

## China Politics

### Beijing Looks “South”

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- The Third Plenum’s emphasis on Chinese-style modernization may be seen from an important geopolitical angle that many have overlooked
  - Beijing is offering the “Global South” to reshape the global governance and economic orders together
  - Provincial governments have taken cues from Beijing and intensified their own efforts to engage with the Global South
  - India has emerged as China’s main competitor for influence in the Global South but faces substantial challenges
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As market observers scoured the Third Plenum [Resolution](#) for confidence-boosting hints of economic stimulus, many overlooked the event’s relevance to foreign policy. Particularly, Chinese-style modernization was enshrined as a key ideological pillar of the Communist Party of China (CPC).

This is designed not only to guide reforms; the plenum advanced it as an alternative to Western-style modernization, framing a competition between the two models that may last for years if not decades. In this race, **Beijing counters the Western model on each key component—the path to industrialization, definitions of democracy, social equity, and society’s optimal material-spiritual balance.**

This contest has been years in the making. “Black-swan” events since the mid-2010s—Brexit, the election of Donald Trump in 2016, the US-China trade war, and the West’s mishandling of Covid—have led top leaders in Zhongnanhai to conclude that “the world is undergoing profound changes unseen in a century”. **They have been further emboldened on the belief that these events have exposed critical weaknesses of the West and, in turn, recalibrated the global balance of power.**

Beijing sees a new era in which the East is rising and the West is in decline, as Xi Jinping himself [affirmed](#) in January 2021. Former top diplomat Yang Jiechi—whose entire career since the late 1970s focused on US-China relations and who personally witnessed Beijing’s changing attitudes on the matter—seized on this same strand of thought in March 2021 in [remarking](#) that the US was not “qualified to ‘speak from a position of strength’ when criticizing China”.

While the “East” is often read as a metaphor for China, top leaders rather have in mind the Global South, which encompasses China and long-standing friendly countries in the developing world. Foreign minister Wang Yi [reflected](#) on the foreign-policy significance of the Third Plenum in a recent *People’s Daily* op-ed: “The momentum of the Global South is growing impressively while peace, development, cooperation, and mutual benefit have become the aspirations of the people and the prevailing trend”.

In practice, the foreign minister has traveled frequently to the Global South to foster China’s relationship with the latter (see: [Wang Yi Remains Foreign Minister, Signaling Continuity](#)). Ultimately, the Chinese-style modernization presages a geopolitical reorientation towards the Global South.

## The comeback of the “Global South”

Coined 55 years ago by US political activist Carl Oglesby, “Global South” was originally postcolonial shorthand for less-developed countries in the southern hemisphere. It now covers developing and underdeveloped countries in South and Southeast Asia, the Middle East, Africa, Latin America, and the Caribbean. It also carries much more economic and geopolitical significance today, as countries leverage this collective identity in urging for a rebalance of the global order in their favor.

The newfound popularity of “Global South” as a rallying banner for the developing world is driven by several factors. Chief among them is the acute and shared threat of climate change: The richest countries in the “Global North” are responsible for 40% of global consumption-based carbon emissions, whereas low-income ones contribute less than 1%. Yet, the adverse effects of climate change disproportionately hit the latter. Perceived inaction by the former has only deepened grievances.

The Covid pandemic then widened the inequality gap between rich and poor countries by pummeling key income sources for the latter, such as exports, tourism, and remittances. Developing countries also suffered four-times as many fatalities. Arguably, wealthier states could have done more to deliver their promises, while better leadership and coordination in the Global South could have also mitigated the effects.

The wars in Ukraine and Gaza have, respectively, worsened food security in many less-developed countries and diminished richer ones’ credibility, as the Palestinians’ plight elicits increasing sympathy. Consequently, the Global South is now far less beholden to the geopolitical interests of the US and Europe.

Economic interests are also moving the needle. Higher interest rates and heavy subsidies in the US are drawing capital out from the Global South, causing financial distress and exchange-rate volatility—further chipping away at these countries’ capacities to address the above challenges. Meanwhile, China offers more affordable solutions to decarbonization and healthcare, as well as opportunities for more trade and investment. These factors will nurture ties between China and the Global South, irrespective of political differences.

## How is Beijing appealing to the Global South?

Against this backdrop, Beijing seeks to appeal to the Global South via a multipronged approach. **China’s key goals are to reform the global governance and economic orders, as well as to enhance its own economic resilience.**

### A community of shared future

To achieve these goals, Beijing is acting through three layers of initiatives. First are bilateral agreements with specific countries and regional blocs aimed towards a “community of shared future” (CSF).

