



***AFTER CHINA'S PARTY CONGRESS,
STEELING FOR COMPETITION WITH
THE WEST***

BY KIM FASSLER

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Xi Jinping's dark assessment at the October 2022 Party Congress was the most prominent public signal to-date that Beijing is preparing for a "protracted struggle" with the United States and other Western countries. Looking ahead to 2023, this new assessment, and Xi's emphasis on controlling risk, is likely to steer China's entire political, economic, and national defense system, to act and operate as if they are already in crisis, creating new challenges for the United States and its allies and partners.

At the Congress, Xi gave a [2-hour speech](#), in which he articulated leadership consensus around a more urgent assessment of international developments than at any point in the last 30 years. Xi declared the world faced a "peace and development deficit" and "unprecedented challenges." He described looming threats, including "external blackmail, containment, blockade, and extreme pressure." He called on officials to "prepare for danger in times of peace" and be alert to "gray rhinos"—highly probable, potentially catastrophic events that are ignored.

What Xi's speech did *not* mention was equally important. Specifically, he omitted two key phrases that Party leaders have used for decades to guide

China's foreign policy. They are: (1) "peace and development" are the "trend of the times," and (2) China is in "an important period of strategic opportunity." These phrases reflected the Party's judgment in the 1970s that the large-scale global war that China expected during the Mao era was no longer inevitable. This calculation prompted China's leaders to prioritize economic growth over wartime readiness and military spending previously needed to prepare for conflict with the United States or the Soviet Union.

Xi's speech was the clearest public signal to-date that another consequential shift is taking place in Party leaders' thinking. [Since 2017](#), Xi has described this adjustment as "great changes unseen in a century." China's leaders believe the world is experiencing a power transition in which the United States and powerful countries take risks to preserve their status, and China and other developing nations strive for greater influence. A [large body of literature](#) by [China's political scholars](#) compares the current period to earlier system-shaking shocks to the international system on the magnitude of the Napoleonic Wars and World War I or II.

As was the case in the 1970s and 1980s, the Party's shifting assessment will result in new policies, economic and diplomatic approaches, the types of contingencies the People's Liberation Army (PLA) prepares for, and reallocation of resources emphasizing security, defense, and crisis prevention. Of note: current elevated tension in US-China relations is not a temporary state resulting from the latest item in the news, or an episode in the South China Sea or Taiwan Strait; rather, it is a long-term persistent feature that will cause crises to unfold differently than in the past.

The United States and other militaries in Asia will be among the first to observe these changes. The shift may start with increased PLA posturing on China's periphery, intended to emphasize PLA capabilities to deter and coerce regional rivals, "Taiwan independence" advocates, and the United States. [PLA deterrence doctrine](#) calls for displays of military strength "to influence an opponent's strategic judgment" including by "inciting psychological fear" in the target audience. In the Taiwan Strait, these

demonstrations are part of Beijing's operational campaign to induce a sense of inevitability about future Chinese Communist Party (CCP) rule in Taiwan.

The Party will also lay the narrative groundwork for future crises by strengthening China's "[discourse power](#)," that is, setting the agenda of international debates and shaping global audience behavior in a manner conducive to China's interests. Beijing is already pursuing a more sophisticated approach by promoting its positive vision of international security through the Global Security Initiative and portraying strong support for its position on Taiwan. In August, following Speaker Pelosi's Taiwan visit, [Chinese media](#) claimed more than 170 countries and international organizations and 80% of the world's population supported Beijing's "One-China Principle." This campaign is aimed at seizing the moral high ground and swaying third-party political support away from Taiwan, including in a future cross-Strait crisis.

Internally, the CCP will strengthen state capacity to deal with crises, by reallocating resources, restructuring organizations, and reassigning personnel, including increasing the mandate and activity of its public security forces. If a serious US-China crisis arises, such as a bilateral military mishap, US citizens in China may become political targets, as have Canadians, [Australians](#), and [Japanese](#) in recent years. With more foreign correspondents expelled from China, it will be difficult to gain an accurate picture of what is happening inside the country.

China will also redouble efforts to insulate its economy from external pressures. In crisis, the Party may selectively deploy economic countermeasures it has been developing but not yet used on high impacts targets, such as imposing fines, freezing assets, and banning individual travel.

There are several considerations for US and other policymakers dealing with Chinese leaders who see the threat of crisis as no longer the exception but the norm. Washington and Beijing have [fundamentally different views of crises](#): Beijing views crises as a permanent feature of international relations requiring dedicated struggle over time, while Washington sees

crises as temporary, unusual situations to be resolved by special teams and policy measures. Successfully navigating incidents will require preparation, imagination, and recognition of ways in which China is already laying the groundwork for gaining advantage in the next crisis, such as through public narratives. In addition, Washington and Beijing will need to get better at reading each other's signals. In a serious military crisis, it will require deep, expert analysis to discern whether PLA demonstrations are shows of strength or imminent military action. Finally, China's leaders are unlikely to abandon strategies to out-compete the West, but Beijing remains flexible in the timing and mode of tactics used to manage the risks of competition. The Party's shifting assessment about international affairs, as noted above, may provide a window to influence Beijing's calculus.

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