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Performing Panda

Chinese Economic Coercion in the Era of Xi Jinping

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AIR UNIVERSITY



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Chinese Economic Coercion in the Era of Xi Jinping

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Foreword

The Kenney Papers series from Air University Press provides a forum for topics related to the Indo-Pacific region, which covers everything from the western shores of the Americas to the eastern coast of Africa and from Antarctica to the Arctic. Named for General George Churchill Kenney, Allied air commander in the Southwest Pacific during World War II and subsequently commander of Strategic Air Command and then Air University, this series seeks to provide a deeper understanding of the region, the geopolitics and geoeconomics that shape the theater, and the roles played by the US military in providing for a free and open Indo-Pacific.



DR. ERNEST GUNASEKARA-ROCKWELL
Journal of Indo-Pacific Affairs
Editor in Chief

About the Author

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Lieutenant Colonel Onstad is a cyber warfare officer with experience planning and executing nonkinetic effects throughout varied areas of responsibility. After receiving a Bachelor of Science from the University of Notre Dame, she performed graduate work at the Missouri University of Science and Technology, National Intelligence University, the University of Oklahoma, and Air University. Onstad commands the 834th Cyberspace Operations Squadron at Joint Base San Antonio–Lackland, Texas.

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A heartfelt thank-you to my parents for fostering my curiosity and passion for academic inquiry. I also want to thank all of my mentors, both academic and professional—civilian, officer, and enlisted—who have vested interest in my growth and development as a leader and scholar.

Most of all, thank you to my incredible partner in life, my wife, for her unwavering support across our varied duty locations. She knows all too well the rigors of writing a paper such as this, and her inspiration brought me to the finish line.

Abstract

This paper provides an original contribution to the literature of economic coercion, based on empirical analysis of signaling from China to the United States from late 2012 to late 2022, President Xi Jinping's first two terms. I argue that Xi has expressed more assertive economic coercion toward the United States because he wants to build China's reputation as a powerful state to both foreign and domestic audiences; these coercive actions, however, have been largely performative because of interdependence. I present a theory of reputation-building and provide a 2x2 typology that helps us understand why China has changed how its economically coerces the United States over this period. One dimension is the means of coercion. Over this period, China changed its means from informal methods that gave the government plausible deniability to formal acknowledgment by the Chinese Communist Party with a corresponding legal framework. The other dimension is the target; China changed from targeting nonstate actors (US corporations) to states (US government entities and officials). State actors have a lower likelihood of bending to China's will and represent stronger resolve from China by attempting to coerce them. These two dimensions combine to explain high, medium, or low reputation-seeking actions from China. Through comparative qualitative analysis of 52 events, I found that, early in Xi's tenure, China displays low reputation-seeking actions based on coercing firms via informal means. By the end of the studied period, China displays high reputation-seeking behavior by constructing a legal framework of sanctions and signaling these sanctions to the United States. These moves are frequently in reaction to similar moves from the United States, however, and are without much bite because of possible blowback, leaving economic coercion as largely a performance to domestic and international audiences.

Introduction

I am increasingly concerned over the growing number of articles which are appearing in the press indicating that US-PRC relations are deteriorating.

—George H. W. Bush to Henry Kissinger,
Department of State cable, November 1974

Background

“Don’t say we didn’t warn you!”¹ These cautionary words concluded a Chinese state-owned newspaper commentary in 2019 that signaled to the United States that the People’s Republic of China (PRC) was not afraid to restrict its export of critical raw materials. The commentary reminded readers that: “[C]onsumer electronics, military equipment and many other products produced in the [United States] are highly dependent on China’s rare-earth resources.”² China’s touting of its economic strength through this opinion piece was meant to serve as a coercive warning to the United States not to increase tariffs on Chinese exports. The timing was in the midst of the 2018–2020 trade war between the United States and China (which, for purposes of simplicity, I will refer to as the “US-China trade war”), which saw both sides raise tariffs on exchanged goods. This later combined with the coronavirus disease pandemic in 2019 and after (COVID-19)—where labor shortages from lockdowns in China caused supply shocks for many industries across the globe—and the United States’ economic dependence on Chinese production had reared its ugly head. “Decoupling from China” became one of the most popular phrases in 2020 within policy and business circles.³

But China never limited its exports of critical materials. In fact, the other side of the Pacific revealed a China that is just as economically dependent on the United States to consume those goods. The two countries are deeply interdependent economically.⁴ Despite China not following through on its threat, concern within US policymaking circles did not diminish. In 2022, President Joseph Biden signed into law several measures aimed at protecting US industries, including the Creating Helpful Incentives to Produce Semiconductors

1. Wu Yuehe, “United States, Don’t Underestimate China’s Ability to Strike Back,” *People’s Daily*, May 31, 2019, <http://en.people.cn/>.

2. Wu, “United States, Don’t Underestimate China’s Ability.”

3. J. Stewart Black and Allen J. Morrison, “The Strategic Challenges of Decoupling from China,” *Harvard Business Review*, May–June 2021, <https://hbr.org/>.

4. James A. Fok, *Financial Cold War: A View of Sino-US Relations from the Financial Markets* (Chichester, West Sussex, United Kingdom: Wiley, 2022), 12.

(CHIPS) and Science Act.⁵ These bipartisan-supported bills encouraged US-based science and technology-related manufacturing, away from East Asia, in order to secure supply chains for critical technology items. But is this an overreaction, or are China's threats really that serious?

Matching its rhetoric with actions, China has risen to be a powerful player on the world stage. Since coming to power in 2012, President Xi Jinping has transitioned China to become more aggressive regionally, more assertive globally, and more nationalist domestically.⁶ Furthermore, Xi's rhetoric since 2017 has promoted China as a global leader with widespread influence, taking advantage of the United States' relative decline within the international order.⁷

Over the period of time since Xi came to power, US leaders over three different presidential administrations have not been afraid to criticize China for its actions politically, despite being reliant on the country economically. The United States has denounced China's relationship with North Korea, expressed distaste for China's handling of human rights, and announced support for what China sees as a domestic territorial issue like Taiwan, Tibet, Xinjiang, and Hong Kong self-rule. China's reaction in each instance has varied by instrument of national security; sometimes it reacts militarily, other times diplomatically or economically.⁸ As China's economy has grown to become the world's second largest, it has wielded its economic weapons against various targets during these times of tension in order to advance its goals.⁹

Research Question & Significance

The combination of China's increasing economic strength and willingness to use economic statecraft with Xi's ambitions to upend the United States-led world order creates an uneasy national security environment for the United States. In the 2022 US National Security Strategy, China is listed as the United States' "pacing challenge," and countering its "coercive behavior" is a frequent theme.¹⁰ Beyond the executive branch, assessing and responding to the Chinese threat is one area of bipartisan cooperation in a divided Congress.¹¹ Congress

5. "CHIPS and Science Act Will Lower Costs, Create Jobs, Strengthen Supply Chains, and Counter China" (press release, The White House, 9 August 2022), <https://www.whitehouse.gov/>.

6. Aaron Friedberg, "An Answer to Aggression: How to Push Back Against Beijing," *Foreign Affairs* 99, no. 5 (October 2020), 153, and Rush Doshi, *The Long Game: China's Grand Strategy to Displace American Order*, (New York: Oxford University Press, 2021), 26.

7. Doshi, *The Long Game*, 262.

8. Ketian Zhang, "Calculating Bully - Explaining Chinese Coercion" (PhD diss., Massachusetts Institute of Technology, 2018), <https://dspace.mit.edu/>.

9. Zhang, "Calculating Bully," 280, 445.

10. *National Security Strategy of the United States of America* (Washington, DC: White House, 2022), 22, 37, <https://www.whitehouse.gov/>.

11. Kevin Freking and Ellen Knickmeyer, "New China Committee Debuts, Warns of 'Existential Struggle,'" *Associated Press*, February 28, 2023, <https://apnews.com/>.

included a mandate to establish the Countering Economic Coercion Task Force in the 2023 National Defense Authorization Act (NDAA) that President Biden signed into law in December 2022.¹² The interagency task force is tasked with determining how best to identify, assess, and respond to PRC coercive economic measures.¹³ With so much current visibility on this problem, this paper helps shape understanding of when, how, and why China has used its coercive economic power in the past, while also providing insight into potential triggers of its use in the future.

This paper examines China's use of economic coercion within the United States–China dyad. I specifically analyze the period 2012 to 2022—the first decade of Xi Jinping's reign—which encompasses the pivot to more aggressive Chinese foreign policy. Using a database of Chinese economic coercion events that I constructed from open-source material, I seek to answer the question: *Why has China's economic coercion against the United States changed over the first decade Xi Jinping was in office?*

The discussion in this paper is significant for two reasons. First, empirical data covers the combination of a period of time and a dyad that has not been previously studied in other works on Chinese economic statecraft. Its characterization of recent events gives relevancy to the changing strategic environment of the early 2020s. Second, it provides insight into the decision-making calculus of Chinese leaders, which could prove useful to strategists and policymakers facing a complex geopolitical environment. While one is never able to predict another state's actions with complete certainty, it does help to have a better grasp on the intent behind those actions when shaping policy options.

Definitions, Terminology, and Scope Conditions

What exactly are *economic statecraft* and *economic coercion*? They are intertwined concepts, and many tools of economic statecraft can be used in a coercive manner. When employing means to achieve its ends, a state can use any number of instruments—military, diplomatic, economic, information, grey zone—and it can use them alone or in combination with others. For this paper, I am focusing on the economic instrument, and use a definition of *economic statecraft* as “a state's intentional manipulation of economic interactions to further its broader strategic interests.”¹⁴ This manipulation can be positive, using aid, inducements, or investment; or it can be negative, using sanctions,

12. Rep. Peter A. DeFazio, “H.R.7776 - 117th Congress (2021–2022): James M. Inhofe National Defense Authorization Act for Fiscal Year 2023,” Pub. L. No. 117–263 (2022), <https://www.congress.gov/>.

13. DeFazio, “H.R.7776.”

14. William J. Norris, *Chinese Economic Statecraft: Commercial Actors, Grand Strategy, and State Control* (Ithaca, NY: Cornell University Press, 2016), <https://doi.org/>.

boycotts, or export controls.¹⁵ *Economic coercion* is one type of economic statecraft that uses or credibly threatens negative actions to force the target to change its behavior.¹⁶ Economic coercion is also a tool within the coercion toolbox that a state may use to try and influence others, along a spectrum of escalation that is beneath nuclear, military, or grey-zone coercion, but it is viewed as more escalatory than diplomatic coercion.¹⁷ The conjoined nature of economic coercion between the larger categories of coercion and economic statecraft—all under the umbrella of statecraft—is displayed in figure 1 for context. Various types of economic statecraft may be used coercively or non-coercively by a state.

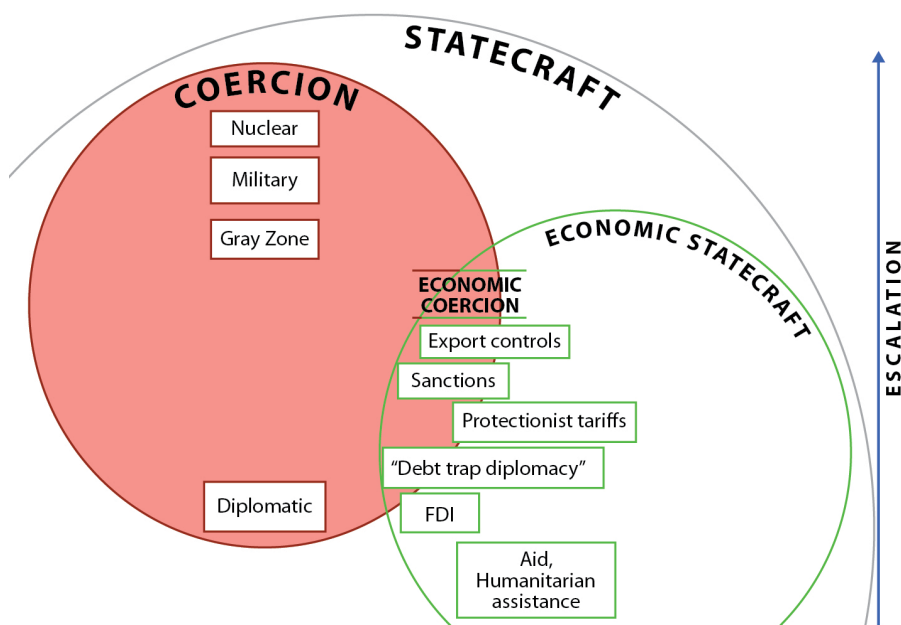


Figure 1. Economic coercion as the intersection of coercion and economic statecraft. (Author’s own work for explanatory purposes, with types of coercion and economic statecraft relative to escalation only as relative approximations.)

Coercer is the term I use in this paper to label the actor who uses or threatens negative actions, and the term *target* is used to denote at whom the coercive

15. David A. Baldwin, *Economic Statecraft*, New edition (Princeton: Princeton University Press, 2020).

16. Adapted from Zhang, “Calculating Bully,” 42, and Robert Anthony Pape, *Bombing to Win: Air Power and Coercion in War*, Cornell Studies in Security Affairs (Ithaca, NY: Cornell University Press, 1996).

17. Zhang, “Calculating Bully,” 52.

action is aimed. Frequently, the coercer and the target have an asymmetric relationship, and the coercer capitalizes on the target's dependency.¹⁸

This paper focuses on China's use of economic coercion against a variety of US-based targets. The targets of economic coercion can be a government entity, like the state or its subnational components, or a nonstate actor, like a nongovernmental organization or a multinational enterprise (MNE). An MNE is a corporation that "engages in foreign direct investment (FDI) and owns or, in some way, controls value-added activities in more than one country."¹⁹ As more and more firms expand parts of their business activities internationally, it becomes increasingly difficult to pinpoint to which country an MNE is most affiliated. The firm's board could be comprised of people from a multitude of countries, its shares could be traded on multiple stock exchanges, and it could have a different part of its global value chain in a variety of countries.²⁰ For the most part, however, MNEs both public and private are affiliated with where they originate, which can have consequences for coercive actions. Specifically for this paper's context, a US-based MNE may be the target of Chinese economic coercion even though it has entities outside the United States.

