Asian states should be recognized on their own strength—that is, not just as a region to be won over, but as important international actors with significant experience on how to construct consensus and manage great-power conflicts. As is the ASEAN Way, Southeast Asia's method is careful, sometimes ambiguous, and particularly sensitive to the reality of power disparity—a stark contrast to the narrative of democracy-versus-autocracy dichotomy. As with any model, while such a method may not transplant well to other contexts, it can at least offer valuable lessons to other countries, the United States included, in a new era of strategic dealings with China.

Chapter 9

Transnational Civil Society and Authoritarian Politics in China and Russia

Elizabeth Plantan

Abstract:
Over the past decade, China and Russia have both passed laws restricting foreign organizations or foreign support to civil society, including the 2012 "foreign agents" law and 2015 "undesirable" organizations law in Russia and the 2017 Overseas NGO Law in China. This essay compares these developments to understand 1) the motivation behind these laws and the extent to which authoritarian leaders in China and Russia are learning from each other's responses to transnational actors or activism; 2) the response of international foundations and NGOs to these regulations and the changing nature of their operations in increasingly autocratic China and Russia; 3) the paths forward for transnational support of civil society in these countries, including support of activists abroad. In so doing, this essay provides important insights for policymakers and practitioners interested in continued engagement with civil society in China and Russia in light of these new developments. In particular, it offers insight into emerging trends in international philanthropy and transnational engagement in authoritarian contexts.

Policy Implications and Key Takeaways

- The essay finds some empirical evidence for shared motivations and "authoritarian learning" between China and Russia regarding perceptions of threat from foreign organizations or foreign-supported civil society, which helps to explain similar restrictive laws in both countries. However, an examination of how these laws impact foreign foundations and NGOs reveals that there are still many ways to continue engaging with civil society stakeholders from these countries despite the mounting constraints. Given the potential for authoritarian learning, international foundations and NGOs would benefit from recognizing the shared context and promoting opportunities for learning from within their own community.

Recommendations for INGOs and Foundations

- For INGOs and foundations, there is a pressing need to not only share best practices with other groups operating in authoritarian contexts, but also to learn from other country offices within their own organization. Given the evidence of authoritarian learning behind growing restrictions on foreign organizations, adaptations from the Chinese or Russian context might inform others working in these or other authoritarian spaces with similar laws.

- For those groups operating in China, there is still room to work on certain topics and, in particular, to engage on philanthropic capacity of Chinese partners. Still, funders operating in this space should communicate more regularly to make sure that their activities are not over-crowded in one or two permitted areas of work. Groups operating in Russia will have to make decisions about whether continued support of civil society groups in Russia is worth the risk but should do so in close consultation with their partners and grantees.

- For those INGOs and foundations that can no longer operate in these contexts or are looking to pivot their activities to hedge against risks,

there are several other ways to remain engaged. One is working with partners in third country contexts on joint projects, such as those related to the impact of Chinese investment abroad, global environmental issues, or humanitarian aid. Another pathway is by supporting activists and their former partners from authoritarian contexts who are now abroad. This includes not only helping former partners leave the country, but also continuing to facilitate their activism from abroad. There is also a need within this community to have more training on digital security and other ways to mitigate transnational repression of activists.

- Finally, INGOs and foundations could also engage more with broader diaspora communities, which includes potentially funding alternative sources of information in the group's native language to combat isolation and disinformation.

Recommendations for Policymakers

- US and European policymakers should not only understand the potential for learning between China and Russia and monitor their relationship, but also understand the differences between the two regimes and their openness to international engagement. Although Russia's war against Ukraine has further cut off Russia from the West, there are, by contrast, many windows of opportunity for continued engagement with Chinese civil society, and policymakers should still seek ways to support and facilitate continued people-to-people engagement.

- At the same time, US and European policymakers should become more engaged in combatting transnational repression of exiled activists from authoritarian regimes like China and Russia, especially as these regimes may be sharing or learning about these practices, as well. Humanitarian visa and asylum policies for activists at risk should also be strengthened.

- Finally, private and government funders should consider easing reporting requirements for grantmaking in these contexts to ensure the safety and

security of grantees and enable INGOs to have the flexibility to respond to emergency situations. Funders should also consider widening the scope of grantmaking from a focus on funding only those who are in country to also include exiled activists and diaspora groups located abroad.

