

China's Expansionist Policy

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Abstract

China's expansionist policies have attracted a lot of attention lately, prompting both academics and international officials to examine them closely. An overview of China's expansionist inclinations is given in this abstract, which also looks at the country's historical background, underlying causes, and current expressions.

The introduction starts with a historical overview before tracing China's aspirations for growth and underlining its past as an imperial power and its territorial claims. It examines how China's current foreign policy approach is shaped by ideas of national renewal and past grievances, placing a strong emphasis on territorial integrity and sovereignty and it also highlights its geopolitical, internal political, and economic motivations. China leverages economic growth to expand its influence and access resources through programs like the Belt and Road Initiative (BRI). The aim is to challenge existing power structures, establish China's global presence, and establish regional control. Expansionism is often seen as a way to strengthen national cohesion and validate the governing class. The abstract also examines China's expansionist policies in various fields, such as territorial claims in the South China Sea, regional conflicts with India along the Himalayan frontier, and its growing presence in cyberspace and space. Despite international opposition, China continues its expansionist agenda, highlighting the importance of proactive involvement and multilateral collaboration in controlling China's rise and establishing a stable international environment.

Key Words

China, Territorial claims, Belt and Road Initiative, Expansionist, Power politics

Introduction

China has been associated with expansionist policies, particularly in its historical and contemporary actions. The Qing dynasty expanded beyond the Great Wall, annexing territories such as Korea, Mongolia, Xinjiang, and Tibet. The Republic of China also faced pressure from the expansionist Empire of Japan and the Soviet Union. In the present day, China's territorial expansion in the South China Sea and its Belt and Road initiative are seen as examples of its expansionist ambitions. Some analysts believe that as China's economy and

military power grow, it may become more militarily expansionist. These actions and initiatives have led to concerns about China's expansionism and its implications for global stability and security.

But in recent history or we say that in the historical context of China 'A Centennial Humiliation of China' by the hand of the rest of the world leads to how China behaves aggressively with its neighboring countries.

This Humiliation started from 1839-49 and included the following conflict:

- 1st Opium War (1839-42), ¹
- 2nd Opium War (1856-60) [which further humiliates China as it forces China to sign unequal treaties like Aigun and Peking, which ceded outer Manchuria to the Russian empire.]²
- Sino-French War (1884-85),³
- First Sino-Japanese War (1894-95) which resulted in Japanese colonization of Taiwan.
- Russian invasion of Manchuria (1900)
- The Japanese invasion of Liaodong during the Russo-Japanese War (1905)
- Japanese invasion of Manchuria (1930-32)
- The Soviet invasion of Xinjiang (1934)
- The Second Sino-Japanese War (1937-45) [during which numerous and widespread war crimes were committed by Japanese forces, most infamously the Nanjing Massacre]

China during World War II

Japan went to war with China to gain a sphere of influence over Korea (2nd Sino-Japanese War), and they wanted a bunch of China's land. But then the West interfered with Japan and since at that time Japan didn't want any conflict with the Western countries so, Japan stopped and withdrew. However, the Western countries took advantage of a weakened China and set up their spheres of influence on China. At that time the feeling of hate among local Chinese grew because every country(s) wanted to influence or try to colonize China instead of leaving them alone. After that Japan again attacked and re-captured Chinese territory from Western countries and fought a war with the Russian Empire (Russo-Japanese War) defeating the Russian Empire in the north and capturing northern China (Manchuria). After defeating Russia Japan expanded its area by capturing more territories of China, there was an incident that was maybe staged (by the Japanese army) – a bomb blew up a Japanese train in Manchuria, giving an excuse to launch a full-scale invasion and taking over more of Chinese land, while doing a lot of cruelty and killing a large number of people which builds generated hate of Chinese

¹ <u>Martin, Robert Montgomery</u> (1847). <u>China: Political, Commercial, and Social; In an Official Report to Her Majesty's</u> <u>Government</u>. Volume 2. London: James Madden. pp. 80–82.