Xi officially introduced the term CSF—which was revised from “community of common destiny” to avoid implying a predetermined trajectory—during his 2015 address to the UN. The occasion was chosen carefully, as the concept embodies Beijing’s vision for UN-led but reformed global governance. Later, Xi enshrined it in the CPC constitution during the 19th

Party Congress of 2017. In the following March, the notion of CSF was inserted as well into the PRC national constitution.

The idea of a CSF centers around a global order in which countries cooperate closely to address common challenges and foster mutual respect, inclusivity, and shared prosperity. This new order is envisioned as more equitable and transcending the traditional, Western-dominated power hierarchy.

Beyond a strong emphasis on multilateralism, which also characterizes the current international system, the CSF upholds the sovereignty of all countries regardless of size or power. It is also unprejudiced as to political system, culture, or developmental model. These notions of mutual respect and inclusivity hold substantial appeal for the Global South, many of whose constituents are nondemocratic. Essentially, **Beijing proposes a system wherein such countries need not change—or be forced to change—their political systems or regimes in order to achieve development and prosperity.**

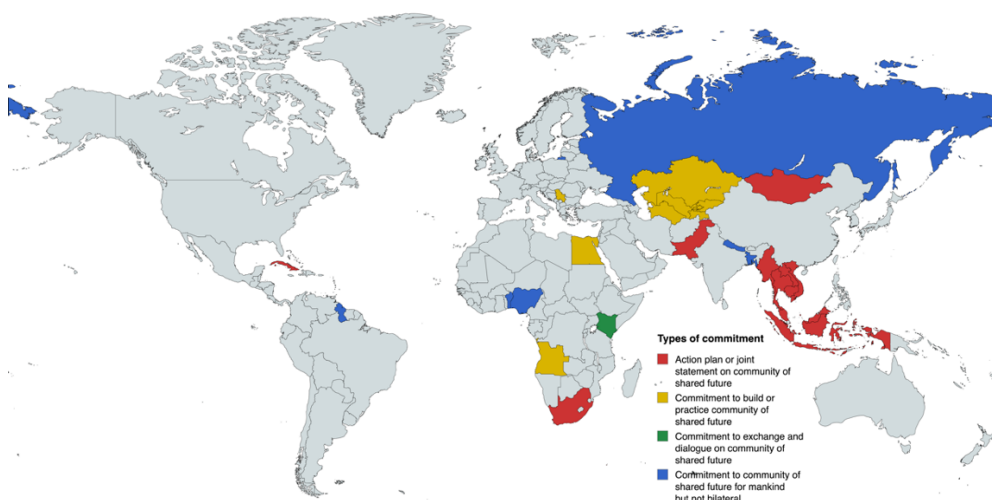
The CSF would amplify the voice and influence of the Global South on the world stage. It could also form a platform from which to focus collective responses to pressing global problems such as climate change, food insecurity, and public-health crises.

The idea of a CSF is intrinsically linked with Chinese-style modernization, as both extol inclusivity, sustainability, and shared prosperity. Thus, **as China succeeds along its own developmental path, its CSF narrative will gain credibility and appeal to other countries in the Global South.**

A key principle of Chinese-style modernization is that development is neither synonymous with nor dependent on “Westernization”. This aligns with the CSF’s emphasis on sovereignty and neutrality towards different political and cultural systems.

Since introducing the idea, Beijing has focused on instituting CSF-related agreements and initiatives almost exclusively with the Global South. China now has in place 26 bilateral ones, 11 multilateral ones with regional blocs, and two on specific issues.