China in this paper refers to the party-state of the People's Republic of China, led by the Chinese Communist Party (CCP, or "the party"); throughout this paper I use China and the CCP interchangeably. As depicted in figure 2, autonomous regions within China include Tibet and Xinjiang, whereas Hong Kong and Macau are special administrative regions. The autonomous regions contain ethnic minorities who are not Han Chinese, and while the CCP established the regions under the auspices of "protection," the harsh CCP rule and indoctrination espouse the opposite for Tibetans and Muslim Uyghurs.²¹ Hong Kongers have experienced their own transition to more forceful CCP rule over the past 25 years, including violent crackdowns on democratic protests in 2019–2020.²² The long arm of the CCP reaches in these regions to dampen any sign of rebellion or movement that counters its ideology; the party considers the citizens there as an internal security concern. Further, the party perceives any influence or commentary from outside China that criticizes its governance to be interfering with internal issues. The CCP particularly eyes the United States as a possible source of fomenting unrest within China.²³

18. William J. Norris, "Economic Statecraft with Chinese Characteristics: The Use of Commercial Actors in China's Grand Strategy" (PhD diss., Massachusetts Institute of Technology, 2010), 55, <https://dspace.mit.edu/>.

19. John H. Dunning and Sarianna M. Lundan, *Multinational Enterprises and the Global Economy*, 2nd ed (Cheltenham, UK ; Northampton, MA: Edward Elgar, 2008).

20. Dunning and Lundan, *Multinational Enterprises and the Global Economy*, 6.

21. The Economist, "How Do China's Autonomous Regions Differ from Provinces?" *The Economist*, March 23, 2021, <https://www.economist.com/>.

22. The Economist, "An Anatomy of Erasure," *The Economist*, July 1, 2022, <https://www.economist.com/>.

23. Elizabeth Economy, *The World According to China* (Cambridge; Medford: Polity Press, 2022).



Figure 2. Map of regions within mainland China. (Source: The Economist, “How do China’s autonomous regions differ from provinces?” Mar 23, 2021, <https://www.economist.com/the-economist-explains/2021/03/23/how-do-chinas-autonomous-regions-differ-from-provinces>.)

Additionally, though not shown on this particular map, approximately 100 kilometers east of China is the island of Taiwan. Unlike the Chinese mainland’s autonomous regions, Taiwan is an autonomously and democratically governed region not under CCP rule, with its own military and foreign diplomatic relations. While Taiwan and mainland China have had a fraught history since 1949, the status quo of maintaining the two separate entities has endured. Since coming to power, however, Xi has redoubled efforts to deny any notion of Taiwan independence and to promote the goal of reunification.²⁴ Any narrative counter to Xi is typically met with aggressive signaling, which this paper explores.

Coercive Mechanisms. Chinese economic statecraft encompasses a myriad of activities, from the Belt and Road Initiative that provides aid and FDI to develop infrastructure and extract resources across the global south; to its alleged “debt trap diplomacy” of leveraging loans to desperate states in exchange

²⁴ Economy, *The World According to China*, 72–73.

for relinquishing resources; to accusations that it artificially maintains its currency at a low rate relative to the US dollar in order to keep wages and exports cheap.²⁵ While all of these have strategic and security externalities for the United States, they are outside the scope of this paper.

Instead, I focus on coercive actions taken by the CCP that include both trade and capital instruments of influence, as well as both formal (i.e., legal) and informal (e.g., boycotts) sanctions. In short, these are “economy as means” actions rather than “economics as ends.”²⁶ This is important to distinguish because “economy as ends” include diplomatic sanctions like the closing of a consulate or embassy; although they can impede any current business dealings, these events are outside the scope of my analysis.

Scope Mechanisms. I cage the temporal scope to 2012–2022, allowing for observation on how China’s coercive methods have changed during Xi’s first two terms, amid a deteriorating geopolitical and economic relationship with the United States. This period is broad enough to analyze a range of coercive events and strategic environments and is recent enough to be relevant. Many studies, as seen in the literature review in the next section, have data from an era before Xi or analyze data from singular events. A ten-year period of analysis allows for overarching trends to emerge that override shorter-term variables like business cycles, security flare-ups, or the US-China trade war (2018 to 2020). Instead, this looks at the aggregation of economic trends and security postures to better extract the calculus of the decisions.

This paper looks only at the United States–China dyad. Coercion is underpinned by power; as Thomas Schelling notes, “the power to hurt is bargaining power.”²⁷ China has exemplified this by taking numerous coercive actions against small and medium states like South Korea, Norway, Lithuania, and Australia, brandishing its influential economic heft.²⁸ But what are its interactions with a dominant geopolitical power like the United States, especially given the economic interdependency of the two? Wielding too large of a sword could have ramifications for China’s own interests.

I primarily look at the state level of analysis and how China and the United States interact with each other. But because of the complexity of the global economy, I also include two substate levels: commercial actors, since they are

25. Economy, *The World According to China*, 92–93, 101; and C. Fred Bergsten, *The United States vs. China: The Quest for Global Economic Leadership* (Medford: Polity Press, 2022), 30.

26. Norris, “Economic Statecraft with Chinese Characteristics: The Use of Commercial Actors in China’s Grand Strategy,” 49.

27. Thomas C. Schelling, *Arms and Influence*, Veritas paperback edition (New Haven: Yale University Press, 2020), 2.

28. Robert D. Blackwill and Jennifer M. Harris, *War by Other Means: Geoeconomics and Statecraft*, First Harvard University Press paperback edition, A Council on Foreign Relations Book (Cambridge, Massachusetts London, England: The Belknap Press of Harvard University Press, 2017), 4, 129.

the main participants of international economic activity; and a state's society, since they experience economic vulnerability and can be mobilized by a state to achieve its goals. I also acknowledge that neither China nor the United States are monoliths, and a myriad of domestic actors have agency.

Road Map

The first section of this work discusses the strategic environment background and a frame of reference for why this paper is significant, as well as an overview of the plan of this paper. The subsequent section shows the state of the literature on economic sanctions and coercion from a Chinese perspective, then outlines what is missing and how I am able to fill in some of those gaps. It ends with my theoretical framework and hypotheses. Next, the paper highlights my research design and discusses variables of interest and methodology employed. From there, the paper represents the empirical sections, examining economic coercion during Xi's first term (2012–2017) and looking at these types of events in Xi's second term (2017–2022). After conducting a historical analysis for both terms, I then analyze the overall themes of China's use of coercion including their cost-benefit calculus and credibility. The conclusion offers policy implications for the US Government and discusses how coercion may evolve in the changing strategic landscapes of the future and gives ideas for further research.

Literature Review and Theoretical Framework

We have many reasons to be friends.

—Secretary of State Alexander Haig to Deng Xiaoping, June 1981

This section begins with a literature review covering a variety of theories as well as historical and geopolitical perspectives related to the research question. It then covers my theoretical framework and concludes with my hypothesis.

Literature Review

This literature review analyzes the theoretical and historical underpinnings of this research across three themes: coercion, economic coercion and interdependence, and China's use of economic coercion. The existing literature provides insight and context on the ends, means, and targets of coercion.

Coercion. Numerous authors have covered coercion and associated theories in international relations, but Thomas Schelling's *Arms and Influence* remains

the seminal work. Schelling contends that the latent threat of violence influences an actor's choices, which often means the actor surrenders to cut any future losses and submits to the coercer's will.²⁹ He introduces the hierarchy of the umbrella term "coercion" over deterrence and compellence but, more important, notes that deterrence and compellence can be intertwined.³⁰ Coercers can use compellence in the short-term with one particular target, but this can send a longer-term message of deterrence to observers of the compellent action. Other states observe China's use of compellent means against state and nonstate targets, which can serve as a deterrent for these states not to take any actions that are outside of China's bounds.

Another foundational contribution was Herman Kahn's concept of "escalation," which is defined as an increase in the intensity, area, or scope of a conflict.³¹ This is still useful today even in nonnuclear settings.³² "Escalation dominance" is not just based on military strength; it can also include factors like morale, commitment, and resolve.³³ These intangible factors play a role in the back-and-forth dynamic between the United States and China, where each side has its own resolve and speculates on the resolve of the other party.

Theories about reputation in coercion can also provide insight into decision-making processes. Schelling introduces the concept of "face" as the intersection of a state's commitments, its "reputation for action," and "the expectations others have about its behavior."³⁴ While states can and do take particular actions that may affect reputation, they do not have direct control over their reputation; it is largely based on how others perceive them. As Robert Jervis writes, in a situation where a state is confronted, conceding looks weak so the state must "go to extremes" to preserve its strength.³⁵ Observer states watch the interactions of others and assess their resolve.³⁶ This gives a state more incentive to manage its reputation through how it interacts with others at all conflict levels. All of these concepts provide insight into the decision-making calculus of China and how it might interact with the United States.

Writing over three decades later than Schelling, Daniel Byman and Matthew Waxman bring concepts of coercion into the post-Cold War, United States-led world. They note the dynamic nature of coercion; it is not only an action-reaction

29. Schelling, *Arms and Influence*, 3.

30. Schelling, *Arms and Influence*, 71, 80.

31. Herman Kahn, *On Escalation*, Reprint (New York: Routledge, 2017).

32. See fig. 4 later in this chapter.

33. Kahn, *On Escalation*.

34. Schelling, *Arms and Influence*, 24.

35. Robert Jervis, *Perception and Misperception in International Politics*, New edition (Princeton, NJ: Princeton University Press, 2017), 59.

36. Jervis, *Perception and Misperception in International Politics*, 61.

chain of two events but also a battle of perception of costs and benefits.³⁷ Though the world may be led by the United States, other state and nonstate actors still have agency. To illustrate this point, Byman and Waxman outline two concepts: (1) “escalation dominance,” which shifts Kahn’s framework to instead concentrate on the actor capable of restraining escalation by the other, and (2) “pressure points,” referring to what a target values that a coercer can leverage, i.e., vulnerability.³⁸ Though the authors focus on state-level military-centered coercion, and their coverage of sanctions is limited to the United States’ and its allies’ formal use of sanctions, the two concepts of escalation dominance and pressure points can still be of use for a United States–China economic coercion scenario.³⁹ They provide a framework of how China may calculate escalation and the US vulnerabilities it may target. Moreover, Byman and Waxman posit that “there is no best coercive instrument. The optimal choice depends on the alternatives available to the coercer, the nature of the adversary, and possible synergies and additive effects.”⁴⁰ This perspective into the mind of the coercer can also help shed light on why China uses its chosen coercive methods.

Economic coercion and interdependence. The Cold War between the United States and Soviet Union was the backdrop for foundational coercion concepts. The two states were largely economically independent, making it easy to separate security policies from economic policies.⁴¹ Today’s age of great-power competition between the United States and China reflects a much different setting. Global supply chains along with high economic and financial interdependence mean that a state’s security and economic actions can have far-reaching effects in both dimensions. In this light, it is important to look at the economic instrument specifically.

Taking a broad look at economic statecraft, David Baldwin’s *Economic Statecraft* establishes a wide-ranging scope of the types of positive and negative sanctions as well as new definitions of their success, which had been groundbreaking when originally written in 1985.⁴² Beyond this, much of the literature has centered around state-on-state sanctions along with the conditions of when and how they are most successful. This includes Daniel Drezner’s *The Sanctions*

37. Daniel Byman and Matthew C. Waxman, *The Dynamics of Coercion: American Foreign Policy and the Limits of Military Might*, RAND Studies in Policy Analysis (New York: Cambridge University Press, 2002), 37.

38. Byman and Waxman, *The Dynamics of Coercion*, 38, 44.

39. Byman and Waxman, *The Dynamics of Coercion*, 106–107.

40. Byman and Waxman, *The Dynamics of Coercion*, 123.

41. Tai Ming Cheung, *Innovate to Dominate: The Rise of the Chinese Techno-Security State* (Ithaca, NY: Cornell University Press, 2022), 287.

42. David A. Baldwin, *Economic Statecraft*, New edition (Princeton: Princeton University Press, 2020), 139–40.

Paradox and Hufbauer et al.'s large-*n* study in *Economic Sanctions Reconsidered*.⁴³ While these works shed important light on the conditions surrounding the success or failure of state-based sanctions, they may not be as applicable to a multipolar world. They do document the rise in the United States' use of sanctions since the 1980s, of which China was a target after Tiananmen Square in 1989. This is seared into the memory of Chinese leaders as they look favorably on their ability to outsmart US efforts.⁴⁴ Looking back to this critical period in US-China relations, the United States held out hope that the sanctions could change China's behavior, but they did not. Hufbauer et al. note that sanctions "often do not succeed in changing the behavior of foreign countries. . . . The goals may be too elusive; the means too gentle; or cooperation from other countries, when needed, too tepid."⁴⁵

Using the economic instrument as a policy tool has increased as the world's economy has grown and become more intertwined.⁴⁶ Across the globe, states have different costs of labor, resources, and raw materials; thus, the market shifts to where these are most advantageous—Ricardo's theory of comparative advantage—leading to a veritable web of goods, capital, and labor crisscrossing the globe. For example, developed states (i.e., the global north) are often reliant on developing states (the global south) for commodities and low-level manufacturing like textiles. The developing states are dependent on developed states for more high-level manufactured goods like mobile phones, medical equipment, and automobiles. This is just one example of mutual dependence, or interdependence, between states. Interdependence includes more than just goods; it also includes the money, people, and information crossing borders and promoting economic growth.⁴⁷

In *Power and Interdependence*, Robert Keohane and Joseph Nye posit that this interdependence has nuances and asymmetry in the relationships between these entities (states, transnational, intergovernmental, nongovernmental).⁴⁸ This asymmetry connotes coercive power, expressed when the "haves" manipulate the "have-nots." The haves in this instance do not have to be traditional military powers like realists suggest; they can be any entity that is able to leverage a vulnerability in the opposing side. The decision to exploit this vulnerability must be calculated carefully, however, since the haves depend on the have-nots

43. Daniel W. Drezner, *The Sanctions Paradox: Economic Statecraft and International Relations*, Cambridge Studies in International Relations 65 (Cambridge, UK: Cambridge University Press, 1999).

44. Doshi, *The Long Game*, 138.

45. Gary Clyde Hufbauer et al., *Economic Sanctions Reconsidered*, 3rd ed., Expanded ed (Washington, DC: Peterson Institute for International Economics, 2009), 7.

46. Robert Gilpin, *War and Change in World Politics* (Cambridge, UK: Cambridge University Press, 1981).

47. Robert O. Keohane and Joseph S. Nye, Jr., *Power and Interdependence*, 4th ed (Boston: Longman, 2012).

48. Keohane and Nye, Jr., *Power and Interdependence*, 9.

in a different area. The cost-benefit analysis takes center stage for the haves and can be a deterrent against preying on the have nots.

