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**CHINA:  
DOMESTIC AND FOREIGN POLICIES**

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**CRISIS-CONTAINING FACTORS  
OF THE PRC'S DEVELOPMENT**

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**Abstract.** In 2022–2023, China is entering a new stage of its development. The combination of a number of crisis-containing factors increases the likelihood of a large-scale socio-economic shock. Partly man-made excessive slowdown in economic development due to the “Zero COVID policy”, the ongoing and escalating US-Chinese rivalry and, in particular, the “technological war”, the over-concentration of power after the 20th Congress of the CPC, as well as the growing tension around the Taiwan problem – all together, or with the imposition of just two or three components, can lead to serious negative socio-economic consequences that will put into question Beijing’s achievement of its second “centennial goal” – the establishment of the PRC as one of the leading world powers by 2049. With the exception of the domestic political sphere, China is trying to find answers to the above-mentioned challenges. In late 2022 – early 2023, Beijing removes anti-coronavirus restrictions, activates trade and economic cooperation in various formats, attempts to find out common ground between Chinese and American global interests, continues to make efforts in the European (also African, Asian, etc.) direction of its foreign policy, as well as emphasizes the high level of Russian-Chinese cooperation. At the same time, trying to provide answers to crisis-containing factors, Beijing faces both opportunities and limitations. The coming year or two seem to be most difficult for China over the last 20 years. The slowdown in the economy and domestic consumption, social protests, new challenges of the pandemic, the search for options to normalize relations with the United States, balancing between the West and Russia against the background of the Ukrainian crisis, etc. will require non-standard solutions from the Chinese leadership. Here we can expect both traditional successes and possible failures. In the near future, the political model chosen by Beijing at the 20th CPC Congress will be tested for effectiveness.

**Keywords:** world economy, international relations, China, foreign policy, economic development model, Russian-Chinese relations.

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**КРИЗИС-СОДЕРЖАЩИЕ ФАКТОРЫ  
РАЗВИТИЯ КНР**

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**Аннотация.** В 2022–2023 гг. Китай вступает в новый этап своего развития, в котором вероятность масштабного социально-экономического кризиса очень высока. Негативная ситуация определяется со-

вокупностью ряда кризис-содержащих факторов. Экономическое замедление, продолжающееся и обостряющееся американо-китайское соперничество, сверхцентрализация власти после 20-го съезда КПК, а также обострение тайваньской проблемы — все составляющие вместе либо при одновременном наложении лишь двух или трех компонентов друг на друга могут спровоцировать чрезмерное ослабление Китая. Это в конечном итоге поставит под вопрос достижение Пекином своей “второй столетней цели” к 2049 г. — стать одной из ведущих мировых держав.

**Ключевые слова:** мировая экономика, международные отношения, Китай, США, Россия, внешняя политика, экономическая модель развития.

## INTRODUCTION

At the turn of 2022–2023, China is entering a new stage of development. For the first time over the last 20 years, the risks of a large-scale crisis are significant. The severity of the problem lies in the simultaneous manifestation and superposition of several crisis-containing factors of a strategic nature. Understanding the complexity of the situation became especially clear after the 20th Congress of the Communist Party of China (CPC), which took place in October 2022, when the Chinese leadership, after victorious reports, focused on analyzing the real state of affairs in society.

*The first crisis-containing factor* is the economic slowdown, which becomes chronic and begins to frighten the party leadership of the country. According to preliminary estimates by the State Statistical Office of the PRC, the GDP growth rate in 2022 amounted to 3%, which is significantly lower than the official benchmark of 5% [source 1].

The main reasons for the emerging risks of China “crawling” into the economic crisis are seen, first, in the COVID restrictions caused by the state policy of “zero tolerance” for the coronavirus which led to the destruction of logistics and cooperation ties both within the country and abroad between Chinese and foreign contractors. Second, the deterioration of the world market situation, which is painful for Chinese exports and investment expansion within the framework of the Belt and Road Initiative, including as a result of the events in Ukraine. Third, in the toughening of the economic, trade, technological, tariff, investment, etc., speaking journalistic language, “war” with the United States.

*The second factor* is foreign policy: the growth of Chinese-American technological competition into a strategic value confrontation, embracing ideology (market democracy versus “Chinese socialism in the modern era”), political system (as they say in Washington: the American model “democracy” against “Chinese authoritarianism under the rule of the CPC” or, as they say in Beijing: the right of each country to “its own version of democracy”)

and the global world order (China stands for “fair multilateralism” without “US hegemony”).