Chapter 10

China-Russia Convergence in the Communication Sphere: Exploring the Growing Information Nexus

Maria Repnikova

Abstract:

This paper examines China-Russia relations through the lens of information politics. Specifically, it analyzes the extent of the bilateral "information nexus" or the strengthening of ties between the two sides in the communication domain, and its key dimensions, limitations, and policy implications. Drawing on a mix of primary and secondary sources in Chinese and Russian languages, this study demonstrates a growing and systematic coordination and collaboration in the information sphere at the bilateral level. The analysis uncovers an increasing institutionalization and socialization in bilateral media relations and efforts at content co-production and synchronization of mutual media coverage. At the same time, this relationship also faces some limitations, including inconsistency and asymmetry in media interactions and limited coordination directed at global and non-official contexts.

Policy Implications and Key Takeaways

US policymakers should treat the information domain as integral to China-Russia relations. In the past three decades, the two countries have institutionalized their media ties, embarked on routine socialization of their media professionals, co-produced selective content, and publicized mutually complementary content in their state media. While the joint distribution of explicit disinformation thus far presents a relatively minor part of this information nexus, the convergence in China-Russia communication ties

still poses a number of challenges and implications for US policy interests:

- First, it creates opportunities for the diffusion of norms and values, and for shaping public opinion in both countries in favor of this relationship. It creates a symbolic cushion for this relationship that can potentially help mitigate other tensions and suspicions.

- Second, Chinese and Russian outlets practice subtle forms of disinformation in their mutual coverage, such as biased usage of sources. A broader conception of disinformation is needed to incorporate these less perceptible means of shaping public opinion.

- Third, China's symbolic ties with Russia serve to bolster China's discourse power and media reach in important global contexts like Central Asia, which further complicates the US-China competition for narratives.

The gaps in the China-Russia information collaboration also present opportunities for the United States:

- First, the concentration of bilateral efforts on partnerships amongst official national media leaves space for shaping public narratives about China and Russia through non-official channels. More investment into training and forums for independent Russian and Chinese journalists, many of whom are now part of the diaspora, would help construct alternative narratives in local languages.

- Second, the Global Engagement Center and other institutions involved in public diplomacy should more forcefully target the post-Soviet space (especially Central Asia) in communicating both the US interests in the region and alternative narratives about China.

- Third, publicly underscoring the gaps and asymmetries in China-Russian information ties would help expose the limitations of this relationship, especially for audiences in the Global South that might be more inclined to consume Chinese and Russian media narratives.

Chapter 11

Ecological Civilization Goes Global: China's Green Soft Power and South-South Environmental Initiatives

Jesse Rodenbiker

Abstract:

China's involvement in Global South environmental and development issues is reshaping 21st century environmental governance. This report examines China's green soft power through multilateral and bilateral environmental initiatives and exchanges. It draws on interviews and fieldwork conducted during the COP-15 UN Convention on Biological Diversity and in Southeast Asia on environmental exchanges with China-based organizations. The report finds that China's environmental leadership in multilateral arenas has progressed significantly over recent decades as exhibited by successfully advancing the Kunming-Montreal Global Biodiversity Framework. However, the report finds China's ability to influence international actors to adopt shared values and positive associations to China is limited. The report, furthermore, examines case studies of state-state exchange in Thailand and civil society exchange in Indonesia. In each case, Chinese organizations provide essential support to advance local environmental goals. These exchanges, however, exhibit limited influence in shaping values and attitudes toward China, in part, because the field of international environmental exchange is highly saturated, particularly with international and Global North organizations. This indicates that China's green soft power, while on the rise globally, remains relatively weak. The report concludes that the relative weakness of China's green soft power is attributable to strong political economic alliances with Global North countries and international organizations, as well as China's fragmented authoritarian governance, which limits governance effectiveness in international environmental arenas. Rather than viewing green China rising as a threat, China's emerging environmental leadership harbors potential for enhancing international collaboration. Policymakers and civil society organization can engage with Chinese organizations and emerging conservation networks in the Global South to work toward shared environmental goals and enhance global environmental governance.

Policy Implications and Key Takeaways

- China is ushering in a new era of environmental leadership. Financial resources and human capital should be mobilized by policymakers to identify common goals and interests that advance international cooperation and environmental stewardship. Conserving biodiversity and mitigating climate change are essential to global security and peaceful international relations in the 21st century.

- Ecological civilization building is not only a political discourse in China, but a vision for global environmental change toward a socio-naturally optimized state of being. While the cognitive resonance of the discourse is strong with some people, it remains limited globally. It is imperative for policymakers and environmental practitioners to deepen their understanding of Chinese concepts of global environmental change, rather than viewing them as a threat. Furthermore, it is crucial to research and critically scrutinize environmental exchanges operating under this rubric to assess the processes involved and their socio-environmental outcomes.