² <u>https://history.state.gov/milestones/1830-1860/china-2</u>

³ Bruce A. Elleman (2001). Modern Chinese warfare, 1795-1989. Psychology press p.87 ISBN 0-415-21474-2.0 IJNRD2403558 International Journal of Novel Research and Development (<u>www.ijnrd.org</u>)

people on Japan and Japanese people. During the War China (KMT) with the help of allied countries attacked Japan and freed all their occupied land. After the end of World War II, China went into a civil war where the ruler of China i.e. Republic of China wanted a good relationship with the West because, after all, they helped them defeat Japan, on the other side communism was also entering China from the Soviet Union.

Chinese Civil War

China was not just only affected by external wars but also distracted by internal conflicts like the Civil War. In 1917, China officially joined the Allies in the First World War to improve its international standing and get European support against Japanese imperialism.⁴ However, the Versailles peace settlement gave former German possessions in China to Japan. On May 4, 1919, student protesters took to the streets in Beijing, leading to the May 4th Movement and the formation of the Chinese Communist Party (CCP) in 1921. By that time, the republic was all but dead, and the country had entered the warlord era where local strongmen ruled their own provinces, allied in ever-shifting cliques, and waged constant war against each other.

Sun Yat-sen split with the nominal central government in Beijing to create his own government based around Canton. He reformed the KMT (Kuomintang or Nationalist Party) and called for a great military campaign to destroy the warlords and reunify China. When Western nations did not come, he turned to the USSR for military and political help. Soviet advisor Mikhail Borodin urged the KMT to join with the CCP to boost its appeal and resources. The two parties formed the First United Front in 1924.

By March 1925, Sun Yat-sen had died of cancer, and Chiang Kai-shek replaced him as military leader of the Canton Government. Chiang had studied military theory in Moscow but was worried about the left-right split within the KMT.⁵ In March 1926, Chiang partially suppressed the CCP, but the KMT and CCP continued to cooperate, and in 1926, Chiang launched the Northern Expedition against the warlords. His National Revolutionary Army (NRA) defeated warlord after warlord, but the success increased tensions with the CCP, which set up communist labor unions in the wake of the NRA's advance.

In April 1927, Chiang ordered the violent repression of Shanghai communists by Nationalist troops and loyal gangs, killing about 5000 communists, and the United Front was unofficially over. Communist leaders, encouraged by the Soviets, responded with attempted uprisings in August, but they fell short of expectations. Without the support of the majority of workers, the communists could not stand up to the Nationalist Army. In June 1928, the NRA captured

⁴ <u>https://history.state.gov/milestones/1945-1952/chinese-rev</u>

⁵ <u>https://www.britannica.com/summary/Chinese-Civil-War</u>

Beijing, and in December, the last warlord Young Marshal Zhang Xueliang cut a peace deal with Chiang.

The next ten years, known as the Nanjing Decade, are usually considered a time of peace in China, but internal divisions and external threats remained. After their defeat, the CCP fled to the deep countryside to hash out their own divisions. One branch, led by Li Li-san, believed revolution could only come from the urbanized, working masses, while another branch, increasingly led by Mao Zedong, advocated for a rural revolution of China's much larger peasant class.

Japanese forces invaded Manchuria on the 18th, diverting NRA resources north and forcing an end to the third extermination campaign against the CCP. The NRA began the fourth anticommunist campaign in the summer of 1932, but the Red Army retreated without being destroyed. In 1933, communist guerrilla tactics began to wear down the overextended NRA, and in April, the Japanese advanced further into China and demanded the demilitarization of Hubei province. Chiang agreed to the Japanese demands, but the distraction allowed the communists to prepare a counterattack and grind the fourth campaign to a halt. This humiliation will lead to China's aggressive behavior towards occupiers. In 2021 the Chinese media "6 Wars China Must Fight in the Next 50 Years"⁶ this article went viral, in this article they explained how they got back territories from different countries and while propagating this also created the idea of nationalism within Chinese people and leads to increase hatred of Chinese people on foreign countries (especially USA and Japan).