*The third factor* is internal politics. Here, the most important event of 2022 was the 20th Congress of the CPC. The main issues of the Congress, as expected, were personnel-related. First, Xi Jinping’s re-election as Chief Secretary of the CPC Central Committee for a third term went smoothly and without intrigue, and his monopoly power position in the party as the core of the CPC Central Committee was consolidated. Second, there was more than 50% renewal of the top party leadership, bringing politicians loyal to Xi to power.

In terms of domestic and foreign policy, the Congress repeated the previously stated goals: the creation by 2027 of a modern Chinese army, with an emphasis on local wars; the transformation of China (without specific physical economic indicators) into a developed modernized “socialist” state in two stages by 2035 and finally by 2050 [source 2]. At the same time, it was especially emphasized that the modernization of the PRC both had its own Chinese specifics and was part of global modernization.

Foreign policy postulates repeated the slogans and tasks of recent times: commitment to peace, openness, globalization, interaction with world leaders, diplomatic methods of conflict resolution, rejection of hegemonism, etc., as well as the invariance of the Chinese position on upholding its sovereignty, including the topic of Taiwan. Neither the US nor Ukraine were directly mentioned in Xi’s speech at the Congress.

The predictable re-election of Xi Jinping went smoothly, but was accompanied by a public scandal: the previous General Secretary of the CPC Central Committee Hu Jintao (2002–2012), who was sitting next to Xi’s left hand, was publicly led out of the meeting room. There are probably several versions explaining this incident. Officially behind the scenes — Hu felt sick [source 3]. However, the photo and video cast doubt on this: it does not appear that Xi and his entourage provided emergency medical assistance to Hu.

Another version suggests that Hu, who himself did not run for re-election in 2012, remaining true to Deng Xiaoping's precepts about the inadmissibility of a third term for the secretary general, was among those old party members who did not approve of the extension of Xi's powers and securing for him the status of the core of the Central Committee of the CPC (as it was in the days of Mao Zedong), and in general, the consolidation of Xi's authoritarianism as the number two person in Chinese history after Mao, but before the "patriarch of reforms" Deng. This, in fact, was the reason for his public humiliation. In addition, Xi may have decided to publicly take revenge on Hu for not consistently supporting him 10 years ago in the fight against Bo Xilai, who claimed the post of Secretary General and was repressed by Xi for "criminal offenses" [source 4].

One more version is probable. In this way, Xi Jinping sent a warning about what consequences await those who do not agree with the course of building the party around him as the core of the CPC Central Committee, that is, the third term, indisputability, etc. However, dissatisfaction with Xi Jinping seems to have gone beyond the CPC and manifested during mass student protests at the end of 2022 in Beijing, Shanghai, and other major cities. The protests, which began with demands for the removal of anti-COVID restrictions that psychologically exhausted society, quickly turned into political ones with slogans: "down with Xi", "down with the CPC" [1].

*The fourth strategic risk factor* is Taiwan. The Chinese leadership, as before, is considering the possibility of using military force against Taiwan if Taipei raises the issue of a sovereign state. In doing so, it understands that the Chinese economy, relations with the US, and China's global positioning, including its Belt and Road strategic plans, etc., will be irreparably damaged. At the same time, despite the development of military-political contacts with the United States, the current anti-Beijing leadership of Taiwan does not officially raise the issue of full-fledged statehood, and Washington continues to confirm its adherence to the "one China" principle.

However, Beijing, realizing the potential risks and the absence of a direct current threat, continues to escalate the military-political situation around American contacts with Taipei, which, in essence, does not go beyond the framework of the long-term US policy of supporting democracy in Taiwan while recognizing China as the only representative. Moreover, according to the US data published in early 2023, the military activity of the United

States around Taiwan in 2022 decreased to the level of 2018 [2].

There are several reasons for such "nervous" behavior of China. First, it is likely that Beijing's view of unification with Taiwan is changing. It used to be thought that time was working for China, but now the "pendulum has swung" not in its favor, and Taiwan has nevertheless come closer to the moment when the issue of a sovereign state can become a political reality.