Henry Farrell and Abraham Newman take Keohane and Nye's notion a step further with their concept of *weaponized* interdependence, where having dominance over key nodes within global networks like finance or cyberspace can be used as leverage over a more closed network.⁴⁹ This theory has implications for the means and targets of Chinese economic coercion, since the United States currently maintains control of finance nodes, but China is building its network of cyberspace hubs with a proliferation of the telecom equipment producer Huawei. Farrell and Newman build their definition of "network power" upon market power, which China has used for decades—leveraging the size of its domestic market and labor pool to advance their strategic agenda by limiting or courting outside investors.⁵⁰

In *War by Other Means*, Robert Blackwill and Jennifer Harris outline four tenets of a state's ability to coerce economically: (1) control of outbound investment; (2) use of a large domestic market to nimbly react to state geopolitics; (3) influence over commodity flows, including energy; and in the vein of Farrell and Newman; and (4) dominance of global financing hubs.⁵¹ China has a good command of the first three: (1) It has control of its outbound investments, namely through the Belt and Road Initiative;⁵² (2) it has a history of wielding its large domestic market; and (3) it has influence over certain commodity flows like rare earth minerals.⁵³ Accordingly, China has a strong ability to use economic coercion, but not necessarily against all states large and small. It can wield its economic power toward small and medium states, but the rules may change when facing a large superpower like the United States. China's vulnerability due to interdependence means that it may still be hesitant to actually use coercive economic tools against a state that also has strength in these four tenets.

China's use of economic coercion. Because of China's continued economic growth and power projection, examining works that give insight to its use of economic coercion can give context for the emerging US-China strategic competition of the early 2020s. Beginning with a historical lens, China's evolving use of economic statecraft during the Cold War (1949–1991) is covered by

49. Henry Farrell and Abraham L. Newman, "Weaponized Interdependence: How Global Economic Networks Shape State Coercion," *International Security* 44, no. 1 (July 1, 2019): 42–79, <https://doi.org/>.

50. Farrell and Newman, "Weaponized Interdependence," 54.

51. Robert D. Blackwill and Jennifer M. Harris, *War by Other Means: Geoeconomics and Statecraft*, (Cambridge, MA: Belknap Press of Harvard University Press, 2017), 148–50.

52. Suisheng Zhao, *The Dragon Roars Back: Transformational Leaders and Dynamics of Chinese Foreign Policy* (Stanford, CA: Stanford University Press, 2023), 98.

53. Blackwill and Harris, *War by Other Means*, 107.

Shu Guang Zhang.⁵⁴ Beyond this era is further study of Chinese economic statecraft by Norris, who covers 1989 to 2017 by periodizing China's recovery from Tiananmen-induced sanctions from the West (1989–1997), economic growth after the 1998 East Asian financial crisis but before the 2008 global financial crisis (1998–2008), and lastly an era of great-power grand strategy that ends at the start of the US-China trade war (2008–2017).⁵⁵ In both works, China's growing economic power yields greater opportunity to advocate its policies. Zhang's book describes China's strategy of driving wedges between coalitions by economically coercing a vulnerable state away from an alliance, an important perspective to keep in mind for today. Norris's study portrays the period 2008 to 2017 as the era of great-power competition. Though the 2008 financial crisis provides a convenient bookend to the periodization, he does not give much evidence supporting this as a start date for great-power competition. The 2008 financial crisis was an eye-opening event for China, but I suggest that the transformational leadership of Xi that starts in 2012 better fits the start of great-power competition. Furthermore, Norris ends his study in 2017, leaving an entire term of Xi's machinations ripe for study and trend extrapolation.

Several scholars have examined China's economic coercion against small and medium states. Ferguson and Lim categorized the informal sanction mechanisms China used against South Korea in 2016, and I use part of their informal sanction typology in this paper, explained later.⁵⁶ A thesis from the Naval Postgraduate School concludes that China's use of economic coercion has backfired on China in its attempt to drive a wedge between the United States and its allies Australia and South Korea.⁵⁷ China also used informal sanction mechanisms against Australia, so Ferguson, Waldron, and Lim analyze Australia from a victim of Chinese coercion perspective and how a state can best maneuver from China's imposed chokeholds.⁵⁸ This has applicability in the intra- or post-coercion implications for the United States and multinational enterprises.

54. Shu Guang Zhang, *Beijing's Economic Statecraft during the Cold War: 1949–1991* (Baltimore: Woodrow Wilson Center Press Johns Hopkins University Press, 2014).

55. William J. Norris, "China's Post-Cold War Economic Statecraft: A Periodization," *Journal of Current Chinese Affairs* 50, no. 3 (December 2021): 294–316, <https://doi.org/>.

56. Darren J. Lim and Victor A. Ferguson, "Informal Economic Sanctions: The Political Economy of Chinese Coercion during the THAAD Dispute," *Review of International Political Economy* 29, no. 5 (September 3, 2022): 1525–48, <https://doi.org/>.

57. Derrick Q. Do, "How Chinese Economic Coercion Impacts US Security Relations with Australia and South Korea" (Thesis, Monterey, CA, Naval Postgraduate School, 2020), <https://apps.dtic.mil/>.

58. Victor A. Ferguson, Scott Waldron, and Darren J. Lim, "Market Adjustments to Import Sanctions: Lessons from Chinese Restrictions on Australian Trade, 2020–21," *Review of International Political Economy*, July 7, 2022, 1–27, <https://doi.org/>.

These studies about China exerting its power against smaller states provide context for the United States' relationship with allies and partners, but do not address the United States–China dyad directly. Norris tackles this relationship in a book chapter published in 2017 and determines that economic bolstering and strategic transfer, *not* coercion, are the main economic statecraft tools China uses against the United States.⁵⁹ Indeed, coercion is dependent on credibility and capability, and if China does not have enough of either, it will be hesitant to coerce the global hegemon. Since Norris wrote this chapter, China's credibility and capability have changed, which this paper explores.

Another Naval Postgraduate School thesis looks at the triggers of Chinese economic coercion, though not exclusive to the United States–China dyad. The author finds that maintaining territorial integrity and preserving the regional status quo as likely triggers for Chinese coercion, but regime legitimacy, Chinese nationalism, and asymmetric trade advantage are not as likely to be triggers.⁶⁰ The author uses a small number of case studies from the pre-2012 time frame that do not account for the rise of Xi and greater ambitions, which my paper fleshes out.

Also looking at triggers of coercion is Ketian Zhang's dissertation. She dissects China's use of coercion across military, diplomatic, and economic instruments of power from 1990 to 2014.⁶¹ She concludes that China did not coerce states often over perceived threats to its national security. This wide-ranging study included both large and small states as targets but did not include any nonstate actors like multinational enterprises. Temporally, Zhang covers a time frame in China's economic growth where its desire to integrate into the global market was its priority. National security concerns were still present, evidenced by China coercing when it came to the Dalai Lama or US arms sales to Taiwan, but China was hiding its buildup and biding its time to express its power.

Phoebe Moon's dissertation links the interdependence of global value chains, which are more nuanced than traditional trade relations, and state-centered coercion.⁶² She uses prospect theory to frame the reaction of the target to the coercer, and whether it retaliates, maintains its stance, or concedes. She concludes that a state's relative position within a global value chain affects its calculus to escalate—when it is dominant in the chain it is more risk averse,

59. William J. Norris, "China's Economic Statecraft in Sino-American Relations," in *Series on Contemporary China*, by Mingjiang Li, vol. 39 (World Scientific, 2017), 193–212, <https://doi.org/>.

60. Jeffrey R. Dundon, Jr., "Triggers of Chinese Economic Coercion" (Monterey, CA, Naval Postgraduate School, 2014), <https://apps.dtic.mil/>.

61. Ketian Zhang, "Calculating Bully - Explaining Chinese Coercion" (PhD diss., Massachusetts Institute of Technology, 2018), <https://dspace.mit.edu/>.

62. Phoebe Moon, "When the Target Fights Back: Economic Coercion and Interstate Conflict in the Era of Global Value Chains" (PhD diss., Irvine, CA, UC Irvine, 2022), <https://escholarship.org/>.

when it is weaker and more reliant on the coercer within the chain it is more likely to escalate. This dynamic way of thinking about economic coercion akin to Byman and Waxman provides a solid foundation for thinking about singular coercive instances, like Moon's case study about China coercing South Korea after its Terminal High-Altitude Area Defense (THAAD) purchase, but what about over the course of time? Does the coercer change tactics to become more assertive in order to make their point heard? How does this play out with the state's reputation both domestically and internationally? With a lack of recent data, US focus, and view of China only as a regional instead of global power, there is a missing link in coercion literature that my paper addresses.

Theoretical Framework

To fill the gap in the literature, I address more than just state-to-state coercion and data from singular coercive events. I analyze China's use of economic coercion against a variety of targets using a variety of methods over the course of a decade. I offer that the target's identity and the methods China uses for coercion are both significant in China shaping its reputation as a rising power. In this section, I construct a theory of reputation-building using the context of economic coercion.

Realism helps to explain the increased assertiveness that China has shown over the decade and accounts for an increase in exercising coercion to demonstrate power. But it does not account for China pursuing more formal means of coercion within international legal frameworks. As an authoritarian regime, China could continue its use of informal coercion against nonstate commercial actors by mobilizing subnational actors to boycott companies, without developing legislation or a legal framework for economic statecraft.⁶³ Treating China as just another black box state ignores the domestic influences on CCP decision-making, the asymmetric power it holds in an interdependent global economy, and the importance of a transformational leader like Xi.

Liberal institutionalism helps to explain why China would want to formally legislate and integrate into the existing liberal international order. With this lens, the party-state has economic goals (like growth or the "common prosperity" for the Chinese people) in addition to the realist goals of power and security. But it does not explain why China would take aggressive actions economically that may hurt others along with its own bottom line.

Constructivism also helps explain part of the puzzle of China's use of economic coercion. The return to "Middle Kingdom" prestige that China aims to

63. See, for example, Wei Shan and Juan Chen, "The Little Pinks: Self-Mobilized Nationalism and State Allies in Chinese Cyberspace," *International Journal of China Studies* 12, no. 1 (June 2021): 25–46.

achieve by 2049 clarifies the impetus behind its more assertive actions.⁶⁴ Even though cultural history, norms about power and prestige, and strategic culture are all factors, it still does not fully explain why aggressive actions accelerated under Xi and not one of his predecessors like Hu Jintao.

Put differently, none of these frameworks alone are adequate to answer why Xi Jinping shifted China's economic coercion means and targets against the United States over the decade. Complementing all three mainline theories, I argue that Xi Jinping has expressed more assertive economic coercion toward the United States because he wants to build China's reputation as a powerful state to both foreign and domestic audiences. As a coercer, China recognizes the costs and benefits of using various combinations of means and targets, with each type of coercive signal communicating a message to other states and entities. I suggest that trends in the shift of means (informal → formal) and targets (nonstate → state) of China's economic coercion represent a more assertive stance toward the United States as global hegemon.

The theory of reputation building I put forth has two parts: domestic and international. The CCP seeks to build its reputation both internally to legitimize its rule and externally to display its power and control the CCP narrative globally. The first part of the theory is domestic, built on the foundation of Daniel Carpenter's notion of organizational reputation, which is "a set of symbolic beliefs about the . . . capacities, roles, and obligations of an organization, where these beliefs are embedded in audience networks."⁶⁵ Carpenter posits that there are four dimensions of organizational reputation: moral, technical, performative, and legal-procedural.⁶⁶ Xi has implemented policies across these four dimensions over his term. His broad anticorruption measures have tried to improve the CCP's moral reputation to make it more accountable.⁶⁷ From a technical reputation perspective, Xi has revamped the state-driven innovation and technological capacity of China.⁶⁸ The performative dimension is how an audience perceives "the quality of the entity's decision making and its capacity for effectively achieving its ends and announced objectives."⁶⁹ As evidenced by China's response to the COVID-19 pandemic, Xi heads a CCP that can rapidly execute directives and achieve its objectives.⁷⁰ The final dimension is

64. Kerry Brown, *Xi: A Study in Power* (London: Icon Books Ltd, 2022), 110.

65. Daniel P. Carpenter, *Reputation and Power: Organizational Image and Pharmaceutical Regulation at the FDA*, Princeton Studies in American Politics (Princeton: Princeton University Press, 2010), 45.

66. Carpenter, *Reputation and Power*, 45.

67. Brown, *Xi*, 119.

68. Tai Ming Cheung, *Innovate to Dominate: The Rise of the Chinese Techno-Security State* (Ithaca [New York]: Cornell University Press, 2022), 244.

69. Carpenter, *Reputation and Power*, 46.

70. Yuen Yuen Ang, "How Resilient Is the CCP?," *Journal of Democracy* 33, no. 3 (July 2022): 78, <https://doi.org/>. Iza Ding has a contrarian view to CCP capacity and the notion of performance that she details in

legal-procedural, which is how the audience views the organization following accepted procedures.⁷¹ Although Xi has removed his own presidential term limits and centralized power, he has also instituted a broad campaign of “rule by law.” This has helped improve the legal-procedural dimension of reputation since the population believes “it enhances the predictability and reliability of government action.”⁷² It has also helped with CCP principal-agent issues.⁷³

The latter two dimensions—performative and legal-procedural—are tied to how China expresses its economic coercion through organizational reputation. Seeking to improve the performative dimension of reputation in the targets of economic coercion: showing capacity by adjusting from targeting firms to state actors. Likewise, seeking to improve the legal-procedural dimension is seen in shifting how China coerces, changing the means from informal to formal. This gives the CCP more legitimacy to domestic audiences. It also allows for any mitigation of principal-agent issues that may emerge when implementing sanctions.⁷⁴

This domestic part of the theory provides a foundation for the second aspect, the international reputation part of the theory. Because legitimacy and organizational reputation are important to the CCP for maintaining its domestic rule, it must ensure that its messages are consistent to international audiences too, given global information flows and economic interdependence. China balances its reputation of being open for global business to support its continued economic growth, with its reputation of projecting power abroad to help secure its domestic legitimacy. It seeks a stronger reputation by coercing other entities to ensure they carry out its will, whether that is not countering the narrative of Chinese territorial integrity or saving face against anti-Chinese rhetoric from US leaders.

Reputation is also of course dependent on the external audience’s viewpoint, not just China’s perception of itself.⁷⁵ While this theory only places China’s reputation in the context of economic coercion, it is still a slice of statecraft that a rising power may use to exact its will. I acknowledge that more holistic

“Performative Governance,” *World Politics* 72, no. 4 (October 2020): 525–56, <https://doi.org/>. She argues that the CCP at subnational levels enacts aspects of performance to make a good impression on the populace when it lacks the actual capacity to be effective.

71. Carpenter, *Reputation and Power*, 47.

72. Taisu Zhang and Tom Ginsburg, “China’s Turn Toward Law,” *Virginia Journal of International Law* 59, no. 2 (2019), 380.

73. Zhang and Ginsburg, “China’s Turn Toward Law,” 386.

74. For examples of principal-agent issues, see Kacie Kieko Miura, “Commerce and Coercion in Contemporary China: Local Leader Responses to Foreign Policy Crises” (PhD diss., Massachusetts Institute of Technology, 2020).