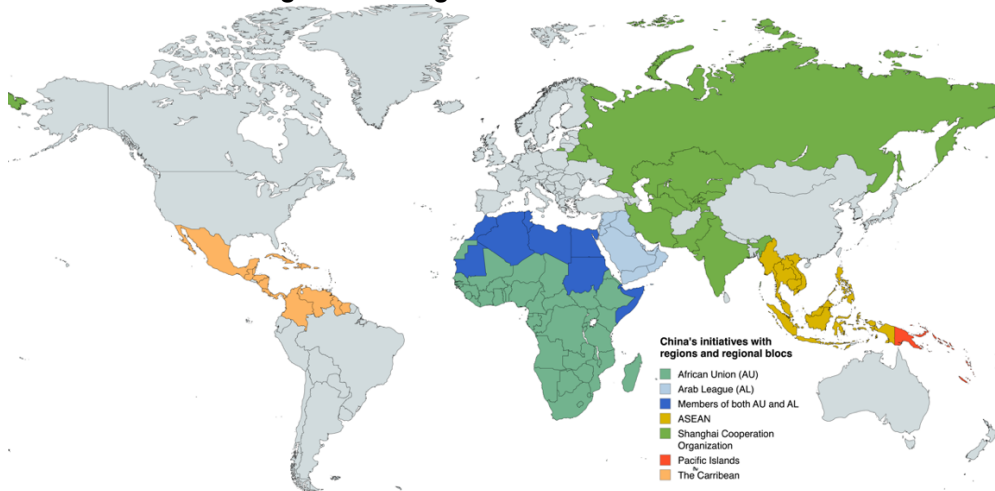
### Countries with bilateral CSF agreements



(Sources: MFA website, Hutong Research)

All but one of those 26 countries are definitively part of the Global South. (Whether the remaining one, Russia, could also be is a matter of debate.) Commitment levels vary: Southeast Asian states have mostly signed action plans or joint statements with China. Others, like Nepal and Bangladesh, have merely praised the CSF concept but thus far not committed to any concrete actions.

**CSF initiatives with regions and regional blocs**



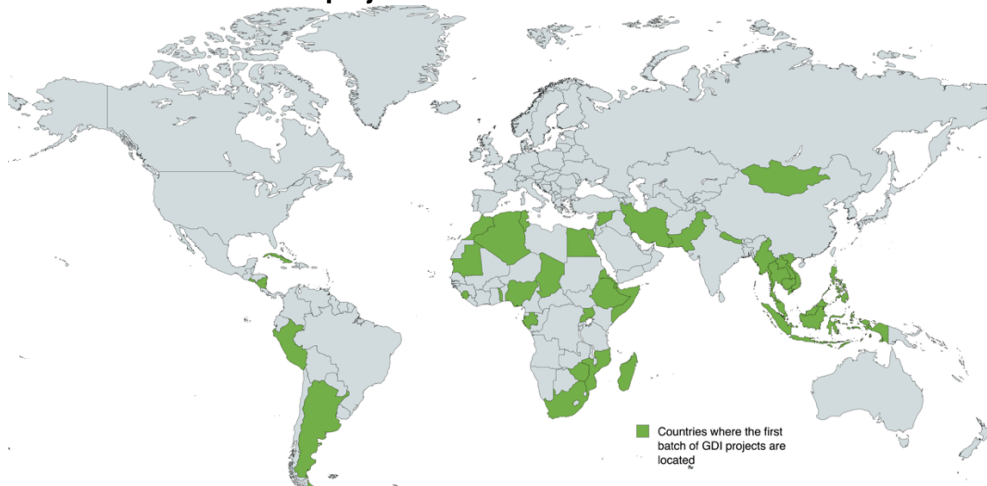
(Sources: MFA website, Hutong Research)

**Global initiatives**

For the second layer, Beijing has launched five key global initiatives across several phases since 2020. These cover development, security, civilization, data security, and artificial-intelligence (AI) governance. The first three—announced by Xi in 2021, 2022, and 2023, respectively—together substantiate China’s views on how the international community should collaborate in those fields.

The Global Development Initiative (GDI) crucially addresses core Global South interests such as poverty, food security, public health, climate change, and industrialization. By April 2024, over 80 countries had joined the initiative’s “Group of Friends”, a coordination mechanism, while 30 had signed memoranda to link GDI with their own, existing national and regional development initiatives.

**Locations of the first GDI projects**



(Sources: MFA website, Hutong Research)

The Global Security Initiative (GSI) takes aim at traditional and nontraditional security challenges and seeks peaceful resolutions to disputes. This is of great relevance to the Global South, many of them face unresolved territorial or border conflicts with one another.

The Global Civilization Initiative (GCI), announced in a summit between the CPC and other political parties around the world, aims to promote diversity of cultures and civilizations while facilitating exchange and dialogue. This has obvious overlap with the CSF worldview.