Second, in early 2024, new "presidential" elections will be held in Taiwan. Traditionally, Beijing supports the Kuomintang party, which shares the principle of "maintaining the status quo", and tries to escalate the military situation around Taiwan to weaken the position of the current ruling Democratic Progressive Party in the eyes of voters.

Third, the Taiwan factor is being used to consolidate political power around Xi after his not entirely smooth (the mentioned above case with Hu) re-election for the third term.

Fourth, the Taiwan factor is used as a pretext to contain or balance the growing US military activity in the Indo-Pacific region.

## RESPONSE TO CRISIS-CONTAINING FACTORS

After the 20th Congress of the CPC, the Chinese leadership took a number of steps to weaken the crisis-containing factors. To the least extent, they affected the inner-party space. Xi, in response to latent dissatisfaction with his third term and increased authoritarian leadership, only stepped up the efforts to consolidate his personal power as the core of the CPC Central Committee. At the December Plenum of the Central Committee at the end of 2022, the main topic was "consolidation of the party leadership" in order to implement the decisions of the 20th Congress under the leadership of the "core of the Central Committee" [source 5].

The Party's nod was again made in the direction of Hu Jintao. In December, during the funeral of Jiang Zemin (general secretary of the CPC Central Committee, from whom power passed to Hu), Hu Jintao was only publicly invited to Jiang's brief cremation ceremony, not to his formally pompous funeral.

After the Congress, the most "innovation" touched on the topic of coronavirus. Here, political and economic motivations converged to muffle crisis-

containing factors. In December 2022, the Chinese leadership ended the “zero tolerance” policy for the coronavirus and moved on to a new strategy – “living with COVID”. Almost all internal anti-COVID restrictions were lifted, and from January 8, 2023, the quarantine requirements for most people coming to China were canceled. The issuance of foreign passports to the Chinese has resumed. Domestic tourism and business activity began to recover [3].

On the one hand, it can be assumed that these decisions were positively accepted both by the Chinese youth who protested against the “COVID dictatorship” and by part of the Chinese economic elite that saw the threat of an economic crisis in the “zero tolerance” policy. On the other hand, such a sharp turn in the anti-COVID policy does not go smoothly: there has been a surge in morbidity and mortality from COVID-19. Critics noted that the scale of the “new catastrophe” prompted the authorities to refuse to regularly provide epidemiological information to the WHO [4].

Apparently, faced with a choice between continuing the “zero tolerance” policy with negative economic consequences for the national economy and, accordingly, the deterioration of the image of the CPC and the situation of “living with coronavirus” with a surge in incidence and, of course, criticism from Western countries and international organizations, the choice by the Chinese authorities was made in favor of the latter option. Probably, the traditional March two sessions of the All-China Committee of the People's Political Consultative Council of the PRC and the National People's Congress will have to give the final answer.

#### CHINA–USA

In the American direction, the expectations of positive shifts after the 20th Congress have not yet come true. Beijing understands that the so-called decoupling – the break in economic cooperation with the United States – will bring it hard-to-recover strategic losses, but the normalization of relations is still not happening. The signals sent personally by Xi Jinping on the eve of the 20th Congress continue to be accompanied, first, by sharp anti-American attacks on Taiwan, human rights, Xinjiang and Hong Kong, and second, by the accusations, traditional for the last time, of the United States of “world hegemonism” and “imposing its own model of democracy”. In addition, according to Beijing, Washington, without giving an adequate response, continues to pursue a “provocative” line on Taiwan,

imposes “unreasonable” restrictions on high-tech and investment cooperation with China, and also “exposes” it as a “threat to the world” and “the main adversary of the United States”.

In this regard, China was particularly concerned about the latest version of the National Security Strategy of the United States, where it was designated as a “growing challenge”, as well as the related NATO's doctrinal turn in the same direction: China is the main a challenge to global security.

China, in response to the American pressure, has been taking a number of foreign policy steps since the end of 2022, intensifying economic and political cooperation with Saudi Arabia and other countries of the Middle East, even at the cost of some deterioration in ties with its traditional partner, Iran, which is dissatisfied with such a turn. It is beginning joint development of the Afghan gas fields with the Taliban<sup>1</sup>. China continues to develop the southeast direction of its diplomacy. The first visit to China in 2023 was made by Philippine President Marcos Jr. [5].