75. Keren Yarhi-Milo, *Who Fights for Reputation: The Psychology of Leaders in International Conflict*, Princeton Studies in International History and Politics (Princeton: Princeton University Press, 2018), 6.

studies can be performed to analyze reputation, a limitation of this paper I discuss in more detail later.

Context for Coercion. Coercion is two-sided, with a coercer and a target, with the target's perceptions and values playing an important role in the exchange. This dynamic plays out across the three components of coercion: credibility, capability, and communication.⁷⁶ First, if the target does not perceive the threat as credible, then they may not be coerced, prompting the coercer to possibly move to a different tactic. Second, it does not matter whether the coercer has the capability or not, just that the target believes that they do. If the target believes that the coercer does not have the capability to enforce the threat, they will not be coerced. Third, if the coercer does not adequately communicate the threat if the target does not comply, the target may not comply with the coercer's demands.

Why would China even coerce at all? What benefits does it gain? I propose three main reasons for this behavior. First, by coercing targets, China is able to broadcast its values to a wide external audience, known as *multivocality*, defined as “single actions that can be interpreted coherently from multiple perspectives simultaneously.”⁷⁷ Figure 3 shows the multivocality of a coercer's message reaching not only the intended target but also a myriad of other observers, including other states (large and small), multinational enterprises, nongovernmental organizations, intergovernmental organizations, the coercer's own domestic populace, and foreign populaces. The message of “stop doing this or else” intended to compel the target can sound like a deterrent to external actors in the audience—“don't start this or else.” Suddenly, *broadcasting* Chinese values starts to look like *imposing* Chinese values the world over.⁷⁸ The notions of supporting the rule of law in Hong Kong, recognizing the democratic Taiwan government, and highlighting the human rights abuses in Xinjiang all start to fade and are replaced by the Chinese Communist Party line.

76. Karl Mueller, “The Essence of Coercive Air Power: A Primer for Military Strategists” (Maxwell AFB, AL, 2000), <https://www.airuniversity.af.edu/>.

77. John F. Padgett and Christopher K. Ansell, “Robust Action and the Rise of the Medici, 1400–1434,” *American Journal of Sociology* 98, no. 6 (1993): 1263. Concept is also used throughout Stacie E. Goddard, *When Right Makes Might: Rising Powers and World Order*, Cornell Studies in Security Affairs (Ithaca: Cornell University Press, 2018).

78. Jeremy L. Wallace, *Seeking Truth & Hiding Facts: Information, Ideology, and Authoritarianism in China* (New York: Oxford University Press, 2023), 207.



Figure 3. The various audiences when a coercer messages to a target. (Source: Author’s work, adapted from Padgett and Ansell, 1263.)

Second, by using these same broadcasts internally, the CCP can use coercion as a tool for its own legitimacy domestically and for building support. Even Xi Jinping has said: “Winning or losing public support is an issue that concerns the [CCP’s] survival or extinction.”⁷⁹ The internal Chinese populace hears government external messaging and receives clarity or emphasis on the state’s position on political matters. A recent study suggested “that the Chinese government’s appeals to nationalism and strategic patience have indeed been effective at bolstering popular support.”⁸⁰ The CCP issued threats to foreign audiences that garnered popular support for the party domestically,⁸¹ and if the CCP has internal stability, its legitimacy for rule is much more secure.⁸²

Finally, coercive threats and actions can also be a form of power projection. With China’s asymmetry of its economic relationships and control of key nodes and resources, threatening to cut off or scale back exports or capital can be a power play to ensure China gets what it wants.⁸³

79. Xi Jinping, “Study History, Be Close to the People,” *China Daily*, July 25, 2013, as quoted in Jessica Chen Weiss and Allan Dafoe, “Authoritarian Audiences, Rhetoric, and Propaganda in International Crises: Evidence from China,” *International Studies Quarterly* 63, no. 4 (December 1, 2019): 963, <https://doi.org/>.

80. Weiss and Dafoe, “Authoritarian Audiences, Rhetoric, and Propaganda,” 964.

81. Weiss and Dafoe, “Authoritarian Audiences, Rhetoric, and Propaganda.”

82. Audrye Wong, “How Not to Win Allies and Influence Geopolitics,” *Foreign Affairs* 100, no. 3 (June 2021): 46–47.

83. Albert O. Hirschman, *National Power and the Structure of Foreign Trade*, Expanded ed., The Politics of the International Economy, v. 1 (1945; Berkeley: University of California Press, 1980), 16.

China establishes or amplifies its credibility by following through on coercive actions or having the target concede to its demands. Figure 4 shows the back-and-forth action–reaction–counteraction between the coercer and the target. The exchange starts with a trigger event that China feels affects its ends (e.g., territory claims, CCP legitimacy, threats to autonomous zone fealty to the CCP) from either the target’s parent organization in the case of an individual, the target’s parent state, or the state itself.

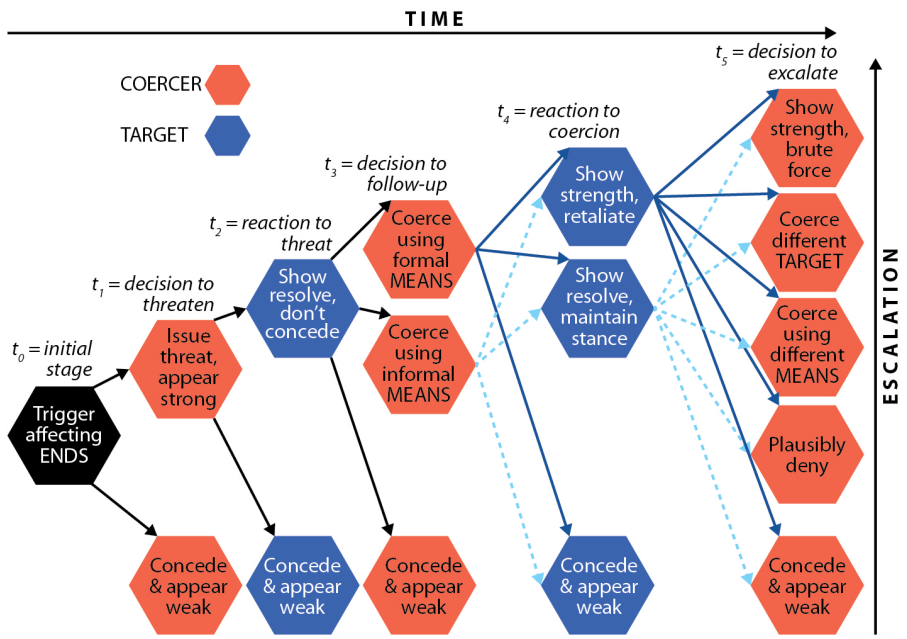


Figure 4. Coercion tree diagram showing interplay between the coercer and target. (Source: Author’s work, with time scale and two-sided structure adapted from Phoebe Moon, “When the Target Fights Back: Economic Coercion and Interstate Conflict in the Era of Global Value Chains,” (PhD diss., UC Irvine, 2022), <https://escholarship.org/uc/item/240950rx>, 30.)⁸⁴

Once the trigger action is taken by an entity affiliated with the target, China either issues its first threat to the target or concedes and lets the action stand, as seen in the t_1 column. This gives the threat’s target an opportunity to show resolve or concede (t_2) before China decides to either coerce using formal or

⁸⁴ Moon’s work focuses on t_4 , reactions to coercion, while I implement the escalation axis along with formal/informal means, targets, and ends into the schema. I also theorize t_5 , the decision of the coercer to escalate over time. Arrow color/style is insignificant and changes for readability purposes only.

informal means, or concede itself (t3). Formal means are documented with government legislation or decree; informal means are a government-fomented boycott, strategic use of regulatory measures (i.e., closing an MNE's production facilities because of fire code violations), informal blacklisting orders from the CCP to Chinese companies telling them not to interact with the target, or an admonishment of the entity in the Chinese press. The costs and benefits of choosing one method over another is documented below. The next decision point is t4, where the target can choose whether to retaliate, maintain their stance, or concede.⁸⁵ How resolute a target's reputation is can affect China's actions at next decision point (t5). This variable is also discussed below. China has a range of options in its quiver: it can abandon coercive methods altogether and switch to brute force, it can change the means and targets of its coercion, it can attempt to plausibly deny if the coercive means were informal, or it can concede. All of the actions are juxtaposed on a scale of escalation that can be raised or dialed back depending on which moves each side takes. Additionally, the actions all connote the perception of strength, where conceding to the other side looks weak and maintaining one's stance or retaliating looks strong. Managing this perception to all audiences (figure 3) is also a factor for both the coercer and the target.

Variables

With the coercer-target framework for the coercion dynamic established, I turn to explain two variables that can help analyze why Xi has undertaken more assertive economic coercion as he builds China's reputation as a powerful state to both foreign and domestic audiences. Taking a closer look at these two variables—formality of means and the target's reputation for resolve—yields insight into the nuances of Chinese statecraft. There may be other variables that may factor into China's quest to shift its reputation, but these do not rise to the level of the main two that are chosen here.

Formality of Means. A state may change its coercive methods in order to signal a shift in interests, a desire for greater prestige, or a dissatisfaction with existing order. China's growth within the international order gives it the capability to express these changes.

The first variable that helps to contextualize China's shift in assertiveness is the formality of means in economic coercion. This is characterized by a transition from using informal methods like a boycott of a US retailer's goods to

85. Phoebe Moon's work delves into how prospect theory affects the target's choice during this phase. Moon, "When the Target Fights Back: Economic Coercion and Interstate Conflict in the Era of Global Value Chains."

formal methods like codifying sanctions against the target. The shift from informal to formal could mean that China is becoming more confident in its economic capabilities and its ability to withstand any retribution it may receive from the United States after the action.

Like any action, using either informal or formal methods has costs and benefits, which are often intertwined. One of the costs of using informal means like a boycott is that it is more difficult to communicate to the target what China—the coercer—explicitly desires. Since an informal mean gives the coercer plausible deniability, it cannot dictate its demands as easily. At the same time, plausible deniability can also be a benefit to the coercer if it does not want to incur any consequences of retribution since it can deny the state played any role in the coercion.⁸⁶

Formal methods also have costs and benefits. One of the primary costs is retribution from the target (the United States in this case), which could come in any form of statecraft, not just economic. Though it is unlikely that the United States would escalate using military means after economic coercion, it is still an option that could be implemented. The costs in undertaking a formal sanction decrease the more China is able to “sanction-proof” its economy against retribution. This may come at the expense of economic integration and growth, since more autarkic economies are not able to leverage more cost-effective means of production.⁸⁷

Another effect of transitioning to more formal coercive means is greater transparency as a government. This equates to inward-facing transparency to the Chinese people and outward to MNEs operating within China, other transnational entities, and other states. This can be a cost if the government desires secrecy in its actions, but a benefit if it wants its people to rally behind its actions. Transparency can also be a benefit to MNEs, who have long desired that the CCP be more forthright about its actions in economic governance and regulations.⁸⁸

Finally, formal means can communicate the coercer’s demands more clearly to the target and under what conditions the coercive action will be relaxed.⁸⁹ This can be a benefit to China if it wants its coercive actions to be successful. It can also be a benefit in that it is announcing not only to the target but also to the world that it has explicit demands in line with the party-state’s desired ends.

86. Audrye Wong, Leif-Eric Easley, and Hsin-wei Tang, “Mobilizing Patriotic Consumers: China’s New Strategy of Economic Coercion,” *Journal of Strategic Studies*, May 8, 2023, 8, <https://doi.org/>.

87. Harold James, “The Supply Chain Crisis and the Future of Globalization,” *Foreign Affairs*, February 2, 2022, <http://foreignaffairs.com/>.

88. Zachary Karabell, *Superfusion: How China and America Became One Economy and Why the World’s Prosperity Depends on It*, 1st Simon & Schuster ed (New York: Simon & Schuster, 2009), 105, 109.

89. Schelling, *Arms and Influence*, 88.

Overall, transitioning from informal to formal has implications for China's reputation domestically and internationally. Their reputation is strengthened domestically and can fan the nationalist flames by explicitly denouncing an external entity associated with a global hegemon or even the global hegemon itself. Furthermore, their reputation abroad becomes more powerful since other entities understand where the party-state stands on actions it is willing to take if others step out of line.⁹⁰ This has a deterrent effect on others and only serves to elevate China as a powerful state in the global order controlling the narrative.

Target's Reputation for Resolve. The other variable in China's coercive assertiveness is in its choice of targets. Does the target have a reputation to bend to China's will easily? Or will the target dig its heels in and maintain its stance or, worse, retaliate in some way? Reputation plays a large role in coercion theory because of the dueling nature between entities. A target's "reputation for resolve" is a key component in the coercer's decision to coerce.⁹¹

Since coercion is predicated on what the opposing side thinks and is a dynamic exchange, the target has agency.⁹² This agency may be limited, however. Nonstate actors may be constrained by their role, and MNEs may be constrained by the regulations of their home state on what actions they may take in response to economic coercion. For example, if the United States has enacted certain sanctions on China, this could limit the MNE's interactions with China. Additionally, the MNE has different interests from the state, with the MNE prioritizing profits above most else. China has incredible market power; its domestic market of 1.4 billion people is lucrative for an MNE incentivized to expand global revenue sources. This limited agency means that generally, nonstate actors have a lower level of resolve than states if coerced and will succumb to China's demands.⁹³ This is especially true if they have a limited relationship with their "home" state, in this case the United States.⁹⁴ Understanding its market power, China will continue to coerce MNEs to ensure they fall in line with China's view, knowing these entities have a low reputation for resolve.⁹⁵ But continuing to torment small actors only pegs China as a bully. Plus, because US-based MNEs are regulated by the United States and not overtly

90. Jeremy L. Wallace, *Seeking Truth & Hiding Facts: Information, Ideology, and Authoritarianism in China* (New York: Oxford University Press, 2023), 13.

91. Todd S. Sechser, "A Bargaining Theory of Coercion," in *Coercion: The Power to Hurt in International Politics*, ed. Kelly M. Greenhill and Peter Krause (New York: Oxford University Press, 2018), 73.

92. Byman and Waxman, *The Dynamics of Coercion*.

93. Darren J. Lim and Victor A. Ferguson, "Informal Economic Sanctions: The Political Economy of Chinese Coercion during the THAAD Dispute," *Review of International Political Economy* 29, no. 5 (September 3, 2022): 1534, <https://doi.org/>.

94. Lim and Ferguson, "Informal Economic Sanctions," 1534.

95. Wong, Easley, and Tang, "Mobilizing Patriotic Consumers," 2.

controlled, if they are coerced, it does not necessarily influence at the state-level.⁹⁶ Thus, in order to be viewed more prestigiously in the world order, China needs to try to coerce the United States directly.