The data-security and AI initiatives—dating from 2020 and 2023, respectively—aim to tackle more specific issues in global governance. They not only depict Beijing’s views on key frontier fields that will drastically impact future life but also lay bare its ambitions to shape this future and the global order thereof. This said, Beijing appears to be maintaining an openness to collaborating with peer countries, as was reflected in its latest cross-border data rules. (See: [New Data Rule Rebalance Between Security and Development](#).)

### **Economic partnerships**

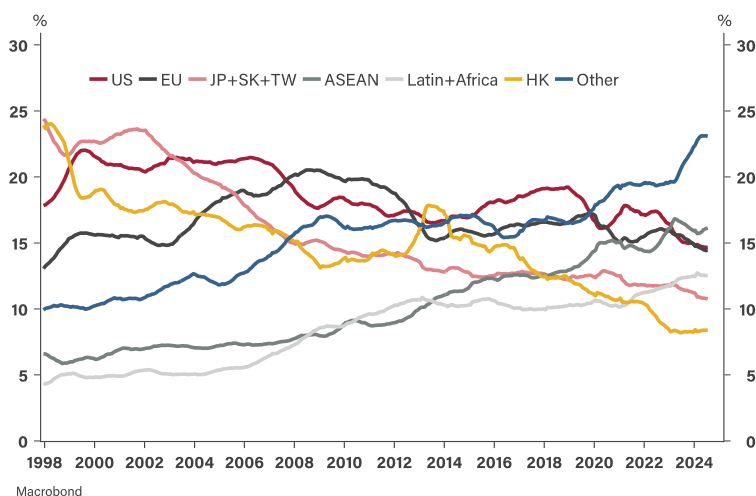
Beijing’s third layer involves diversification of trade and economic relationships with the Global South. For the latter, affordable Chinese products and investments are nice to have amid inflation concerns and capital outflows, especially if they come without conditions. For China, diversification aligns with its goal of a multipolar world order in which economic dependencies are more evenly distributed and no single bloc—such as the US and EU—can wield outside leverage over the Chinese economy.

The logic of this move becomes more evident in light of the geopolitical circumstances: As the US and EU “de-risk” from China, it not only forms a hedge against the risks of disrupted trade with the West and offers more reliable partners in cross-border transactions. It also affords China a general buffer against economic shocks resulting from broader political tensions, climate changes, or any other crises.

And as China restructures its economy away from traditional growth drivers like real estate and infrastructure, it needs export of goods and technology to sustain modest growth until domestic consumption and innovation can contribute more on their own.

#### **China has been diversifying its markets**

Share of China's exports by destination, 1-year moving average



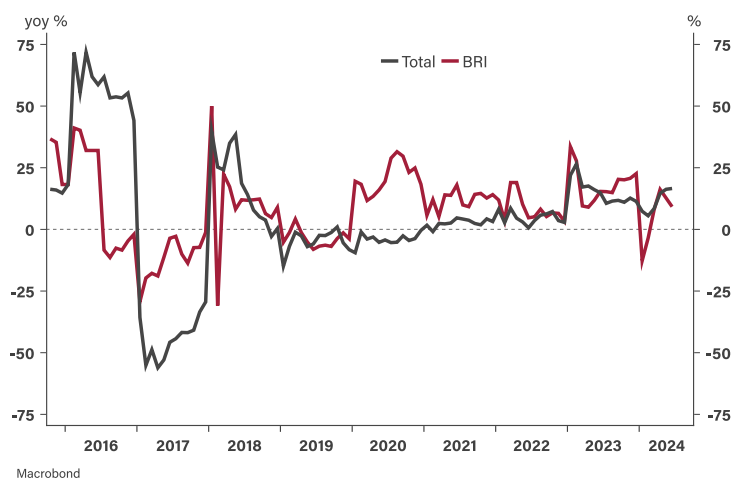
Markets in the Global South, which are sizeable and growing slowly but steadily, are thus crucial. ASEAN has already become China's largest trading partner, while Latin America, Africa, and other developing countries are growing in importance. China's monthly exports to the Global South have jumped from around USD 90bn in 2020 to USD 150bn in 2024, thanks to Beijing's efforts to foster economic relationships in these regions.

Such efforts actually began a decade ago with the Belt and Road Initiative (BRI), conceived as a state-led and geopolitical initiative to build better infrastructure, increase trade, and enhance connectivity across Asia, the Middle East, Europe, and Africa. Since inception, the initiative has [reportedly](#) facilitated nearly USD 1tn in investments across over 150 countries.