With regard to Europe, Beijing seeks to create a “gap” in the European perception of China. At the end of December 2022, an article appeared in the Chinese media urging London to have its own vision of China, different from Washington [6]. In the economy, priority is given to Germany and the countries of Eastern Europe that are friendly to Beijing.

At the same time, according to some analysts, as a step “towards the United States”, Beijing appointed the former Chinese ambassador in Washington, Qin Gang, as the new foreign minister [7]. Even before the official appointment, he published an article in which he spoke about the “necessity and importance” of the normalization of US-Chinese relations and that the future of the planet depends on such normalization [8]. In the event of at least partial success along this path and the strengthening of global Chinese political positions associated with this, some new nuances in the PRC's approaches to Russia can also be considered.

#### CHINA–RUSSIA

At the end of 2022 – beginning of 2023, the impression was formed that Beijing was striving to create a new foreign policy image of “a force that dissuades Russia” from using nuclear weapons in

<sup>1</sup> The Taliban is an organization banned in the Russian Federation.

Ukraine and was acting as the “main peacekeeper” in the Ukrainian conflict. The logic of Chinese “anxiety” is as follows: the use of even tactical nuclear weapons increases the risks of a major nuclear war, in which China may also be involved. Such a war threatens the collapse of the world economy and the entire world order, while now China is gradually taking the lead. Based on this, China points to the need for “persistent efforts” to resolve the Ukrainian conflict through diplomacy.

At the same time, the strategic vision of the future of Ukraine by Beijing and Moscow is essentially diametrically opposed: Moscow is in favor of recognizing new geopolitical realities, Beijing is in favor of preserving the territorial integrity of Ukraine (although it has not yet emphasized these differences in the diplomatic and propaganda field).

At the same time, China and Russia would benefit from the demonstration of the developing “comprehensive strategic partnership”, primarily in the military-political sphere. China is actively using military interaction and military exercises with Russia in the Asia-Pacific zone, where it has no military allies, in order to “balance” the military activity of the United States, which is increasingly using the potential of its allies in the Asia-Pacific – Japan, South Korea, and Australia.

Meantime, the new image of China as a “peacemaker which dissuades Russia” from using nuclear weapons, according to the supposed idea of its leadership, is designed to bring the political positions of Beijing and Washington closer. In addition, it can create a new “platform of opportunities” for China’s cooperation with the United States and other Western centers of power without an open transition to anti-Russian positions on Ukraine, which is fraught with a serious deterioration in Sino-Russian relations. However, it seems that China is still far from the real work of mediation, since such a variant of diplomacy requires conditions that are not yet available.

Another nuance in China’s approach to Ukraine appeared in early January 2023. A *Financial Times* article dated January 9, 2023 says that if Chinese leaders had previously repeated to foreign journalists about their ignorance of plans for the special military operation in Ukraine, but now the interpretation of events is different. Thus, on February 4, 2022, the Russian President told Xi Jinping during a bilateral summit about the possible use of military force by Russia “in the event of a threat to its security from Ukraine.” However, at that time, Beijing did not attach much importance to this and “did not expect

that the special military operation would be so long and destructive” [9].

It can be assumed that the change in Beijing’s interpretations is aimed at whitewashing China to some extent in front of the West, since many experts were sure that Xi knew about the special military operation and did nothing. Now it looks like this: yes, I knew, but I did not expect all the severity.

Today, a new “triad” in the Chinese approach to Ukraine is being built in the following way:

- they knew about the possibility of conducting the special military operation, but did not represent its current scale and duration;
- today, it is the PRC that restrains Russia from using tactical nuclear weapons in Ukraine;
- in the future, China claims to be the main peacemaker in the conflict (in the future, since at the moment the parties to the conflict do not express their readiness to deal with mediators).

This triad does not exclude Beijing’s original position, which is:

- the United States and NATO are to blame for the conflict in Ukraine, since they did not take into account the security interests of the Russian Federation;
- China is for the preservation of the sovereignty of Ukraine and does not recognize the annexing part of its territories to Russia (although Beijing prefers not to mention the second fragment of this wording in official materials);
- China is for a diplomatic solution to the Ukrainian conflict, but so far and still without concrete ideas and proposals on how to do this.