Does a state truly have a greater reputation for resolve, more than an MNE? The state is not as swayed by China's market power as an MNE, but it does have the considerations of China's asymmetric power over certain nodes in the interdependent economy. Under the United States' calculus are the influence of the volume of China's foreign direct investment in US companies, the integrated global value chains for numerous industries (e.g., medical technologies, batteries, electronics), and the integration of a \$5 trillion financial relationship.⁹⁷ These factors combine to form a market economy with managed steady growth that has to be carefully balanced with other US goals like maintaining the liberal international order and defending its status as global hegemon. The United States has a high reputation for resolve because it remains steadfast on issues and has maintained the same core interests over decades of different presidential administrations, even though it does not have a consistent overarching grand strategy.⁹⁸ If China were to target this kind of state with coercive economic threats or actions, it would incur both costs and benefits just as with the other variable of formality.

The costs for China in targeting the United States directly with economic coercion could include a lower chance of success because of the United States' higher reputation for resolve. Given the interdependence between the two, it could also end up hurting China's own economic growth if the United States takes retaliatory action. One benefit is that it signals to other states and its domestic audience that China has both the credibility and capability to coerce a global hegemon directly. It reinforces China's reputation as a hardliner for its beliefs not only inside its borders but also externally.

Another cost to targeting a state is the increased chance of escalation. Instead of targeting one firm that has oversight of global value chains, the coercer targets an entire state apparatus with control over not only economic means across all industries but also an entire military instrument of power. The chance for military engagement is lower if China just targets a corporation.

Its costs may increase, but so do its benefits. Other actors then observe China's credibility gains and are deterred themselves from countering China's narrative. Other states may not agree with China's perspectives, but they do

96. Lim and Ferguson, "Informal Economic Sanctions," 1534.

97. Joseph S. Nye, "Power and Interdependence with China," *Washington Quarterly* 43, no. 1 (January 2, 2020), 10, <https://doi.org/>.

98. Barry R. Posen and Andrew L. Ross, "Competing Visions of US Grand Strategy," *International Security* 21, no. 3 (Winter 1996/97): 7.

not have the capability to confront it. For example, the UN Human Rights Council had member states vote on whether to hold a debate on China’s transgressions against Muslim Uyghurs in Xinjiang, but many states (even majority-Muslim states) were deterred by China from speaking against them and endorsing the debate.⁹⁹ To China, this is a sign of strength and a benefit to its broad global campaign to dominate the narrative about its power and values.

Overall, transitioning from nonstate to state targets has implications for China’s reputation domestically and internationally. Just as with changing their coercive means, their reputation is strengthened domestically by being willing to address a hegemon. Internationally, China’s reputation may incur the cost of being labeled a bully, but it also changes to one with credibility and capability to exact its will in a powerful manner.

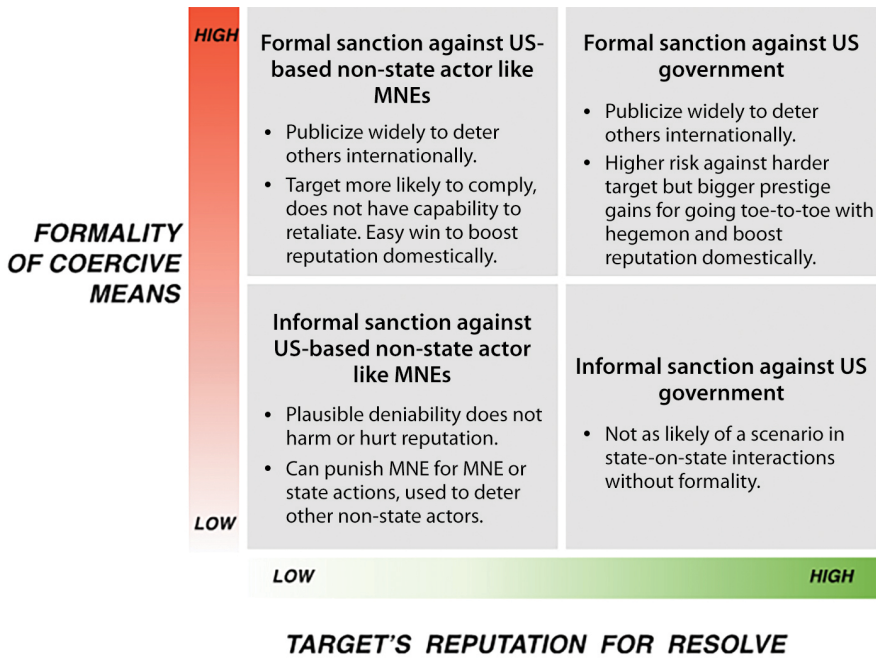


Figure 5. Plot of two independent variables yields different types of coercion scenarios. (Source: Author’s work.)

⁹⁹ “Outrage as UN Debate on China’s Alleged Xinjiang Abuses Rejected,” *Al Jazeera*, October 7, 2022, <https://www.aljazeera.com/>.

Hypothesis

The above assumptions lead me to the following hypothesis: from 2012 to 2022, the party-state shows a more assertive trend in how it employs coercive measures economically against the United States. If my hypothesis bears out, the documented coercive events from Xi’s first term to his second will show two major shifts when using economic coercion against the United States: (1) from informal to formal mechanisms as means, and (2) from nonstate actors to state actors as targets.

The likely indications of the two variables are seen in table 1 below.

Table 1. Indications of changing means and targets of Chinese coercion. (Source: Author’s work.)

Formality of Means	Target’s Reputation for Resolve
<p>More executive orders/ legislation</p> <ul style="list-style-type: none">• Published in English = directed to international audiences• Published in Chinese = directed to domestic audiences and overseas diaspora <p>More press from both party-state outlets and foreign press</p> <ul style="list-style-type: none">• Informal means not covered by press to ensure plausible deniability by the government. These events covered by foreign press	<p>More press from state (and/or affiliated) outlets on identity of the target of coercion</p> <ul style="list-style-type: none">• “US government” or “current US government officials” vs “US-based company” <p>More assertive language from state outlets indicating their strong stance against a harder target</p>

If my hypothesis is nullified, no overarching trends will be observed or there will be the opposite trends of those expected. If there are no overarching trends, there needs to be further analysis of the listed variables or a reexamination of collected data. If the opposite trends are shown, perhaps there needs to be a broader look at coercion in all instruments of power (diplomatic, military, propaganda), because the CCP is choosing other methods against the United States and reserving economic coercion for only small or medium states.

Assumption and Limitations

There is one key assumption that I make in this paper in order to simplify analysis. When China coerces, there may not be a formal announcement by the government; it may be done through informal means. Based on the timing of China’s reaction to a US action, I assume that it is a retaliatory measure from China. Without access to CCP communications or records, this link is difficult

to prove with evidence. Contextual clues of the geopolitical situation can provide the necessary link between action and reaction, which are analyzed here.

This paper has three main limitations. First is the source data. While I examine both English and Chinese language sources, I rely on computer translation for the latter, which may not be able to pick up on nuances within language. Additionally, I limit the data to unclassified, open-source information about Chinese coercive events. This includes online news sources, press releases from states or firms, and social media. I acknowledge that not every event reaches this level of publicity. For example, if a group of Chinese citizens in Shenzhen boycotted a US-based MNE, but it did not reach the threshold of news or releasable company reporting, then I do not include it.

Second, contrary to much of the previous research on sanctions, this work does not directly measure sanction effectiveness for every coercive event. Sanctions are notoriously difficult to evaluate since they can have multiple goals and cascading second- and third-order effects.¹⁰⁰ Instead I focus on the use of sanctions to demonstrate resolve and build a state's reputation to multiple audiences. In characterizing this reputation-seeking behavior, I analyze the effect for some events on whether or not it would serve to improve a reputation or if it is just empty words.

Third, I recognize that limiting the paper to only the United States–China dyad downplays the global nature of interdependent economies as well as the importance of US allies and partners in the Indo-Pacific region. These allies and partners bring capabilities and geography that serve United States power projection interests and trusted global supply chains that help the United States mitigate fallout from decoupling with China. China likely recognizes the advantage the United States has with allies and partners, which is why it tries to drive a wedge between alliances, referencing China's targeting of South Korean MNEs after the United States sold its missile defense system. A further study could shed light on a notion of US extended deterrence against aggressive Chinese economic actions versus US allies.

Case Study Overview

This paper employs a qualitative comparative case study approach. In the empirical sections, one covering Xi's first term and the other covering Xi's second term, I analyze coercion events between China and the United States. Figure 6 plots how I would expect the two time frames to fall against the two independent variables. I expect that during Xi's first term (2012–2017) the CCP

100. Gary Clyde Hufbauer et al., *Economic Sanctions Reconsidered*, 3rd ed., Expanded ed (Washington, DC: Peterson Institute for International Economics, 2009), 157.

foments boycotts or uses blacklists against US MNEs that do not adhere to China’s values. During Xi’s second term (2017–2022) I expect that China begins to use predominantly formal sanctions against both US-based nonstate actors and the US government. They may also use regulations in a strategic manner during this time frame against the US government, but I hypothesize that this combination of variables is not as likely in a state-on-state context because of the lack of formality.

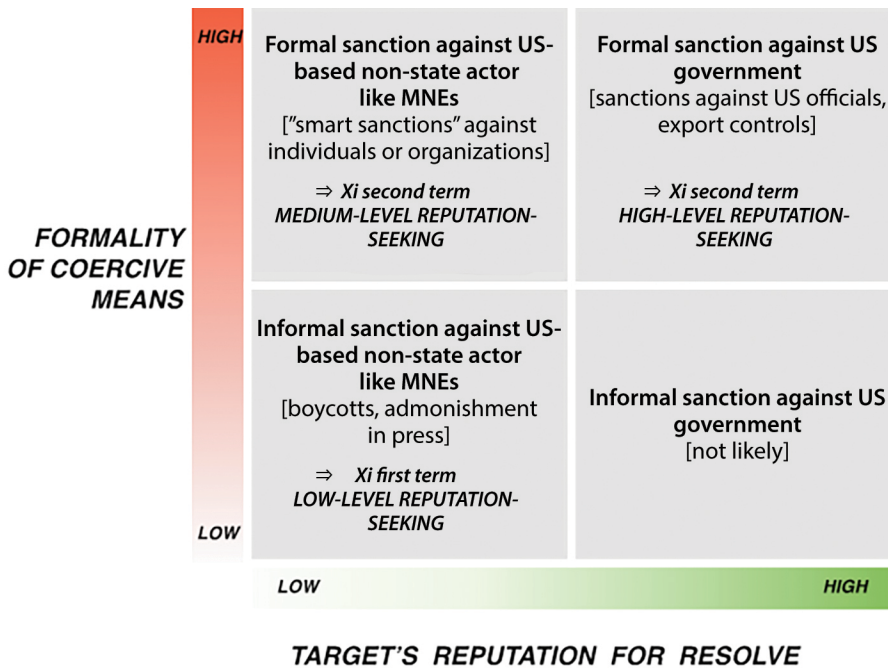


Figure 6. Case studies plotted against the two independent variables. (Source: Author’s work.)

Conclusion

This section reviewed the existing literature on coercion, economic coercion and interdependence, and China’s use of economic coercion. The existing literature does not address the trends of Chinese economic coercion throughout the Xi era or against the United States specifically. To fill the void, I posit a theory of reputation-building that explains *why* China has become more as-

sertive economically throughout the Xi era against the United States. The two main independent variables examined are the formality of coercive means and the target's reputation for resolve. These are indicative of China building its reputation both internationally and domestically through the coercive use of economic tools.

Methodology

So long as the objectives are the same, we would not harm you nor would you harm us.

—Mao Zedong to Henry Kissinger, February 1973

In this section, I discuss my methodology for this paper, including how I code variables and select my sources for research.

Methodology

To answer the main question—*Why has China's economic coercion against the United States changed over the first decade Xi Jinping was in office?*—I construct a database of Chinese economic coercion events from open online sources, cataloguing the date of the event, the trigger event, method of coercion, the target of coercion, and the reporting source.¹⁰¹ I use this dataset to then qualitatively compare across Xi's two terms. But first: What is a "coercive event"? Pulling from the definition of economic coercion introduced earlier, I categorize it as *the use or credible threat of negative economic actions to force the target to change its behavior*. Coercion can be either an *actual* coercive action or the *threat* of one. Both are intended to shape the decision-making space of the target, so I include both types. If it is a threat, it needs to be communicated as such by the Chinese government or a party-state press outlet to be counted.

Date. The first component is the date of the event. As noted in the "Assumptions" section, I conduct due diligence to associate an action-reaction chain using timing as well as geopolitical context. For instance, when China used coercion as punishment for South Korea installing a new missile defense system (the THAAD system, for Terminal High-Altitude Area Defense) in 2016, the CCP did not directly denounce it. Instead, they used safety regulations as a reason to shut down Chinese facilities belonging to a South Korea-based MNE.¹⁰² Correlating this event based on timing and geopolitical context, how-

101. Please see appendix for the database, which is styled after Zhang, "Calculating Bully."

102. Darren J. Lim and Victor A. Ferguson, "Informal Economic Sanctions: The Political Economy of Chinese Coercion during the THAAD Dispute," *Review of International Political Economy* 29, no. 5

ever, makes the action-reaction tie clearer. Within the database, I record the trigger event year and date, if known. If unknown, I use the date of press reporting the event.

I group the dates of coercive events according to Xi's first and second terms. Xi Jinping has three official titles: General Secretary of the CCP, President of the People's Republic of China, and Chairman of the Central Military Commission; the term start dates of these positions are different.¹⁰³ I denote his first and second terms as corresponding with his appointment as General Secretary, since that is the position that matters most for governance.¹⁰⁴ For Xi's first term, I only capture events starting from Xi Jinping's ascendance to power at the 18th Party Congress on November 15, 2012, to October 24, 2017.¹⁰⁵ For Xi's second term, I record events from October 25, 2017, to October 22, 2022, the period between the end dates of the 19th and 20th Party Congresses when the CCP Chairman resumed his duties. Xi has since continued to serve as the paramount leader since October 2022 for a third term, but I do not analyze any events after this for consistency in five-year term length.¹⁰⁶

Trigger Event. The second component is the trigger event, or China's perceived reason for enacting the initial threat or coercive measure. It could be territorial claim assertion (e.g., Taiwan independence, Hong Kong democracy, Xinjiang oppression, Tibet independence, or South China Sea territory), geopolitical posturing (e.g., critique of the global institutions it has founded), or CCP internal governance preservation (e.g., criticizing the CCP's handling of the COVID-19 pandemic). Trigger events could also be any US government interaction with Taiwan—visits from US government officials, visits from state government officials to promote commercial relations, or arms sales. I acknowledge that some events may fall under more than one category. Though the trigger event is not a variable within my theory, I include it for context surrounding the decision to coerce.