- 1. The war to unify Taiwan (2020–2025)
- 2. The war to recover the various islands of the South China Sea (2025–2030)
- 3. The war to recover southern Tibet (2035–2040)
- 4. The war to recover Diaoyutai and the Ryukyus (2040–2045)
- 5. The war to unify Outer Mongolia (2045–2050)
- 6. The war to recover the territory seized by Russia $(2055-2060)^{78}$

⁶ https://workbase.pixnet.net/blog/post/334452849-

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⁷ https://www.aspistrategist.org.au/chinas-six-wars-in-the-next-50-years/

⁸ <u>https://news.discuss.com.hk/viewthread.php?tid=22440892</u>

Taiwan Dispute

China has been in a dispute with Taiwan for decades, viewing it as a breakaway province that will eventually be part of the country again. Taiwan was governed by China's Qing dynasty from 1683 to 1895.⁹ After Japan won the First Sino-Japanese War, China had to cede the region to them. After World War II, Japan relinquished control of the territory to China. In 1946, a civil war broke out in China, leading to the victory of Mao Zedong's Communist army. Chiang Kai-shek and his Chinese Nationalist Party (KMT) fled to Taiwan, where Chiang Ching-kuo began democratizing the island's politics. In 2000, the island's first non-KMT president, Chen Shui-bian, was elected.

In the 1980s, relations between China and Taiwan improved, with China proposing a "one country, two systems" plan. Taiwan refused, but relaxed rules for citizens to visit and invest in China. The US has been a close ally of Taiwan since the 1970s, selling billions in defensive weapons. However, US policy in the region is described as "strategic ambiguity," balancing recognition of China's emergence as a regional power with support for Taiwan's economic success and democratization.

China wants Taiwan to return to the fold due to nationalism and as a strategic defensive move. If Taiwan were to become an independent nation, the US would likely have a naval port and military base in Taiwan, right on China's doorstep.

The South China Sea Dispute

As well as claiming disputed land, China has also claimed islands in the South China Sea. In fact, China has taken to dredging the sea and building out uninhabited islands such as Woody Island or the Spratly Islands to tighten its control over the region. Six countries: The Philippines, Vietnam, China, Brunei, Taiwan, and Malaysia hold different territorial, sometimes overlapping claims over the South China Sea, based on various historical accounts and geography. Adding to the tension, the US Navy frequently patrols the sea due to its alliance with several countries. China considers this to be a provocation. The South China Sea is very important to Beijing because it's a crucial commercial passage connecting Asia with Europe and Africa. One-third of global shipping or 3.37 trillion dollars of international trade passes through the South China Sea. Furthermore, the seabed is rich with major oil and gas reserves. The US Energy Information Administration estimates the region contains at least 11 billion barrels of crude oil and 190 trillion cubic feet of natural gas. Also, the South China Sea is a vital food source, accounting for 10% of the world's fisheries. In July 2016, an international tribunal in The Hague ruled that China had no "historic rights" over the sea and

⁹ <u>https://www.thinkchina.sg/photo-story-historical-aftermath-japans-colonisation-taiwan</u>

that some of the rocky outcrops claimed by several countries could not legally be used as the basis for territorial claims. Beijing rejected the ruling. More recently some Southeast Asian nations have considered having bilateral talks with China to settle the dispute. The Association of Southeast Asian Nations, ASEAN has been working with China to create an official code of conduct to avoid clashes in the disputed waters.

The war to recover Southern Tibet

China claims that Arunachal Pradesh, the northeasternmost state of India, is part of south Tibet and therefore a part of China. Taiwan also claims the South Tibet region. Arunachal Pradesh borders India to the south, Bhutan to the west, and Myanmar to the east. The McMahon Line separates Arunachal Pradesh from the Tibetan area of China. Historically, Arunachal Pradesh was dominated by several autonomous tribes. In 1913-1914, representatives from Great Britain, China, and Tibet held the Shimla Conference to decide on border lines for Tibet. The Tibetan and British officials agreed on the McMahon Line as the border between British India and Outer Tibet. However, Chinese representatives refused the demarcation line and have considered it invalid ever since.

