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China's Global Initiatives: Geopolitical, Economic, and Domestic Challenges

Yen Zhi Yi and Stefanie Kam

SYNOPSIS

As part of its foreign policy under President Xi Jinping, China has introduced three major global initiatives: the Global Development Initiative (GDI), the Global Security Initiative (GSI), and the Global Civilisation Initiative (GCI). With these efforts, China hopes to take the lead in global governance and provide alternatives to the international system that is dominated by the West. What are the various challenges confronting China's global initiatives and how should we understand Xi's vision of a new world order?

COMMENTARY

Launched in September 2021 in the middle of the COVID-19 pandemic, the Global Development Initiative (GDI), one of China's three major global initiatives, was introduced by President Xi Jinping in the hope of further solidifying China's position as a partner for developing countries struggling to manage the shocks of the worldwide pandemic. Its stated aim is to attain shared sustainable development and establish a "[global development community](#)".

While China's Belt and Road Initiative (BRI) focuses on addressing developmental needs in the Global South through physical infrastructure, its projects were big and ambitious, with varied outcomes. An upgraded form of the BRI, the GDI seeks to rebrand the BRI and promote a more sustainable global growth model underpinned by connectivity and technology. Compared with the BRI, the GDI places more emphasis on mechanisms for sustainable [development and capacity building](#), moving

away from solely focusing on large infrastructure financing, which has led to challenges for China in recent years.

Many observers have painted the GDI as an alternative discourse to counter the US security umbrella over the Indo-Pacific region. Some have [pointed out](#) that the initiative, with its emphasis on poverty alleviation, food security, pandemic response and vaccines, financing for development, climate change and green development, industrialisation, digital economy, and digital connectivity, comes at an opportune time as it seems to fill a void left behind by Western countries that are preoccupied with the crisis in Ukraine.

It has been especially well-received in [Southeast Asia](#), where the pursuit of [sustainable growth](#) now comes hand in hand with the hunger for infrastructure. China's push on its win-win cooperation model seems to send a message to the Western world of the tangible benefits that it will bring to the developing world over the supposed rules-based order propagated by the latter.

China has introduced [various other initiatives](#), namely the Global Civilisation Initiative (GCI) and Global Security Initiative (GSI). The GCI, proposed in March 2023, aims to connect China with various civilisations and advance modernisation through people-to-people exchanges. In the [GSI concept paper](#), Xi called on countries to “adapt to the profoundly changing international landscape in the spirit of solidarity and address the complex and intertwined security challenges with a win-win mindset”.

The GSI, which emphasises counterterrorism, counter-separatism, peace and security, and UN peacekeeping, envisions a common view of security that respects states' sovereignty and territorial integrity while abiding by the UN Charter. It highlights China's preference for non-military measures to address the multifaceted challenges in various parts of the world, particularly the developing world, based on the “principle of openness and inclusiveness”.

Nevertheless, Beijing's vision to “make relentless efforts to achieve modernisation for all countries” and work to build a “shared future for mankind” has not gone unchallenged in the areas of geopolitics, economics, and domestic politics.

Geopolitical Challenges

Beijing's global rise coincides with heightened geopolitical tension with the United States and its allies. The situation in Ukraine has intensified this dynamic. Beijing's [failure to condemn the Kremlin's invasion](#) led China's main economic allies in Europe to reassess their relationship with Beijing and strengthen ties with Washington.

China faces myriad other geopolitical challenges that extend from long-standing issues over the Taiwan Straits to regional disputes, such as territorial conflicts in the South China Sea. Most recently, the Philippines [withdrew](#) from talks for Chinese funding on three railway projects over ongoing tensions in the South China Sea, although other BRI projects like the Kaliwa Dam and the Chico River Irrigation Project in Luzon are still being implemented.

China's military assertiveness, allegations of cyberespionage and other technology security concerns, accusations of [intellectual property theft, trade tensions](#) and environmental concerns also impact China's global initiatives.

The BRI too has encountered criticism for fostering debt dependence and entailing a [debt trap](#). China has addressed these concerns by, among other things, spending over [US\\$240 billion](#) to bail out debt-burdened countries while [de-risking overseas BRI projects](#) by scaling down on [large-scale lending](#). Meanwhile, Beijing also competes with South Korea, Japan, and India, as Southeast Asian countries look to these alternative sources for their infrastructure needs.