Means. The third component is the means, or the type of coercive mechanism used by China. I code it as formal or informal, then break it down further into subtypes. The key distinguisher between the two is CCP government communication, where "formal" is characterized by official CCP pronouncement, and "informal" is signaled by non-CCP entities. This does not mean there is

(September 3, 2022): 1526.

103. Chris Buckley and Adam Wu, "Ending Term Limits for China's Xi Is a Big Deal. Here's Why," *New York Times*, March 10, 2018, <https://www.nytimes.com/>.

104. Buckley and Wu, "Ending Term Limits for China's Xi."

105. Brown, *Xi*, 106.

106. I include several third-term coercive events in the appendix and discuss them briefly in the conclusion for trend analysis.

not behind-the-scenes CCP direction for informal means, but because it is not exposed it gives the party plausible deniability.

Formal subtypes include trade or capital sanctions along with export controls or import controls. Export controls are China's way to use their vast production capabilities as a coercive weapon, while import controls are China's way to use their 1.4 billion-people-sized market as a coercive weapon. This subtype also includes travel sanctions on individuals.

Informal subtypes are mainly pulled from Lim and Ferguson's work on China's informal sanctions against South Korea; they are strategic regulation, informal blacklisting, and boycott fomentation. Strategic regulation is the party-state's convenient use of regulatory measures to temporarily close or alter the production from an MNE's facility in China. Informal blacklisting is the CCP sending directions to Chinese companies (state-owned or privately owned) instructing them not to interact with the nonstate target. Boycott fomentation is the CCP stirring up its populace to avoid consuming the target's products or services.¹⁰⁷ In addition to these subtypes is a threat or admonishment of a firm through the CCP-controlled press, mostly through commentary pieces in English. This medium still gives the CCP plausible deniability but allows for a clearer signal to audiences.

For formal coercive mechanisms, I specifically look for legislation or other formal documentation that the party-state has published either on their website (the ".gov.cn" domain) or through the party-state's official news outlet *Xinhua*.¹⁰⁸ For informal coercive mechanisms, I rely on press reporting from both China and the West. Chinese sources include state-owned media *People's Daily*, the official CCP newspaper aimed primarily at domestic audiences and published in both Chinese and English, and *Global Times*, which is a tabloid targeted to international readers.¹⁰⁹ Though *Global Times* does not have many readers in the West, Western media cite the publication's often provocative headlines, resulting in an amplified message from Beijing. The CCP then uses the foreign reaction to assess policy decisions.¹¹⁰

Additionally, I analyze China's Ministry of Foreign Affairs (MFA) "Spokesperson's Remarks," from when they started to be published in March 2014.¹¹¹ The online archives of these remarks go back only to September 2019 in Chi-

107. Lim and Ferguson, "Informal Economic Sanctions," 1538–40.

108. Samuel Brazys and Alexander Dukalskis, "China's Message Machine," *Journal of Democracy* 31, no. 4 (2020): 60, <https://doi.org/>.

109. Joshua Kurlantzick, *Beijing's Global Media Offensive: China's Uneven Campaign to Influence Asia and the World* (New York, NY: Oxford University Press, 2023), 146, 159–160.

110. Kurlantzick, *Beijing's Global Media Offensive*, 160–61.

111. PRC Ministry of Foreign Affairs, "Spokesperson's Remarks," Spokesperson's Remarks, n.d., <https://www.fmprc.gov.cn/>.

nese. The regular press conferences go back only to March 2021 in English, so I rely on web archives (e.g., web.archive.org or Google cache) of those sites.

Targets. The fourth component is the target of the coercion. It can be a state or substate actor, a nongovernmental organization, a commercial entity like a US-based MNE, or an individual. As mentioned in the previous section, these entities all have varying degrees of capitulating to the coercer's demands (low reputation for resolve) or staying resolute to their values and weathering the consequences unleashed by the CCP (high reputation for resolve).

I code actions or communication of threats aimed directly at the US government or US government officials as state targets, which would be "high" under target's reputation for resolve. US-based firms not under contract by the government are coded as having a "low" reputation for resolve since they are often not bound by arms-related export controls. Between these two are US government contractors with a "medium" reputation for resolve. They cannot respond with escalatory means like the government itself. They are also not under the same level of scrutiny as the government and do not need to have quite as high of resolve. This also applies to US-based nongovernmental organizations. They need to adhere to their stated values (e.g., human rights) and so will not capitulate as easily as an MNE who is tied to profits, but they also cannot respond with escalatory means like the government.

An organization or MNE must be based in the United States to be included in the database. This can get complex in the world of MNEs, but I consider the location of an MNE's headquarters as their country affiliation. Several other Western MNEs have been targets of China's coercive actions (e.g., Mercedes-Benz), but I do not include them in order to keep my scope on the United States–China dyad.

Reporting Source. I record the website or source of where I retrieved information about each event. The language of communicating the coercion is aimed at a particular audience, with Western media often picking up quotes from the PRC Ministry of Foreign Affairs. Though I do not have access to Chinese social media sites where many citizens get their news, I do denote if the CCP-affiliated publications comment on incident if applicable.

When the Dog Doesn't Bark. This section has detailed my methods for cataloguing coercive events that have occurred—essentially, when "the dog barked." But what about instances when the dog *doesn't* bark? That is, what about instances when a trigger event occurs but China does not engage? I do my best to mark typical triggers (arms sales to Taiwan, US officials visiting Taiwan, or US engagement with Tibet), and if the CCP did not engage in any economic coercive activities, I denote their response as "none" or "issued statement" for a diplomatic denunciation.

Conclusion

This section gave an overview of this study's methodology. It discussed how I approached the five aspects of coercive events recorded in the dataset: time, trigger event, means, target, and reporting source. I used these attributes for analysis of events over Xi's first and second terms, starting with the first term in the next section.

China's Coercive Actions, 2012–2017

We cannot tolerate turmoil. We will impose martial law again if turmoil appears again. Our purpose is to maintain stability so that we can work on construction, and our logic is simple: with so many people and so few resources, China can accomplish nothing without peace and unity in politics and a stable social order. Stability must take precedence over everything.

—Deng Xiaoping, June 2, 1989

This section covers China's economic coercion against the United States from November 2012 to October 2017 to correspond with Xi Jinping's first term. To best understand this time frame, it is helpful to briefly cover China's history of economic statecraft, including against states smaller than the United States. Next is a summary of various US-China interactions that took place during this period, framed by China's end goals. The final section is an analysis of economic coercion events specifically in relation to the two independent variables.

How China Got Here

Shu Guang Zhang's historical work provides insight on how China wielded economic statecraft during the Cold War. Prior to rapprochement with the United States, Mao Zedong had no qualms using economic statecraft against the United States to achieve strategic objectives.¹¹² His limitation was China's economic development status; they were still a poor agrarian economy that had minimal economic influence over other states. But China's strength was (and still is) market size. Mao and Premier Zhou Enlai lured traditional US allies to China's side of the 1954 Indochina debate by opening Chinese markets to their businesses, isolating the United States on the issue.¹¹³ Apart from its

112. Shu Guang Zhang, *Beijing's Economic Statecraft during the Cold War: 1949–1991* (Baltimore: Woodrow Wilson Center Press & Johns Hopkins University Press, 2014), 327.

113. Zhang, *Beijing's Economic Statecraft during the Cold War*, 102–4.

market size, China also used inducements to third world nations as a form of economic statecraft to build its global influence during the Cold War. Its financial commitments became too much and combined with poor domestic fiscal management; Mao's successor, Deng Xiaoping, thus inherited empty state coffers.¹¹⁴ To maintain CCP legitimacy, especially after the Cultural Revolution and associated internal turmoil, Deng needed to jump start the economy.¹¹⁵ Along with other CCP changemakers building on Zhou Enlai's Four Modernizations, Deng forged the path to decentralization and economic reform starting in 1979.¹¹⁶ Deng courted US leaders "to help us upgrade some of our industries."¹¹⁷ Thus began decades of US foreign direct investment in China—gradual at first, punctuated by US sanctions after the Tiananmen Square incident in 1989, then taking off in the 1990s and 2000s before leveling off in the 2010s. Indeed, this investment helped China upgrade its industries and helped the Chinese economy grow to become the second largest in the world¹¹⁸ and first in purchasing power parity.¹¹⁹ Now with the economic capacity to match its propensity to influence, China unleashed its economic coercion against small and medium states, even before Xi came to power.

The year 2010 brought two major milestones in China exerting its coercive economic policies with both exports and imports. First, in July, President Hu Jintao threatened to reduce exports of rare-earth minerals¹²⁰ worldwide, citing environmental concerns.¹²¹ Then, after a skirmish with Japan over the Diaoyu (Chinese term)/Senkaku (Japanese term) Islands in the East China Sea, China withheld rare-earth exports to Japan. It used strategic regulation of licensing and taxes to block the exports, giving the CCP plausible deniability if Japan were to lobby the case to the World Trade Organization (WTO).¹²²

114. Zhang, *Beijing's Economic Statecraft during the Cold War*, 256.

115. Barry Naughton, *The Chinese Economy: Adaptation and Growth*, Second edition (Cambridge, Massachusetts: MIT Press, 2018), 88.

116. Frank Dikötter, *China after Mao: The Rise of a Superpower* (New York: Bloomsbury Publishing, 2022), 13; and Naughton, *The Chinese Economy* 88.

117. Deng Xiaoping's conversation with Dr. Frank Press, 10 July 1978, *Deng Xiaoping Nianpu*, 1:339–40 in Zhang, *Beijing's Economic Statecraft during the Cold War*, 283.

118. International Monetary Fund, "GDP, Current Prices," Datamapper tool, April 2023, <https://www.imf.org/>.

119. International Monetary Fund, "GDP, Based on PPP, Share of World," Datamapper tool, April 2023, <https://www.imf.org/>.

120. Rare earth minerals are not inherently scarce in the Earth's crust, but they are often challenging to extract and process, leading to significant environmental impacts. Due to stringent environmental regulations, mining and processing rare earth minerals are generally uneconomical in the US, Canada, or Australia, resulting in China dominating the export market for these minerals. However, this trend has shifted in the 2020s.

121. "China Cuts Rare Earth Export Quotas, US Concerned," *Reuters*, December 28, 2010, <https://www.reuters.com/>.

122. Leslie Hook and Mure Dickie, "China Defends Policy on Rare Earths," *Financial Times*, October 20, 2010, <https://www.ft.com/>.

In October of that year, China balked at the Nobel Peace Prize committee giving their award to a Chinese dissident. The CCP cut diplomatic ties to Norway, which appoints the committee members, and cut Norway's salmon exports to China—a critical piece of the Norwegian economy.¹²³ Again, China did this diplomatically to maintain plausible deniability. Both the Norway and Japan instances demonstrated the capability and credibility of China's bargaining power. But they also highlight China's aversion to an existing institution like the WTO ruling against it and possibly losing face.

United States–China Notable Events

This section outlines major interactions to get an idea of the relationship climate between the two states that may help put any economic coercion into context. For most of this period, President Barack Obama presided over the US administration, and economic engagement continued between the two countries. Obama even remarked that “the United States welcomes the continuing rise of a China that is peaceful and prosperous and stable and that plays a responsible role in world affairs.”¹²⁴

On the Chinese side, economic growth had been slowing since 2010; this prompted Xi and CCP leaders to reevaluate market-oriented reforms carried out by Hu Jintao and turn instead to investing in state-owned enterprises for growth.¹²⁵ Xi also prioritized industrial policies like 2015's “Made in China 2025,” meant to propel development of advanced technology, and its corresponding “military-civil fusion,” which paired research and development of advanced technology across military, civilian, and commercial entities.¹²⁶ These concerted policies and their national security ties aroused suspicion from the United States while Obama was still in office; he blocked a Chinese firm from acquiring a US business branch.¹²⁷ The United States' unease with China's buildup portended what was to come.

The US presidential election in late 2016 brought in President Donald Trump and his frank rhetoric. Along the campaign trail throughout 2016, Trump did not shy away from portraying China negatively with strong language.¹²⁸ Once

123. Blackwill and Harris, *War by Other Means*, 129.

124. Barack Obama, “Remarks by President Obama at the University of Queensland” (speech, Brisbane, Australia, November 15, 2014), <https://obamawhitehouse.archives.gov/>.

125. Nicholas R. Lardy, *The State Strikes Back: The End of Economic Reform in China?* (Washington, DC: Peterson Institute for International Economics, 2019), 17–18.

126. Margaret M. Pearson, Meg Rithmire, and Kellee S. Tsai, “China's Party-State Capitalism and International Backlash: From Interdependence to Insecurity,” *International Security* 47, no. 2 (October 1, 2022): 148–49, <https://doi.org/>.

127. Pearson, Rithmire, and Tsai, “China's Party-State Capitalism and International Backlash,” 161–62.

128. For example, during a campaign speech in Indiana, Trump said, “We can't continue to allow China to rape our country, and that's what they're doing.” From Jeremy Diamond, “Trump: ‘We Can't Continue to

in office in 2017, Trump set his protectionist agenda and began threatening to implement tariffs on Chinese imports to the United States. This brought increased tension to the dyadic relationship, discussed below on Xi's second term.

The relationship from 2012 to 2017 was tinged with periods of strain, most notably when the US government (or what it represents through MNE brands) upset Chinese end goals of maintaining control over autonomous regions, upholding CCP legitimacy and Chinese face, dominating the narrative on Taiwan, and advancing territorial claims. The events below are noteworthy for the reaction they elicited from China, which could be a diplomatic statement, coercive diplomatic or economic threats, or a consumer boycott.

Autonomous Regions. In 2014, Obama met with the Dalai Lama in person at the White House, which triggered a harshly worded response from the PRC Ministry of Foreign Affairs urging the United States to “cease to connive and support anti-China separatist forces.”¹²⁹ A year later, Obama senior adviser Valerie Jarrett took part in the Dalai's 80th birthday celebration in New York City, which also precipitated a statement from the MFA expressing their dissatisfaction.

CCP Legitimacy & Chinese Face. In 2014, the US Commission on International Religious Freedom redesignated China as one of its “countries of particular concern,” prompting a response from the MFA denouncing the report.¹³⁰ The MFA did not comment on any subsequent reports in later years throughout this period.

Two events deemed as humiliating rocked the Chinese social media space. In the first, in 2016, US footwear brand K-Swiss showed a television commercial in South Korea that depicted a Chinese man slapped by a woman after he loses in chess to a South Korean man.¹³¹ In the second, in 2017, US airline United Airlines personnel dragged an older Asian American passenger off a flight because it was overbooked.¹³² In both instances, Chinese netizens expressed their distaste for both American brands. The party-state did not comment on either instance, nor was there any evidence of the government fomenting a boycott by issuing a threat via state-affiliated newspaper.

Allow China to Rape Our Country,” *CNN*, May 2, 2016, <https://www.cnn.com/>.