When China invaded Tibet in 1950 and the Dalai Lama fled Tibet, India supported the Tibetan government, angering China. During the Sino-Indian border conflict of 1962, China captured most of Arunachal Pradesh but eventually withdrew. Tensions have risen as China has publicly claimed the region of Arunachal Pradesh, particularly in a small district called Tawang, which borders Tibet and Bhutan. China has even destroyed thousands of maps and renamed parts of Arunachal Pradesh with Chinese names. China and India also clash over another border region, Aksai Chin, near Kashmir. Aksai Chin is mainly in Hotan County, in the southwestern part of the Xinjiang Uyghur Autonomous Region. India claims Aksai China retained control of about 14,700 square miles (38,000 square km) of territory in Aksai Chin.

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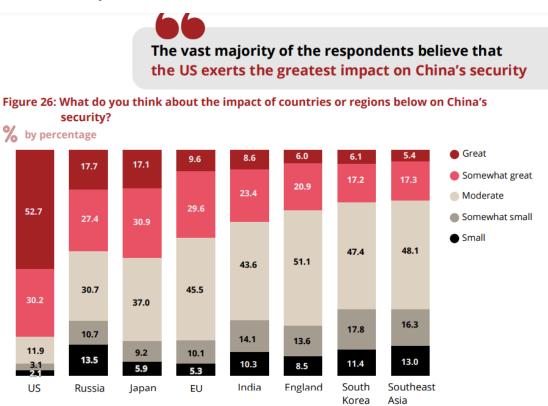
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¹⁰ <u>https://workbase.pixnet.net/blog/post/334452849-</u>

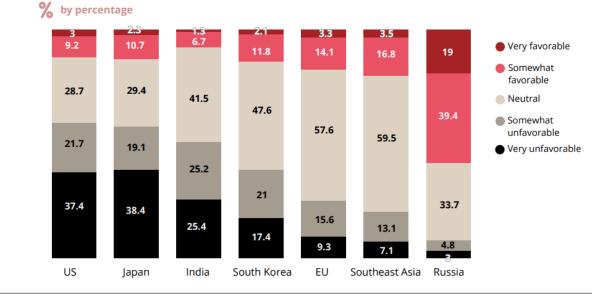
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a report called "Public Opinion Polls: Chinese Outlook on International Security"¹¹ helps us to understand the what Chinese people believe that the which countries exert the greatest impact on China's security.



The vast majority of the respondents believe that the US exerts the greatest impact on China's security, followed by Japan, Russia, and EU. Chinese People are most favorable to Russia, and about 60 percent of the respondents have "very favorable" or "somewhat favorable" impression on Russia. More than half of the respondents have "very unfavorable" or "somewhat unfavorable" impression on the US and Japan.





That is how Chinese people take the USA, Japan, EU, and India as a major security challenge for China as they give China a tough time.

1	https://www.chinausfocus.com/publication/2023/2023-Chinese-Outlook-on-		
International-Security.pdf			
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China's Economic condition

These kinds of advertisements, in which builders accept wheat and garlic as a down payment to sell their apartments, are becoming increasingly widespread in China. This is the scene of a newly built city in China. A completely new city. And as a matter of fact, such an empty city is not just one or two in China. In fact, more than 50 such cities are empty in China. Basically, empty townships, zero flat sales, this is the state of China's real estate sector, which accounts for one third of its GDP, apparently 33.33% of its shareholding. But still, we are being told that China's GDP is the world's second largest GDP and its economy is growing every year. But if you pay a little attention to this matter, some such legitimate reports come out that say that it is completely fake. In reality, China's \$17 trillion economy is 35-50% inflated, which means it is fake. It is said by his ex-premier, Li Keqiang, who was in Xi Jinping's government before his death until March 2023. So basically, China's real GDP is only between \$8.5 trillion and \$11 trillion¹². But why is China telling him about \$17 trillion? Well, according to Bloomberg and Business Insider, the Chinese government has threatened its officials and economists that they will not talk publicly about GDP downfall, deflation and GDP.