The main component of the economic relations between Russia and China is the “turn of Russia to the East”, although it would be more correct to say “forced replacement of the loss of Western goods, technologies and investments by Chinese”, as well as covering losses in the Western market for Russian energy resources by expanding supplies to the Chinese market. Approximately from 2008 to 2014, the “turn” involved a partial reorientation of Russian foreign economic relations from the European to the Asian direction, that is, China, India, Japan, South Korea, and the ASEAN countries. After the gradual introduction of anti-Russian sanctions, Japan and South Korea left this list. ASEAN as a direction faces difficulties due to the remoteness of the region (with the exception of Vietnam and partly Singapore), and

India is significantly inferior to China in terms of trade relations with Russia.

Evaluation of the success of the “turn to the East”, primarily to China, seems to be ambiguous. The total volume of Russian-Chinese trade in 2022 increased significantly, by 29.3%, to USD 190 billion [10]. The main contribution to this was made by Russian energy exports. In other areas of “loss replacement”, the situation develops differently. If there is a risk of secondary sanctions for Chinese large companies (primarily microelectronics), then it goes on slower. At least the declared departure of *Huawei* from Russia is one of the most significant examples. Where niches have formed in the Russian market after the withdrawal of Western companies and the risks of secondary sanctions are lower (cars, mass market, etc.), things are going more successfully.

Beijing, for its part, did not announce a “turn to Russia”, which accounts for about 3% of the country's foreign trade. China is ready to develop the vacated niches of the Russian market, but very carefully, avoiding sanctions risks. In terms of energy imports, China, while increasing purchases from Russia, is at the same time expanding cooperation with Arab partners, acting within the framework of the unchanged strategy of diversifying sources of oil and gas supplies. It is in this that China sees guarantees of its own energy security. At the same time, it is very likely that Russia's energy importance for China is more significant than just the volume of deliveries. Cooperation with Moscow allows Beijing to seek better conditions from other hydrocarbon suppliers from the countries of the Middle East and Central Asia. In the absence of a Russian proposal, the cost of resources received by China from other countries is likely to increase, which will negatively affect the cost of Chinese products.

At the same time, the Russian policy of “turn to the East” in the short and medium term may have limits. First, it is the quality of Chinese goods, technologies and the insignificant size of “cautious” investments in the Russian economy, which are inferior to those lost in the West. Second, further expansion beyond a certain limit of Chinese exports to Russia will soon require further trade liberalization, and the question of creating a free trade zone between Russia and China will inevitably arise. However, it is difficult to expect China's decision in the near future. The fact is that such a step will objectively bring more benefits to Chinese exporters of finished products to Russia, whose products, based on world practice, are covered by such agreements, and not to Russia, whose

energy exports to China are generally not covered by agreements on free trade. Third, the “turn to the East” and the development policy of Russian import substitution come into competition with each other. The development of one direction hinders the rapid development of another.

Here Russia will have to work out an effective balance between two vectors of economic policy: to produce what they have lost in the West, or to replace with Chinese what they have lost in the West.

## SOCIAL CHALLENGES

The new situation in China after the 20th Congress of the CPC has also highlighted a new problem. The main domestic political consequence of the CPC's policy of reform and rapid economic growth in recent decades has been the emergence of a multi-million rich class (with an income of more than USD 1 million a year) and a middle class numbering in the hundreds of millions (with an income of over USD 50 thousand per year). At the same time, in most cases, wealth and well-being are associated not with the public, but with private or individual business.

This creative part of Chinese society is no longer satisfied with party slogans, goals, and hieroglyphically beautiful arguments framed in expressions from the time of Confucius, which were voiced at the 20th Congress of the CPC. These people require greater specificity, predictability, the maximum possible relief of COVID, tax or other burdens, comfortable business conditions and the organization of their daily lives.

The economic slowdown exacerbates the emerging contradiction between the needs of life and the slogans designed to back them up with the programs offered by the CPC. In this context, several major strategic changes in the socio-economic course of the CPC, which were formulated in the run-up to and enshrined at the 20th Congress of the CPC, must stand the test of time.

The first is the transition from Deng Xiaoping's slogan “get rich” to a new one – “common prosperity” (meaning “sharing”). Moreover, the transition, as already noted, should take place in a new reality, that is, an economic slowdown and a deterioration in the global situation.

The second is the search for a response to the American strategy of cutting off China from the latest American achievements in microelectronics (semiconductors), computer science, and telecommunications. This also applies to the internal

state of Chinese science, and the tasks associated with the implementation of the *Belt and Road* strategy.