129. Ministry of Foreign Affairs of the People's Republic of China, “Foreign Ministry Spokesperson Qin Gang's Remarks on US President Obama's Tibet-Related Comments When Meeting with the Dalai Lama,” <https://www.fmprc.gov.cn/>.

130. Ministry of Foreign Affairs of the People's Republic of China, “Foreign Ministry Spokesperson Qin Gang's Remarks on the China-Related Contents in the 2014 Annual Report Released by the United States Commission on International Religious Freedom,” <https://www.fmprc.gov.cn/>.

131. Steven Borowiec, “Composing Battle Lines: Why Have South Korean Pop Stars Found Themselves Caught in Crossfire between Their Country and China?,” *Index on Censorship* 46, no. 1 (April 2017): 44–47, <https://doi.org/>.

132. Sophia Yan, “Chinese Social Media Continues to Rage at United, and the Airline May Face Real Fallout,” *CNBC*, April 12, 2017, <http://www.cnbc.com/>.

Taiwan Narrative. Pursuant to the Taiwan Relations Act, the United States still provided arms sales to the country through the Taiwan Economic and Cultural Representative Office (TECRO) in December 2015. This rendered a coercive economic threat from the MFA during a routine press conference where the spokesperson noted: “The Chinese government and enterprises will not cooperate or conduct business with any such enterprises” that manufactured the equipment.¹³³ Had the Chinese followed through on their word, this may have impacted defense contractors’ parent company sales to China in other sectors like civilian aviation.

In December 2016, two events garnered statements of response from the MFA. First, President-elect Trump spoke on the phone with Taiwan president Tsai Ing-wen, which China considered a violation of the one-China policy and urged the United States “to deal with Taiwan-related issues in a discreet manner.”¹³⁴ Second, the 2017 National Defense Authorization Act was signed and included a non-legally binding section stating that the US secretary of defense should conduct a program of senior military exchanges with Taiwan. The MFA stated they “are strongly discontent with the [United States] for signing this act.”¹³⁵

Territorial Claims. In 2014, the Chinese MFA “lodged solemn representations” with both the US and Japanese ambassadors to China after the latter two governments released a US-Japan joint statement claiming that the Diaoyu/Senkaku Islands fell within the scope of the US-Japan security treaty.¹³⁶ This low-key response was a significant departure from China’s reaction just a few years earlier with its Diaoyu/Senkaku Islands skirmish with Japan that ignited China’s rare earth export limitations.

Not as subdued was the response of Chinese citizens to 2016’s UN tribunal at The Hague that ruled in favor of the Philippines and rejected China’s claims to the South China Sea. Viewing this anti-Chinese decision as the work of the United States, nationalist Chinese lodged protests at KFC restaurants and smashed iPhones, two international symbols of the United States. Official state media condemned the protest behavior, however, noting that anger in support

133. Ministry of Foreign Affairs of the People’s Republic of China, “Foreign Ministry Spokesperson Hong Lei’s Regular Press Conference on December 17, 2015,” <https://web.archive.org/>.

134. Ministry of Foreign Affairs of the People’s Republic of China, “Foreign Ministry Spokesperson Geng Shuang’s Remarks on US President-Elect Trump’s Phone Call with Taiwan Leader Tsai Ing-Wen,” <https://www.fmprc.gov.cn/>.

135. Ministry of Foreign Affairs of the People’s Republic of China, “Foreign Ministry Spokesperson Hua Chunying’s Remarks on US Signing into Law 2017 National Defence Authorization Act,” <https://www.fmprc.gov.cn/>.

136. Ministry of Foreign Affairs of the People’s Republic of China, “Foreign Ministry Spokesperson Qin Gang’s Remarks on US-Japan Joint Statement,” <https://www.fmprc.gov.cn/>.

of nationalism is good, “but if that feeling leads to illegal behavior that destroys social order, then it’s mistaken to label it ‘patriotic.’”¹³⁷

Economic Coercion Variables

From late 2012 to late 2017, there were four instances that could be labeled as economic coercion events against the United States: the threat issued to defense contractors after the 2015 Taiwan arms sale, the two boycotts addressing Chinese humiliation to K-Swiss shoes and United Airlines, and the boycott against KFC and Apple after the ruling on South China Sea territorial claims.

Formality of Means. The CCP did not issue any formal sanctions during this period, and only vaguely threatened US defense contractors in one official statement. The only legal frameworks enacted was the Ministry of Commerce issuing new investment guidance, with both measures were designed to facilitate more foreign investment; they include nothing about sanctions.¹³⁸ There is no evidence that the CCP fomented any of the boycotts against US-based MNEs during this period. The two boycotts against K-Swiss and United Airlines received no comment from the CCP, and the CCP distanced itself from protest activity against KFC and Apple—even going out of its way to tamper any illegal behavior associated with the protests.

Target’s Reputation for Resolve. China did not directly coercively threaten or act against the US government. The threats by the Ministry of Foreign Affairs after the 2015 Taiwan arms sale were addressed only to defense contractors. The boycotts were all addressed to US-based MNEs, entities with a lower reputation for resolve and therefore more easily coercible and bendable to China’s will. It is hard to believe that protesters thought their actions could lead to the United Nations overturning a tribunal ruling, but they presumably supposed the MNEs may have some influence on the United States, perhaps over the long term. These boycotts could be viewed as a deterrent to regional states (like the Philippines who lodged the South China Sea complaint) forging deeper relations with the United States, or as a mechanism for MNEs to self-censor and bend toward the viewpoint of the Chinese because they want an environment friendly for business.

China’s Reputation-Seeking Behavior. Given the low formality of means and the low target reputation for resolve, the cases within this period all plot within the “Low” reputation-seeking behavior category of the theory’s quad

137. Austin Ramzy, “KFC Targeted in Protests Over South China Sea,” *New York Times*, July 19, 2016, <https://archive.nytimes.com/>.

138. Laney Zhang, “China: Rules Revised to Facilitate Overseas Investments,” Library of Congress, October 31, 2014, <https://www.loc.gov/>; and Laney Zhang, “China: Catalog of Foreign Investment Industries Updated,” Library of Congress, August 7, 2017, <https://www.loc.gov/>.

diagram. Given this categorization, there could be perception domestically that the CCP cannot even stand up to the Philippines let alone the United States, especially given that the party does not want massive protests even in the name of nationalism. Internationally, the categorization could lend toward the perception that China is growing at a breakneck pace economically, but it is still unwieldy when it comes to translating growth to economic power.

US Allies as Target. It is worth mentioning that, although China did not show much aggression toward the United States during this time, it unleashed a host of informal economic coercive threats and actions against South Korean firms operating in China, starting in July 2016 and lasting for 18 months. After South Korea purchased the THAAD missile defense system from the United States, the CCP fomented boycotts, closed South Korean MNE facilities, and implemented blacklisting to hurt South Korean business owners and coerce the South Korean government to not use THAAD.¹³⁹ Most of the actions taken during this 18-month period would still fall in the “Low” categories of formality of means and target reputation for resolve even though they were longer, more widespread, and more serious than any of the actions against US-affiliated targets during this time. China still had plausible deniability for the events.

Analysis

Throughout this period, China mostly issued diplomatic statements in reaction to US statements or actions supporting Tibet or Taiwan, with the only overt coercive statement threatening defense contractors after the 2015 Taiwan arms sale. There was no follow-up action to this threat. While there were small protests of US-based corporations during this period, the CCP noticeably published guidance to its citizens against any illegal behavior.¹⁴⁰ The actions toward South Korea tell a different story, one of China exerting backlash on South Korean firms after US-South Korean government collaboration. During this period China displayed “Low” reputation-seeking behavior since it did not want to challenge the US government directly and instead targeted the United States’ regional ally. Given this low level, both domestic and international audiences likely did not shift their perceptions of the CCP, its legitimacy, and its ability to control the narrative.

Conclusion

This section began with a short history of China’s economic statecraft and how instrumental economic growth was to its employment especially against

139. Lim and Ferguson, “Informal Economic Sanctions.”

140. Ramzy, “KFC Targeted in Protests Over South China Sea.”

small and medium states. It then discussed the US-China notable events from late 2012 to late 2017 that affected China's end goals of maintaining control over autonomous regions, upholding CCP legitimacy and Chinese face, dominating the narrative on Taiwan, and advancing territorial claims. Of these events, most were diplomatic statements, but four minor instances could be classified as economic coercion. I categorized these four instances of coercive events that targeted five US-affiliated entities as "Low" formality of coercive means and "Low" target reputation for resolve. This yields to overall reputation-seeking behavior of "Low" for China as a rising power, a perception that Xi will change, as demonstrated in the next section.

China's Coercive Actions, 2017–2022

I have to give the nod on every important decision. I carry too much weight, and that's not good for the Party or the state.

—Deng Xiaoping, May 1989

This section covers China's economic coercion against the United States from November 2017 to October 2022, corresponding with Xi Jinping's second term. It begins with an overview of the US-China trade war, which is important for understanding the incidents within the "Notable Events" section. After that comes a review of those events from the context of the economic coercion variables, a comprehensive analysis section, and finally the conclusion.

US-China Trade War Overview

As mentioned above, President Donald Trump vocalized strong rhetoric against China while on the campaign trail to the White House. Even before taking office, he spoke with Taiwan's president on the phone in December 2016, bucking US diplomatic norms and irking China.¹⁴¹ Throughout 2017, Trump commissioned investigations on China's policies and practices that were unfair to the United States.¹⁴² The results of these studies drove Trump to increase tariffs across a variety of industries in 2018, including solar panels, washing machines, steel, and aluminum.¹⁴³ China retaliated with tariffs of its own, ensuing back-and-forth measures between the two economic giants—deemed

141. Mark Landler and Sanger, "Trump Speaks With Taiwan's Leader, an Affront to China," *New York Times*, December 2, 2016, <https://www.nytimes.com/>.

142. Chad P. Brown and Melina Kolb, "Trump's Trade War Timeline: An Up-to-Date Guide" (Peterson Institute for International Economics, April 19, 2018), 10, <https://www.piie.com/>.

143. Brown and Kolb, "Trump's Trade War Timeline," 2–4.

the “US-China trade war.”¹⁴⁴ Even after both sides agreed to the “Phase One” deal in January 2020, many of the tariffs remain in place, as seen in figure 7.¹⁴⁵ The tit-for-tat aspect of the trade war transitioned into a new normal.¹⁴⁶

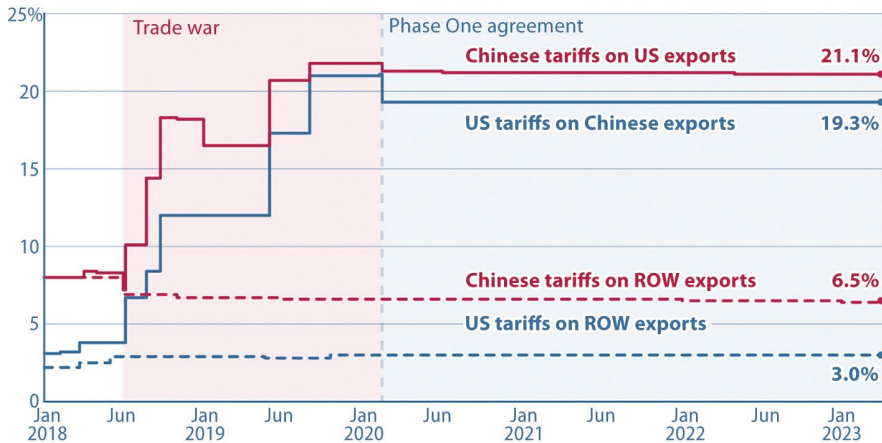


Figure 7. US-China tariff rates toward each other and rest of world (ROW). (Source: Chad P. Brown, “US-China Trade War Tariffs: An Up-to-Date Chart,” April 6, 2023, <https://www.piie.com/research/piie-charts/us-china-trade-war-tariffs-date-chart>.)

The root cause of the United States initiating tariffs could be viewed as economic rebalancing: both reducing the trade deficit with China and “reshoring” business back to the United States.¹⁴⁷ But the national security angle was looming in the background, especially as the tariff implementations gave way to the harsh measures of the technological advantage aspect of the trade war. To maintain its technological competitive edge, the United States added Chinese telecom corporation Huawei to its Unreliable Entity List (UEL), barring American companies from selling goods or services to Huawei without a license in May 2019.¹⁴⁸ It has taken further actions against Huawei and other Chinese technology companies, citing national security concerns.¹⁴⁹ Additionally, as

144. Brown and Kolb, “Trump’s Trade War Timeline,” 15.

145. Rigao Liu, Jiakun Jack Zhang, and Samantha A. Vortherms, “In the Middle: American Multinationals in China and Trade War Politics,” *Business and Politics* 24, no. 4 (December 2022), 348, <https://doi.org/>.

146. Chad P. Brown, “US-China Trade War Tariffs: An Up-to-Date Chart,” PIIE Charts (Peterson Institute for International Economics, April 6, 2023), <https://www.piie.com/>.

147. Liu, Zhang, and Vortherms, “In the Middle,” 349.

148. Brown and Kolb, “Trump’s Trade War Timeline,” 20-21.

149. David Shepardson, “Five Chinese Companies Pose Threat to U.S. National Security - FCC,” *Reuters*, March 12, 2021, <https://www.reuters.com/>.

mentioned above, the United States implemented protectionist policies with the CHIPS and Science Act in order to incentivize domestic semiconductor production.¹⁵⁰ The CCP had been working on its own economic independence since early in Xi's first term with the "Made in China 2025" initiative.¹⁵¹ Thus, tariff implementation on both sides was likely not purely economic; national security underpinned these parallel efforts occurring in each country and only served to fuel the distrust between the two powers in the early 2020s. Though there are coercive aspects of the trade war, the tariff measures are not part of my coercive event dataset but do help to add context.

United States–China Notable Events

This period showed a marked increase in the number of coercive economic events. Triggers that would have only elicited an admonishing statement from the Ministry of Foreign Affairs during Xi's first term could now mean millions in lost revenue because of a boycott. Stepping through the events under each Chinese end goal categories yields a more complete picture of the coercive nature of Chinese actions; of note, some of the following events fall into more than one end goal.

Autonomous Regions. Throughout 2018 and 2019, at least five US-based MNEs—and several other MNEs based in Europe—erred by listing Hong Kong, Tibet, and Taiwan as separate countries in promotional emails or on their Chinese websites (the ".cn" domain). The Chinese Cyberspace Administration shut down the Marriott Hotels website for one week, saying the company "seriously violated national laws and hurt the feelings of the Chinese people."¹⁵² The Chinese Civil Aviation Administration cracked down on 36 foreign airlines, including US-based Delta, United, and American Airlines, demanding they change their websites. If they did not, they would face administrative punishment including citing the airline as undertaking "untrustworthy behavior according to the provisions of Article 8 (11) of the 'Civil Aviation Industry Credit Management Measures.'"¹⁵³ Though these punishments do not explicitly mean fines, the penalty for these companies is expressed through the loss of revenue and market share within one of the largest and fastest-growing markets in the world.