Last but not least, human rights controversies, particularly related to [Xinjiang's Uyghur Muslims](#) and political freedoms in [Hong Kong](#), draw international criticism, affecting China's global image. These multifaceted challenges shape China's global standing and the success of its ambitious initiatives.

Economic Challenges

China confronts various economic challenges that can impact the success and sustainability of its global initiatives. Economic growth has slowed in the export-led, investment-driven country. China's [domestic debt crisis](#) raises concerns about its financial commitment to global initiatives. Overcapacity in certain industries demands resource-intensive industrial restructuring, affecting the implementation of global projects. Trade tensions, particularly with the United States, and [global protectionist measures](#) may hinder China's export-oriented economy, impacting the success of its global trade initiatives.

Nevertheless, the recent [Asia-Pacific Economic Cooperation \(APEC\) summit](#) in San Francisco saw a highly anticipated meeting between Xi and US president Joe Biden, in which the Chinese leader was given a chance to [refresh bilateral relations](#) and woo foreign investors hesitant to enter the Chinese market. China also earned US policy concessions in exchange for promises of cooperation, easing bilateral tensions to pave the way for more focus on economic growth.



US President Joe Biden and China President Xi Jinping meet on the sidelines of the Asia-Pacific Economic Cooperation (APEC) summit, November 2023. Bilateral discussions went well, with China earning several US policy concessions in exchange for promises of cooperation. Such discussions are important for China to maintain its global initiatives, such as the Belt and Road Initiative (BRI), in light of various economic challenges.

Image from Wikimedia Commons.

China's [heavy reliance on exports](#) makes it vulnerable to global economic downturns or reduced demand, which can affect economic stability and funding for global projects. In the competitive global technology landscape, scepticism about the security of Chinese technology products and the "[technology war](#)" waged by the United States adds complexity.

Lastly, balancing economic development with environmental sustainability is crucial for the success of global initiatives, particularly in infrastructure and energy projects. The unpredictability of the global economic environment, coupled with ongoing developments in the [Russia-Ukraine war](#) as well as the [Israeli-Palestinian conflict](#), can continue to impact the economy and energy security in ways that affect China's economic planning and its ability to sustain global initiatives.

Domestic Challenges

Balancing domestic priorities with international aspirations will be crucial for China's long-term strategy. China's ability to navigate the various issues confronting it will play a significant role in determining the success and long-term sustainability of its global initiatives. At the top of China's domestic agenda is a radical push by the political leadership to foster a more equitable economy through "[common prosperity](#)". It is complemented by Xi's anti-corruption drive and the push towards a more self-reliant and domestically focused economic paradigm.

Elite politics has taken centre stage in recent months, signalled by the high-profile leadership reshuffling – the [replacement](#) of foreign minister Qin Gang by Wang Yi and the [sacking of defence minister](#) Li Shangfu. These developments signal Xi's continuing desire to cement his authority as the paramount leader.

Beijing also faces a rapidly ageing population, high levels of youth unemployment, a widening wealth gap, stalled reforms, uneven regional development exacerbated by the pandemic, and an assertive push to enhance party control over private businesses. These challenges raise concerns about the likelihood of China falling into the "[middle-income trap](#)" and the potential for social discontent, which could undermine the government's performance legitimacy and desire for stability.

Conclusion

While navigating these complex uncertainties and challenges, China's resilience and adaptability in implementing its global initiatives in response to local, regional, and global conditions will be crucial. It is still too early to tell whether China's global initiatives will be a credible alternative to Western initiatives. In practice, the Chinese model of development is made up of multiple, interrelated, and complex patterns involving different actors. As this vision of a world order unravels, it might in fact be closer to [a partial, loose, and malleable hegemony](#) than to a zero-sum game.

YEN Zhi Yi is an MSc student in Asian Studies at the S. Rajaratnam School of International Studies (RSIS). **Stefanie KAM** is an Assistant Professor at the China Programme and Deputy Coordinator of the MSc Programme in Asian Studies at RSIS.

S. Rajaratnam School of International Studies, NTU Singapore
Block S4, Level B3, 50 Nanyang Avenue, Singapore 639798
T: +65 6790 6982 | E: rsispublications@ntu.edu.sg | W: www.rsis.edu.sg