- China's South-South environmental initiatives are not wholly directed by the state. Rather, there are numerous state, private, and civil society projects with distinct, yet occasionally overlapping goals. At times Chinese organizations compete with one another. Other times they cooperate. US engagement from policymakers and non-governmental actors should identify and capitalize on opportunities for cooperative exchanges with Chinese organizations to support conservation across Global South contexts.

- Policymakers should provide resources and programs to pluralize the types of organizations involved in Global South conservation. Moreover, training and tools should be developed for partner organizations to work more effectively in international environmental exchange and scientific knowledge sharing. Because one-size-fits-all models tend to be ineffective, flexibility and attention to locally-specific factors are crucial for successful socio-environmental outcomes.

- International environmental collaborations should be enhanced and new collaborations forged in effort to define and achieve shared global environmental goals. US institutions and civil society groups, such as NGOs, as well as universities, should seek collaborations with Chinese organizations and other international organizations through a variety of cooperative programs.

Chapter 12

New Propaganda: How China's Security Forces Seek to Shape Public Opinion

Suzanne E. Scoggins

Abstract:
For over a decade, Chinese security forces have invested in new forms of propaganda. From television to social media, the state's efforts are widespread and well-funded. But in no area have new propaganda efforts been more prolific—or entertaining—than on *Douyin*, the popular short video sharing app known as TikTok to the rest of the world. Why expend valuable and in many cases limited resources when the ability of propaganda to persuade domestic audiences is limited at best? I argue that new types of propaganda on *Douyin* are more integrated and persuasive than traditional propaganda, making them a powerful, though not unlimited, tool for communication with the public. To understand the scope and response to new security propaganda, this report typologizes propaganda efforts and uses text analysis to analyze public comments to videos posted on key accounts, providing insight into how new propaganda is created and received. The results show that propaganda is largely focused on traditional goals of demonstrating state strength as well as newer and more sophisticated efforts to educate the public and present positive images of police and military officers. Importantly, state-produced propaganda is inwardly focused on China and Chinese interests.

Policy Implications and Key Takeaways

- US policy makers must differentiate between generalized fears about the Chinese government's influence on social media and the actual content that is produced and consumed.

- PLA and Police propaganda on *Douyin* is focused on shows of military capabilities and efforts to education or help the public. The most popular videos humanize officers by showing details of their everyday lives.

- Security Force propaganda rarely references the United State or other countries. Content is focused almost exclusively on China. Any shifts in this trend, especially during times of strained US-China relations, would indicate a significant break from past practices.

- User comments also seldom reference foreign countries and the United States. Of the nearly 100,000 comments analyzed, only 33 mention the United States, indicating that the China-centric focus of security propaganda is also echoed by its most engaged users.

Chapter 13

Democracy in Hong Kong: The Benefit of a Gender Mainstreaming Approach

Gina Tam

Abstract:
In June 2019, millions of Hong Kong citizens marched in opposition of an extradition bill, spearheading a movement that evolved into a broader campaign for a more democratic government and autonomy from the PRC. Among policymakers, the movement also became representative of the global fight against authoritarianism and a key focal point of the US government's efforts to support democratic movements around the world. Historically, this movement is the most recent example of a long history of

Hong Kong's democracy movement, which began in earnest during the colonial period. And while the world has long paid attention to Hong Kong's struggle for democracy, we have often paid little attention to the significance of women to its goals, tactics, and achievements. The purpose of this paper is to highlight the importance of women to the fight for democracy in greater China, with a particular focus on Hong Kong's democracy movement of the 1980s. This focus on gender will not only reveal a more complete picture of Hong Kong's fight for democracy, but also give a new understanding to how a democratic society—one in which political power, broadly imagined, is truly shared among citizens—can be built and sustained, not just in present-day Hong Kong, but in the broader Sinosphere.

Policy Implications and Key Takeaways

- Government supports for democracy organizations should conduct a gender mainstreaming analysis to consider how any organization's activities or programs affect all genders and their ability to participate as full, empowered citizens.

- Government supports for democracy organizations should consider the gender makeup of its leadership and empower women to be equal leaders in civil society organizations promoting democratic ideals. This should be done in consultation with the organizations themselves, who are often able to best gauge how foreign support would or would not serve them.

- Policymakers should not immediately presume that Chinese values or Chinese structures are inherently incompatible with democracy. Until recently, most Hong Kong people believed it was not incompatible for Hong Kong to both belong to the PRC and be a full-fledged democratic territory with universal suffrage and protected rights. The belief is just as important, if not more important, than powerful people in Beijing who claim that democracy cannot survive in a Chinese-led space.

