
Comprehensive Strategic Report: China's Domestic and International Policy

The policy of the People's Republic of China (PRC) is dictated by a dual structural goal: maintaining absolute internal control through a centralized party-state while asserting undisputed superpower status globally. Under the leadership of Xi Jinping, this strategy has shifted from the low-profile approach of previous decades to a proactive framework aimed at reshaping national institutional dynamics and the global rules-based order [–].

1. Domestic Policy Framework

[THE CHINESE PARTY-STATE SYSTEM]

National Congress of the Communist Party

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Central Committee / Politburo

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Standing Committee (7 Members / Xi Jinping)

Institutional Consolidation & Governance

- The Primacy of the Party: The Communist Party of China (CPC) maintains an absolute monopoly on political power [–]. Every state organ, economic enterprise, and civic institution operates under structural Party oversight.
- Centralization of Leadership: Xi Jinping has systematically dismantled collective leadership models. His consolidation of power includes the removal of presidential term limits [–], embedding "Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era" into the state constitution [–].
- Anti-Corruption Inquiries: The long-running anti-corruption campaign serves a dual purpose: cleansing institutional inefficiencies and systematically neutralizing political opposition within rival factions of the state machinery.

Economic Policy: The "Dual Circulation" Strategy

- Internal Reliance First: To buffer against external sanctions and trade restrictions, Beijing prioritizes "Internal Circulation" (strengthening domestic consumer demand, localized supply chains, and indigenous technological self-reliance) [–].
- External Integration Second: "External Circulation" keeps China engaged with global markets via specialized high-value manufacturing and strategic resource acquisition, maintaining its position as the world's indispensable factory.
- "Common Prosperity": A regulatory framework designed to curb the wealth gap by targeting monopolistic behaviors in big tech, private education, and volatile real estate markets to guarantee long-term social stability.

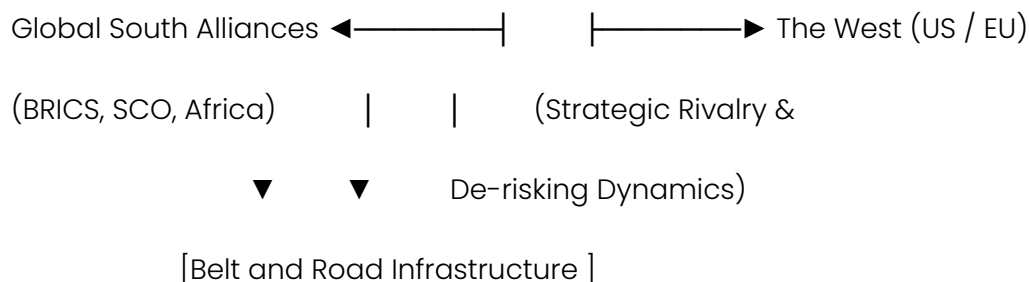
Social Stability & Security

- Digital Governance: High-tech surveillance infrastructure—combining AI facial recognition, predictive algorithms, and the Social Credit System—is utilized to monitor civic actions and pre-emptively dissolve public dissent.

- **Regional Cleavages:** Rigid state assimilation policies continue to target peripheral territories. In Xinjiang and Tibet, policies focus on heavy securitization and cultural integration, while Hong Kong operates under strict national security legislation that has effectively neutralized local political autonomy.

2. Foreign and International Policy

[GLOBAL ENGAGEMENT]



The Belt and Road Initiative (BRI)

- **Infrastructure Connectivity:** The Belt and Road Initiative functions as China's premier global economic vehicle, financing vast networks of deepwater ports, high-speed rail lines, energy pipelines, and digital grids spanning Asia, Africa, Europe, and Latin America.
- **Geostrategic Leverage:** While bridging infrastructure gaps across developing nations, the project provides Beijing with substantial diplomatic capital and long-term maritime concessions.

Major Power Rivalry (US and EU Relations)

- The United States: Foreign policy positions the U.S. as a structural competitor attempting to contain China's economic and military rise. Relations are managed through aggressive trade maneuvers, strict technological export restrictions (particularly concerning advanced semiconductors), and naval positioning in the Indo-Pacific.
- The European Union: China approaches the EU as a multipolar entity, seeking to expand commercial investments while actively discouraging European alignment with Washington's geopolitical architecture.

Global South Leadership & Multilateralism

- Alternative Blocs: China champions institutions designed to operate outside traditional Western-dominated forums (like the G7 or IMF). It leading expansions within BRICS and the Shanghai Cooperation Organisation (SCO).
- Normative Shifts: Beijing actively promotes global initiatives to reshape international standard-setting bodies like the United Nations, championing state sovereignty and non-interference over Western-style universal human rights declarations.

Critical Regional Security Flashpoints

- Taiwan: Defined by Beijing as an uncompromisable "core interest." China's official policy states that complete unification is an historic inevitability, refusing to rule out the deployment of military force to counter any formal declarations of sovereignty or foreign intervention.
- South China Sea: China claims sweeping territorial jurisdiction over this vital global maritime shipping lane via the contested "Nine-Dash Line," steadily expanding its strategic presence through island reclamation projects and militarized outposts despite counter-claims from regional ASEAN neighbors.

3. Structural Comparison: Priorities & Challenges

Domain	Core Strategic Priorities	Immediate Structural Vulnerabilities
Domestic Policy	• Preservation of absolute CPC rule • Indigenous tech innovation (AI, chips) • Maintaining basic social cohesion	• Acute population aging and shrinking labor pool • Structural weaknesses in local government debt • Real estate market instability
International Policy	• Securing global supply chains for energy/food • Projecting power in the Indo-Pacific • Restructuring alternative global institutions	• Broadening Western alliances counter-balancing China • Economic slowing of key Belt and Road partners • High risk of localized military accidents