### NEW OPTION OF “BLOC OPPOSITION” OF CHINA AND THE USA

In terms of challenges to Chinese stability emanating from geopolitical confrontation, the efficiency and competitiveness of the economic and military-political formats that are developing around Beijing and Washington are of key importance for the near and medium-term future of China. The US is actively creating new structures to contain China.

First, this is the military formation *AUKUS* (Australia, the UK, the US) with the involvement of the US, the UK, and Australia and a possible accession of Japan.

Second, the *Quadrilateral Security Dialogue* (*QSD*) of political and strategic orientation, which includes the US, India, Japan, and Australia.

Third, the *Five Eyes* (*FVEY*) intelligence alliance, which already has its own history, includes the US, the UK, Canada, Australia, and New Zealand, again with the possible participation of Japan.

Fourth, the *Indo-Pacific Economic Framework for Prosperity* (*IPEF*), was created with the participation of the US, Japan, South Korea, Australia, New Zealand, India, Indonesia, Singapore, Brunei, Malaysia, and Vietnam.

Fifth, in the context of the technological confrontation between China and the US, the *CHIP-4* platform, with the participation of the US, Japan, South Korea, and Taiwan, is of particular importance, the purpose being to cut off China from the production of semiconductors using the latest 2–3 nm technological process and to mothball its lag is approximately on the 28-nanometer process technology, in the best case – on the 14-nanometer.

In strategic terms, as opposed to the Chinese *Belt and Road*, the US is putting forward its own project for the development of world infrastructure *Build Back Better World* (*B3W*)<sup>2</sup>, which involves the injection of many billions of dollars into the global transport infrastructure. Washington calls the difference from the Chinese initiative that the implementation of the project will be carried out by “world democracies” on the basis of Western values and in compliance with high Western environmental and technological standards. The project is announced by the US as

<sup>2</sup> An initiative taken by the G7 and launched on June 12, 2021.

“more correct” than the *Belt and Road*, because it is funded by democratic countries, and not by “authoritarian” China.

In June 2022, at the summit of the *G7* and NATO countries, a number of initiatives were adopted, in the interpretation of Beijing, of an anti-Chinese orientation.

First of all, this is another American initiative *Partnership for Global Infrastructure and Investment* (*PGII*) in continuation of the American *B3W* and the *European Global Gateway Africa-Europe Investment Package* (*GGA-EIP*). The project puts forward more specific goals than *B3W* – the mobilization of USD 600 billion and the involvement of the European Union.

The June NATO summit for the first time in the history of the organization paid increased attention to the PRC [source 6]. At the same time, it should be noted not only that China was mentioned in a pair with Russia, but also differences in the perception of both states. Russia was presented as a “military-political adversary” and a “source of threat”, China – as a threat in the future, but today – as a competitor. Moreover, some NATO leaders, such as the Belgian Prime Minister, expressed the opinion that it is not necessary to put an equal sign between these two countries in terms of military-political confrontation in the long term [11].

Another NATO initiative has caused serious Chinese concern: the presence at the summit of Asian opponents to China, namely Japan, South Korea, Australia, and New Zealand.

Following this, the United States announced the formation of the *Partnership for Blue Pacific* (*PBP*). Its goal is to contain the growth of China’s influence in the space of Oceania and the South Pacific. Beijing described the proposed initiative as harmful to the Asia-Pacific, and NATO as a structure that poses a threat to global security.

For its part, China is taking a number of retaliatory steps. The economy is focusing on the *Belt and Road* initiative. Beijing calls the creation, development, and expansion of the use of the “digital yuan” as the main currency of countries gravitating towards the “Chinese pole” as one of the most important projects of recent times. As conceived by the authors, this idea allows trading settlements without using the SWIFT system as an intermediary.

Another Beijing’s financial initiative is the creation of a common currency pool based on the yuan with the *Bank of International Settlements* (*BIS*) and the

central banks of Singapore, Hong Kong, Indonesia, Malaysia, and Chile. China intends to use this pool to support the currencies of developing countries during the crisis, thereby creating an alternative to the US dollar.

In foreign policy, the main focus is on Russia. This refers to bilateral relations and interaction in the multilateral formats of the SCO and BRICS.

In addition, Beijing, in order to strengthen its position in competition with the United States, uses some formats without Russia, for example, 16+1 in Europe (China and the countries of Eastern Europe, as well as Greece) or China+5 in Central Asia (China, Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan, and Turkmenistan).