In fact, China has banned the publication of the country's unemployment figures. Now, China's former PM Li Keqiang had clearly told US Ambassador to China, Clark Rand, that Chinese GDP is totally man-made and it is only used for reference purposes. And his clear statement was later leaked in a WikiLeaks document. In fact, according to that confidential conversation, in 2007, Mr. Keqiang had invited US Ambassador Clark Rand to his house for dinner in which, while talking, Li Keqiang told Clark that China's GDP figures are man-made and that's why they are totally unreliable. In addition, according to ST News, a state governor of a province in China, Liaoning, Chen Qifa, also admitted in a secret official meeting that he himself had told his state's GDP growth to be completely fake for the past five years, i.e. from 2011 to 2015. Now, after this, along with these two official sources, every big economic think tank and news agency like The Economist, Daily Mail, Brookings Institute, BIS, i.e. Bank for International Settlements, have published many research papers and articles to analyze this and finally, they revealed that China is actually telling its GDP to be fake. So, it is a little difficult for us to know the exact answer to this question. Because, as we all know, China being China, it maintains a high level of secrecy in its country. And that's why it is very difficult to extract its real data. But we can definitely make a good interpretation by extracting reports of different scientific methodologies and credible sources.

1. Satellite Image

China's night time satellite image. Just look at this night time satellite image carefully. This is South Korea, which looks very well lit. And on top of that, this dark region is North Korea, which is much less developed than South Korea, as you all know. Now, maybe you are a little confused here as to why I am showing you these night time images. And well, that's because, believe it or not, these images are a direct reflection of the country's GDP. There is a very strong correlation between these two factors. Let's understand how. So, this is India in 2012, when our GDP was only 1.9 trillion dollars. And this is India in 2016, when our GDP increased to 2.3 trillion dollars. Now, even if you don't look at it very closely, you can clearly see that the light has increased with the GDP increasing from the first picture to the second picture. This increase of light is called the night time light satellite image method. Which was published in a research paper by the economist Louis R. Martinez of the University of Chicago to study a closed economy like China. Now, the logic behind studying the lights and estimating the GDP is that if a country's GDP increases, then infrastructure development like highways and buildings will definitely increase. And eventually, more economic development will result in more lights. With this method, he calculated that China's GDP is 35% less. The Economist and Washington Post, considering this research paper credible, also accepted that China's GDP is actually fake.

¹² <u>https://www.brookings.edu/wp-content/uploads/2019/03/bpea-2019-forensic-analysis-china.pdf</u>

2. China's Inflated figures

China has been showing inflated GDP figures. As you can see in this table, we compared the GDP figures of the IMF with the official Chinese GDP growth figures of the past three years. So, we had this picture in front of us. In 2020, China quoted that its GDP is growing by 2.3%. But that same year, the IMF said that China's GDP growth was only 1.2%. This means that China had literally shown its growth double. And similarly, in 2021, China said its growth was 18.1%. But according to the IMF, the growth was only 9.2%. Similar inflation also happened in 2022. Speculation number 3. Brookings Institution Research Paper. In 2019, some Chinese scientists from the Brookings Institution also studied China's GDP figures and published that China is inflating its economic growth by 2% every year. According to this, China's economy is 12% less than the actual figure. This research paper is publicly available, which you can see for yourself. And from this analysis, it is clear that China is inflating its GDP.¹³

Now, interestingly, China's procedure of inflating its figures is also quite unique. Because the Chinese central government literally targets its provinces to inflate its GDP. BIS's research has quoted that in China, the central government sets a GDP growth target for that particular year and the states get the task of achieving it. For which, obviously, the states are heavily incentivized and that's why the states often try to get this incentive. Due to which, the company's revenue is double calculated on paper. And eventually, the GDP as well. This same malpractice was highlighted by the Governor of Liaoning Province, Chen Qifa. And openly accepted this scam as well. That, yes, their province also inflates the figures and sends them forward. And why does it send them forward? Because it is a compulsion. But this was the first method by which China is inflating its GDP. Their second method is a bigger scam than this. And that is their real estate sector inflation. Real estate, which is such a big sector in China, that literally 30% of its GDP is dependent on it. That entire sector is actually just a bubble.