Chapter 14

The Innovation Race: US-China Science and Technology Competition and the Quantum Revolution

Brandon Kirk Williams

Abstract:
Technology competition is the fundamental driver of long-term US-China strategic competition. Technology racing will define the bilateral rivalry over the coming decades, and it is an innovation marathon that American policymakers must navigate to preserve the United States' security and economic competitiveness. After taking power in 2012, Xi Jinping launched a determined campaign to shift the vital center of science and technology (S&T) from the United States to China by pioneering emerging technologies such as quantum. Quantum technologies offer revolutionary potential to upend the geopolitical balance of power. Chinese champions are shifting away from deep investments in quantum communication to keep pace with American progress in quantum computing and sensing. In the next decade, quantum technologies will enter a new stage of maturity that will have the potential to disrupt economies and security. There is no certainty that the United States will retain its historic innovation leadership in quantum, nor that China will best the United States. The nation that best harmonizes its domestic innovation system will determine the course of the twenty-first century's economic and security order.

Policy Implications and Key Takeaways

- US-China strategic technology competition will be determined by the country that best optimizes its innovation system. Two innovation systems are vying for global primacy, but it remains unclear which country will capitalize on technological revolutions unfolding today and in the future. The nation that integrates the products of its S&T ecosystem and private sector will retain leadership in the decades to come.

- China aims to close the gap on the United States' public and private advances in quantum computing and sensing. The race to utilize quantum

has distinct first mover advantages. Ingenuity, dedication, and luck could yield strategic surprise.

- Investing in human capital for science, technology, engineering, and math (STEM) will pay dividends for quantum and a range of other emerging technologies. US policy should address reforms for immigration and devoting resources to K-Ph.D. education that can build a heterogenous STEM talent pipeline.

- The United States possesses a well of quantum soft power that China cannot replicate. An updated National Quantum Strategy is essential for tailoring the right policy solutions for accelerating talent cultivation, public funding, research and development (R&D), and private capital.

Chapter 15

Necessary Fictions: The CSRC's Stock Market Philosophy and its Implications for US-China Engagement

John Yasuda

Abstract:
Why do Chinese regulators continue to employ hard paternalistic tools that appear to undermine their efforts to build a better and more global stock market? In contrast to studies focusing on fleet-footed capital, political patronage, and state capitalism, this research project unveils the hidden *ideational* underpinnings of financial regulation in China to explain the persistence of hard paternalist tools. As a matter of Sino-American financial relations, the CSRC's interventionist behavior has fueled conflicts over information disclosure requirements, led to restrictions on US investments in China, and the de-listings of Chinese firms on American bourses. I argue that regulators in China, as they are elsewhere, are guided by a host of "necessary fictions" that undergird financial regulatory interventions. In particular, I highlight how Chinese regulators are driven by the specter of irrational investors, a paternalistic state, and an inefficient market. These economic ideas are self-reinforcing, and shape the way

regulators approach the market, sometimes with devastating consequences. In a moment where bilateral regulatory mistrust threatens to dismantle many of the financial ties built-up over the last three decades, understanding the mindset of the Chinese regulator becomes all the more important.

Policy Implications and Key Takeaways

- Whereas in the Anglosphere, financial regulation assumes the presence of rational investors, an arms-length regulatory state, and semi-strong commitment to the efficient capital market hypothesis, in China, the regulator is driven by the specter of irrational investors (the anchoring fiction), a paternalistic state (the enabling fiction), and distrust in the market mechanism (the rationalizing fiction).

- US Policymakers should remain skeptical that new financial reforms in the Chinese equity market—a proposed registration-based system, increased access to on-shore markets, and a liberalizing trading regime—will lead to genuine convergence on the US-led system of financial governance.

- Pressures from global capital and the gradual diffusion of financial ideas vis a vis technical assistance, regulatory exchanges, and increased engagement in international regulatory bodies have reached their limit. Despite extensive consultations from the 1990s, financial regulators in China have settled on a regulatory philosophy diametrically opposed to the one adopted in the Anglosphere.

- Conflict between the SEC and CSRC is likely to increase in the short-to-medium term. While compromise is possible if core regulatory principles of the CSRC are not violated, increased scrutiny will likely drive Chinese-listed companies back to Hong Kong or the Mainland. US government scrutiny of outbound US investment (either by House Select Committee on China or the White House) will undermine China's integration with the global financial order. This is an unavoidable consequence of the increased securitization of financial flows.

- One area for positive engagement with China is through the stock connect schemes via Hong Kong, which provide a number of safeguards for foreign capital, while also allaying Chinese government concerns about capital flight. These initiatives should be supported and used as a trust-building mechanism. However, the continued viability of the scheme is conditional on the "One Country, Two Systems" framework, which is under pressure.