Bilateral ties with Russia are also staked on in the military field. At the same time, China also uses military cooperation with other significant partners. For example, with Serbia in Europe, Djibouti in the Indian Ocean, and the Solomon Islands in the South Pacific. Chinese naval bases have already been created or are planned to be created here.

Meantime, the main strategic goal of Beijing in relations with Washington is to avoid the so-called decoupling in the economy and a direct military clash with the United States.

In 2022, the US-Chinese rivalry in Africa and the South Pacific intensified. In September, the first meeting of the new association *Minerals Security Partnership (MSP)*, created on the initiative of the United States, took place on the sidelines of the UN General Assembly. It included Canada, the UK, Australia, Germany, France, Sweden, Japan, and South Korea. The main purpose of the association is to challenge Chinese dominance in the mining of minerals that are used in the green economy (electricity and solar panels, some parts of wind turbines, etc.) by creating a special foundation. It is assumed that the funds of this foundation will be used to promote the interests of the countries that have joined the association. In addition, Japan plans to allocate an extra USD 30 billion to help African countries, including training in the field of management and administration of the economy.

At the summit of the Pacific Island States, also held in Washington in September 2023, the United States announced plans to provide the countries of this region with USD 860 billion for economic development purposes [12].

At the same time, both Beijing and Washington understand that such rivalry allows regional states

to maneuver between the two centers of power and obtain ever more favorable conditions for cooperation. However, they assume that their costs will pay off by expanding their geopolitical influence.

The US is stepping up pressure on China in the high-tech sector as well. In July 2022, the US Congress passed the so-called Chips Act, which prohibits the supply to China of technologies, equipment, and materials for the production of semiconductors using a 14-nanometer process or less (for comparison: Taiwanese and South Korean companies can already massively produce processors according to the 3–4 nm process technology). Later, in August 2022, the US Department of Commerce banned the sale of semiconductor design software to Chinese companies. In doing so, the United States hopes to change the structure of global industrial and supply chains, but with minimal Chinese participation, including suppressing the Chinese chip industry at its initial stage of development.

The American Chips Act suggests the following. First, the United States is blocking deliveries to China of semiconductors, equipment, and other high-tech goods that are produced using a technological process with a size of 28 nm or less. It imposes restrictions on the provision of equipment from American companies for the production of advanced chips to China and a ban on the sale of equipment for EUV lithography by the Dutch company *ASML* to China.

Second, companies that receive funds from the US Federal Government are prohibited from increasing advanced chip production in China for 10 years. In connection with the Chips Act, against the backdrop of high administrative pressure, a number of American semiconductor enterprises announced their withdrawal from China and the expansion of investments in their country.

Third, Beijing believes that the Chips Act is connected, among other things, with the *CHIP-4* group, created at the initiative of the United States, which includes four major semiconductor manufacturers (the US, Taiwan, Japan, and South Korea), and its main task is to slow down the Chinese semiconductor industry.

In general, the decisions of the 20th Congress of the CPC do not yet allow concluding that China is ready to resume dialogue with the United States after the Congress. Sino-American relations have their own logic and will probably continue to develop according to it, however, as well as Sino-Russian relations.

Within this framework, Beijing, in the authors' opinion, will continue to balance between the two vectors of its foreign policy. On the one hand, the development of bilateral cooperation with the Russian Federation in order to strengthen its own negotiating positions in the confrontation with the United States (military – with an emphasis on joint exercises, political – based on anti-Americanism, economic – with an eye to the risks of secondary sanctions). On the other hand, the already noted unacceptability for China to recognize the collapse of Ukraine, the inadmissibility of a direct military clash with the United States, as well as the extreme undesirability of additional aggravation of relations with the latter due to Chinese friendship with Russia.

## CONCLUSION

Following the above, the year or two that follow the 20th anniversary will be the most difficult for China. The slowdown in the economy and domestic consumption, social protests, new challenges of the pandemic, the search for options for normalizing relations with the United States, balancing between the West and Russia against the backdrop of the Ukrainian crisis, etc. will require non-standard solutions from the Chinese leadership. Here one can expect both traditional successes and possible failures. In any case, the political model, limited to the power of the core of the Central Committee of the CPC, chosen by Beijing at the 20th Congress of the CPC, will be tested for effectiveness in the near future.

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