Which can burst at any time. Because that sector has also been artificially hyped. Today, the situation in China has become such that the builders are not able to sell their flats. Because of which, they are literally publishing such ads. They are even willing to give flats in exchange for onions and garlic. But still, the housing demand in China is negative. The cities there are so deserted. And there are 50 such cities that are empty in China. Now, let me explain to you a little bit about how China has become like this. Look, China's real estate sector is worth \$5.1 trillion. Which is literally almost double the GDP of India. But every year, Chinese real estate is falling by 8.8%. Meaning, every year, this sector is facing a loss of \$448 million. Which is a huge number. Pakistan is asking for almost the same amount in aid from the IMF. So that their entire country can be saved. But anyway, according to the top Japanese news Nikki, China is pumping \$460 billion out of its pocket just to save this tremendously important sector. And again, this is a very significant amount. China has issued real estate bonds worth this much money. And its impact was such that their debt-to-GDP ratio became 279%. Well, the answer to this is hidden in history. So, in the 1990s, for the first time, China had opened its lands on lease. Because, as we all know, China is a communist country. And that's why every public property in the country, including lands, is owned by the government. Now, as soon as the lands were liberated in the 1990s, their government started getting heavy income. In fact, 40% of their government's revenue, that is, almost half of their government's earnings, comes from land lease and taxes related to it. So, basically, this was a game changer for China. In fact, with this liberalization move, real estate companies in China increased so much that in 1993, there were only 505 private construction companies in China.

¹³ https://www.brookings.edu/wp-content/uploads/2019/03/ChenEtAl_web.pdf

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And from then till 2021, there were 1.2 lakh companies. Now, because the government was getting a lot of profit from this, that's why to boost the real estate sector even more, they started giving loans to these construction companies at an easy and low interest rate. So that they can build more flats. You can understand this by the fact that recently, when two big real estate companies of China, Evergrande and Country Garden Holdings, filed for bankruptcy, their debt was something like this. Evergrande's debt was humongous. 2.39 trillion yuan and Country Garden Holdings' 1.4 trillion yuan, that is, \$194 billion. In short, because of getting heavy loans, housing projects came in bulk in China. And to sell them, those builders started keeping quite lucrative offers. I mean, it must have happened in some country that the builders were literally selling houses at zero down payment to people. So, obviously, with such offers, people lined up to buy houses. And you won't believe, but Hank Terrebrood, who is the chief risk officer and chief compliance officer of the Previum Fund Management, he said that according to official data, 20% of the houses in China are bought on loans. Now, with so many loans and sales increasing, those companies started mismanagement of funds. And they started diverting the money they got for one project to buy land for new projects. And this is where China's biggest turning point came from. Seeing its housing sales boom, the Chinese government increased the prices of land. Which eventually increased the housing prices. And then, as soon as this happened, housing demand immediately fell. And by falling demand, I mean, the sales of the builders decreased. And the earnings of the builders depend only on sales. Now, because sales were not happening, and they had spent the money they got on loans on other projects, this halted the existing construction. And eventually, real estate companies went bankrupt. In just 2020, 288 Chinese real estate companies declared bankruptcy. Now, as I said, people had already taken loans for their homes.

And their EMIs had also started. But due to the loss of builders, the projects were shut down. And on the other hand, they did not get a house. Frustrated by this, the common people stopped paying loans. Today, 40% of China's housing loans have been defaulted. This has had a huge impact on the economy. Today, neither the real estate companies have paid the money, nor the citizens are paying the loans. And because of this, the NPA crisis has come to China. But still, China is trying to save its GDP by giving stimulus to the sector that is making its GDP heavy. So, all in all, after seeing this entire analysis, I feel that the image that China has created of being the second largest economy, is to a large extent fake. And to save it, China is sinking even more into debt. Because its impact will also be at a global level. Because as we all know, almost all the investments and operations of every country are dependent on China. Often, such big events of destruction in the world spread ripples throughout the world.

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