Despite various criticism, China's investments towards BRI countries have been growing consistently. Some reports [found](#) significant drop in BRI investments in countries such as Kenya, Myanmar, and Turkey from 2022 to 2023. But China's total BRI investment actually grew 22.6% yoy in the period, one of the fastest on record, and continued to grow by 9.2% yoy in 1H this year. In fact, Chinese BRI investments have been growing faster than its total outbound investments most of the time since 2018. These investments have laid a solid foundation for China's exports to the Global South.

#### China's BRI investments grew faster than others most of the time

Growth of year-to-date non-financial outbound investment by destination



### Beijing pushes provinces also to engage with the Global South

Since 2023, **Beijing has been systematically urging provincial officials to travel to Global South countries to invest in relationships therewith.** We counted 67 trips abroad to 63 countries made by principal leaders—that is, party secretaries and governors—of 31 provinces from the start of 2023 up to this July. Broken into trip segments, these were comprised of 152 separate country visits. Of the 63 countries, 41—or 65%—were in the Global South.

By region, these visits were to Southeast Asia (39), Europe (34), the Middle East and North Africa (20), Central Asia (18), and Latin America and the Caribbean (13). Conspicuously absent were Canada and India, likely signaling Beijing's political disfavor.

These trips lasted for an average of 7.8 days, with seven exceeding 10 days. 39 covered three countries, in which at least eight days were spent in each. These notably exceed the time limits on official travel abroad set by CPC regulations in place since 2013.

In principle, officials [can spend](#) a maximum of five days per trip to one country, eight days to two countries, and 10 to three countries. Exceptions are generally allowed only for Latin America and Africa, to which there are fewer direct flights; one more day is offered for trips to one or two countries therein. All trips abroad must be approved in advance by the Central Foreign Affairs Office.

Prior to the pandemic, these restrictions and the lengthy procedures required to justify any extended travel typically discouraged officials from lengthier foreign trips. These rules are giving way, however, to Beijing's urgent need to reengage with the world. That so many recent trips by provincial officials have exceeded the statutory time limits is a clear sign that they have been ordered and coordinated by Beijing.

**Many such trips to Global South countries seem to serve Beijing's political objectives.** Hunan governor Mao Weiming, for instance, spent six days in Barbados and the Bahamas in April, proffering assistance in education, healthcare, and agriculture—despite no obvious economic gain for his province. Language by Hunan party media [characterizing](#) the trips as “serving Beijing's holistic diplomatic vision” further suggests that they were ordered by Beijing.

Though 65% of principle provincial officials' overseas travel has been to the Global South, the figure is under half for provincial party standing committee members and vice governors in the same period. Rather, these vice-provincial leaders most frequently visited the US, France, Germany, South Korea, Japan, and Singapore.

This is a crucial disparity, as these officials hold economic portfolios and focus on more practical partnerships. They also typically travel with local business delegations and / or attend commercial events abroad. **This shows that, for now, provincial governments will still rely on developed markets for industrial and other economic collaboration. In the longer term, however, they will be able to seek more opportunities from the Global South on the foundation being laid by Beijing.**

## Competition over the Global South

Despite all these progresses, **China does face fierce competition from New Delhi in its pursuit of deeper engagement with the Global South.** Indian premier Narendra Modi, now into a third term, has centered his foreign-policy platform around a message that India leads the bloc.

Like China, India portrays itself as a trustworthy advocate for and a reliable partner of other Global South countries. Modi [labels](#) India as “the voice of the Global South” and a [vishwamitra](#), or “universal friend”, which resembles some of China's own self-branding.

India may yet be encumbered by ethnic and religious tensions domestically. Under Modi, India has been pursuing a Hindu-nationalist agenda largely seen as antagonistic to the country's Muslim population. This may diminish India's standing among Arab and other Muslim-majority countries, which comprise a large portion of the Global South and control a number of key shipping channels and other infrastructural junctions between continents.

The US-proposed “India–Middle East–Europe Economic Corridor” (IMEC), which Modi is promoting, may also backfire. Launched at last September's G20 summit in Delhi, IMEC

was branded an alternative and competitor to China's BRI—but it may also be analyzed as a tool in the US's own jockeying for influence over the Global South. This may delegitimize the project in the eyes of Global South countries that resent US-led global governance. Even if not, IMEC—like the BRI—may take over a decade to generate material impact, if not longer given the lack of funding and the current turmoil in the Middle East.