150. "CHIPS and Science Act Will Lower Costs,"

151. Tai Ming Cheung, *Innovate to Dominate: The Rise of the Chinese Techno-Security State* (Ithaca, NY: Cornell University Press, 2022), 238–39.

152. Emily Feng and Edward White, "China Reprimands Companies Calling Tibet and Taiwan Independent," *Financial Times*, January 15, 2018, <https://www.ft.com/>.

153. From original document shown on Tara Francis Chan, "Take a Look at the Letter China's Aviation Authority Sent to 36 Foreign Airlines That the White House Called 'Nonsense,'" *Business Insider*, May 8, 2018, <https://www.businessinsider.com/>.

China also continued its goal to block any attention on human rights abuses in Xinjiang. In 2021, several Western brands (including US-based Nike) protested using cotton from Xinjiang in their products after celebrities threatened to cut off their sponsorships, but the brands reversed their stance after seeing sales decrease, likely from Chinese boycotts. Later that year, state-sponsored newspapers criticized Intel and Walmart, saying it was “biting the hand that feeds it” by not using any Xinjiang-originating products.¹⁵⁴

CCP Legitimacy and Chinese Face. The events in this category primarily revolve around preserving CCP legitimacy, promoting the CCP narrative, and abolishing any threats of protest. One of the most publicized coercive events occurred in March 2019 when the general manager of the National Basketball Association’s Houston Rockets wrote one single tweet on social media in support of Hong Kong democracy protesters. The CCP responded by suspending the Chinese Basketball Association’s exchanges with the Rockets and barring the broadcast of Rockets games on the party-state’s China Central Television (CCTV). The team lost sponsorship deals and merchandising opportunities. Twitter is blocked in China, but word spread on the Chinese social media platform Weibo that the Rockets “risked being ‘taken off the shelves’” in China.¹⁵⁵ A commentary from *China Daily*, a state-owned newspaper, sums it up best: “Let’s hope the incident . . . will teach other companies a lesson: *The big Chinese market is open to the world, but those who challenge China’s core interests and hurt Chinese people’s feelings cannot make any profit from it.*”¹⁵⁶

Not long after the NBA incident, Apple and Amazon also ran into Chinese crossfire during the Hong Kong protests. The party admonished Apple through commentary in the *People’s Daily* state newspaper for allowing an application in the Apple App Store that helped protesters track police presence.¹⁵⁷ Meanwhile, Chinese netizens protested Amazon for selling Hong Kong protest-related products and even supplanted product images on the site with pictures of the Chinese flag.¹⁵⁸ It is unknown what role the CCP played in fomenting the online Amazon protest, but it did not advise against any unauthorized system access. Amazon received its own commentary in party-affiliated news-

154. John Liu, “Intel Apologizes over Its Statement on Forced Labor in Xinjiang,” *New York Times*, December 23, 2021, <https://www.nytimes.com/>.

155. Christian Shepherd, Hudson Lockett, and Murad Ahmed, “NBA Rebukes Houston Rockets Boss after Hong Kong Praise,” *Financial Times*, October 7, 2019, <https://www.ft.com/>.

156. I added italics for emphasis. Zhang Zhouxian, “Lesson to Houston Rockets: Be Courteous to China If You Want to Earn Money Here,” *China Daily*, October 6, 2019, <https://global.chinadaily.com.cn/>.

157. Bo Lanping, “Is Apple Helping HK Rioters Engage in More Violence?,” *People’s Daily*, October 9, 2019, <http://en.people.cn/>.

158. Krystal Hu, “Chinese Nationalists Hijack Pro-Hong Kong Protest T-Shirt Listings on Amazon,” *Yahoo! News*, August 15, 2019, <https://www.yahoo.com/>.

paper the *Global Times* for selling offensive items related to the coronavirus.¹⁵⁹ Both Apple and Amazon bowed to CCP pressure, with Apple removing the app and Amazon removing the products.

In two separate instances in 2019, the CCP threatened to add FedEx to its forthcoming “Unreliable Entity List” for colluding with the US government by “deliberately holding up delivery of up to 100 Huawei packages” and for handling a package that contained knives that was bound for Hong Kong.¹⁶⁰ The CCP investigated the incidents but never added FedEx to its UEL, which would have threatened all of FedEx’s operations in China. The specifics of the UEL, a new formal mechanism for China, are discussed in the next section.

Notably in May 2019, China threatened to limit rare-earth exports to the United States through commentaries in state-affiliated *People’s Daily* and *Global Times* by proclaiming “don’t say we didn’t warn you!”¹⁶¹ It never followed through on the threat and the Ministry of Foreign Affairs did not comment on the matter, but the threat was enough to get significant coverage in the American press especially in the context of the trade war. The United States did not comment on the matter, but the House of Representatives introduced a bill the next month titled “Securing America’s Rare Earth Supply Act of 2019.”¹⁶² Elements of the bill were incorporated into the 2020 National Defense Authorization Act.¹⁶³ Rare-earth legislation in Congress has not been uncommon since China limited exports to Japan in 2010.¹⁶⁴

Most prevalent during the latter part of Xi’s second term were retaliatory sanctions against US government officials, US government entities, or non-governmental organization officials. This occurred six times throughout 2020 to 2021, after similar back-and-forth interactions with tariffs in the trade war.¹⁶⁵ For example, in July 2020, the United States sanctioned a CCP government entity and four CCP officials for Xinjiang human rights issues, then China returned the volley by sanctioning a US government entity (US Congress’s

159. Hu Weijia, “Amazon Should Apologize for Offensive T-Shirts,” *Global Times*, February 21, 2020, <https://www.globaltimes.cn/>.

160. “FedEx Draws Fire for Delivering Knives to Hong Kong, Vowing to Handle Shipments Properly,” *Global Times*, September 4, 2019, <https://www.globaltimes.cn/>; and Ministry of Foreign Affairs of the People’s Republic of China, “Foreign Ministry Spokesperson Hua Chunying’s Regular Press Conference on July 26, 2019,” <https://www.fmprc.gov.cn/>.

161. Wu, “United States, Don’t Underestimate China’s Ability to Strike Back”; and Patti Domm, “China Appears to Make Veiled Threat about Rare Earth Minerals Crucial to US Technology Industry,” *CNBC*, May 28, 2019, <https://www.cnn.com/>.

162. Rep. Chrissy Houlahan, “H.R.3567 - Securing Americas Rare Earths Supply Act of 2019” (2019), <https://www.congress.gov/>.

163. Rep. James M. Inhofe, “S.1790 - National Defense Authorization Act for Fiscal Year 2020,” Pub. L. No. 116–92 (2019), <https://www.congress.gov/>.

164. Marc Humphries, “Critical Minerals and U.S. Public Policy,” Report (Congressional Research Service, June 28, 2019), 1–2, <https://crsreports.congress.gov/>.

165. Marked in the appendix dataset as “Retaliatory” in the “Reason” column.

China Executive Committee) and four US government officials.¹⁶⁶ The next month, the United States sanctioned 11 Hong Kong officials, then China sanctioned 11 US individuals, including six current officials.¹⁶⁷ Three of the latter officials, Senators Marco Rubio and Ted Cruz along with Representative Chris Smith, were already sanctioned in China's July 2020 declaration. Neither sanction declaration from China had many details. If China's sanctioning system worked as it should, they would likely not need to sanction the same members twice with the same vague conditions. One Chinese sanction during this retaliatory period (2020–2021) was a belated, overarching reprisal by China toward 28 officials of the Trump administration on their last day in office. The CCP named only ten officials in their official release.¹⁶⁸

Taiwan Narrative. US Speaker of the House Nancy Pelosi visited Taiwan in a high-profile trip in August 2022. The CCP announced, “in response to Pelosi's egregious provocation, China decides to adopt sanctions on Pelosi and her immediate family members in accordance with relevant laws of the PRC.”¹⁶⁹ Two separate visits later that month from US politicians did not garner a response from the CCP.¹⁷⁰

In September 2022, the United States sold more arms to Taiwan, but this time China sanctioned two defense contractor chief executive officers—from Raytheon Technologies and Boeing Defense, Space & Security—who were involved in the sale.¹⁷¹ The Ministry of Foreign Affairs gave no further details, but five months later (outside the scope of Xi's second term) the CCP added two defense contractors to its UEL—its first entries.

Territorial Claims. There was not much activity on Chinese threats or actions toward its end goal of territorial claims for islands in the East and South China Seas, perhaps because of the UN tribunal ruling or CCP preoccupation with Hong Kong, COVID-19, and the trade war. Before these events, one instance did stand out. The CCP reached beyond its borders to comment through *People's Daily* on an item that was not even for sale in China.¹⁷² The tee shirt

166. Ministry of Foreign Affairs of the People's Republic of China, “Foreign Ministry Spokesperson Hua Chunying's Regular Press Conference on July 13, 2020,” <http://cebu.china-consulate.gov.cn/>.

167. Ministry of Foreign Affairs of the People's Republic of China, “Foreign Ministry Spokesperson Zhao Lijian's Regular Press Conference on August 10, 2020,” <http://cebu.china-consulate.gov.cn/>.

168. Ministry of Foreign Affairs of the People's Republic of China, “Foreign Ministry Spokesperson Announces Sanctions on Pompeo and Others,” <https://www.fmprc.gov.cn/>.

169. Ministry of Foreign Affairs of the People's Republic of China, “Foreign Ministry Spokesperson Announces China's Sanctions on U.S. House Speaker Nancy Pelosi,” <https://www.fmprc.gov.cn/>.

170. “Five U.S. Lawmakers Arrive in Taiwan Amid Tensions With China,” *New York Times*, August 14, 2022, <https://www.nytimes.com/>; and “U.S. Delegation Visits Taiwan for Trade Talks, Risking China's Ire,” *New York Times*, August 21, 2022, <https://www.nytimes.com/>.

171. Ministry of Foreign Affairs of the People's Republic of China, “Foreign Ministry Spokesperson Mao Ning's Regular Press Conference on September 16, 2022,” <https://www.fmprc.gov.cn/>.

172. *People's Daily*, *Twitter Post*, May 14, 2018, <https://twitter.com/>.

displayed in figure 8 did not show Taiwan or Chinese territory in the South China Sea (the “nine-dash line”) like the CCP-ideal image on the right. Twitter is banned in China unless accessed through a VPN,¹⁷³ and this post written in English on the social media platform was geared to a Western audience.



Figure 8. Tweet from state-affiliated People’s Daily criticizing Gap because they did not show a “complete” map of China. This was significant because the shirt was not even for sale in China, yet the CCP still wanted to control the narrative. (Source: Screenshot from Twitter, <https://twitter.com/PDChina/status/995992621540458497>.)

Economic Coercion Variables

Formality of Means. During this period, there were six instances of informal boycott fomentation, six instances of strategic regulation, and five instances of press admonishment. The CCP enacted formal sanctions twelve times, most frequently from 2020 to 2021.

¹⁷³ Virtual private network, a method to bypass the “Great Firewall” the CCP uses to control internet access within China.

This period marked an increase in the use of strategic regulation, where the Ministry of Foreign Affairs would not comment on trigger events like a firm mislabeling Hong Kong or Taiwan as separate, but another CCP agency would comment or act under the guise of a firm violating a regulation. The government does not have plausible deniability in these cases, unlike boycott fomentation, but it can still exert its agenda domestically with formality and without involving external states who may lodge a WTO dispute.

Most notably during this period, China established four laws that give it legal leverage over MNEs when a foreign enacts measures against China: (1) the Unreliable Entity List, (2) Export Control Law, (3) Blocking Measures, and (4) Anti-Foreign Sanctions Law.¹⁷⁴ All of these started working through China's legislative system in 2019 but were not made official until September 2020 for the UEL, December 2020 for the Export Control Law, January 2021 for Blocking Measures, and June 2021 for the Anti-Foreign Sanction Law.¹⁷⁵ The laws are meant to give China options to promote national security over market principles.¹⁷⁶ They also help ensure that any MNEs operating in China do not comply with foreign sanctions. For example, China will place an MNE on the Unreliable Entity List if there is evidence it is boycotting or causing harm to Chinese companies or Chinese national security.¹⁷⁷ China threatened the use of the UEL against the United States even before it was officially effective (e.g., by announcing FedEx would be under investigation by the *forthcoming* UEL).¹⁷⁸

Target's Reputation for Resolve. China's coercive economic actions during this time demonstrated a shift in whom they targeted. The CCP targeted a number of MNEs who often adhered to the party line after enduring a boycott, regulation red tape, or admonishment in the press. The party-state also turned to sanction numerous US officials and government entities. This shows China accepting the increased risk that comes with threatening or acting against an entity that is not likely to retreat. It also shows to both global and domestic audiences China's resolve and commitment to its values.

China's Reputation-Seeking Behavior. These indications of higher formality and higher reputation for resolve point to China aiming for a greater reputation. Domestically, the lower echelons of the party and the populace are able to see party-state agencies enforce and publicize laws against high-profile and

174. Huan Zhu, "China's New Anti-Foreign Sanctions Law," *China Trade Monitor*, July 6, 2021, <https://www.chinatrademonitor.com/>.

175. Huan Zhu, "MOFCOM Issues Provisions on List of Unreliable Entities," *China Trade Monitor*, September 22, 2020, <https://www.chinatrademonitor.com/>; and Zhu, "China's New Anti-Foreign Sanctions Law."

176. Laney Zhang, "China: Government Releases Provisions on Unreliable Entity List Regime," Library of Congress, October 9, 2020, <https://www.loc.gov/>.

177. Zhu, "China's New Anti-Foreign Sanctions Law."

178. Ministry of Commerce of the People's Republic of China, "Regular Press Conference of the Ministry of Commerce (June 27, 2019)," <http://english.mofcom.gov.cn/>.

US-associated MNEs and government officials, giving the impression of a more competent and legitimate organization. Through more formal measures, the CCP is also able to ensure its orders are carried out in a procedural manner, mitigating any principle-agent issues. Internationally, MNEs may see the move toward formality as beneficial since it helps to unlock the black box of the CCP. The further transparency allows MNEs to understand the environment and better calculate risk. Other states may view it as China legitimizing its actions and view it higher regard for being more open and more challenging to a hegemon.

Analysis

The duel with the United States during the Trump administration was the formative backdrop for this period. What started with allegedly unfair economic practices from China and strong rhetoric from the United States turned into both sides exchanging harsh words and enacting tariffs and sanctions. China instituted four legal frameworks to counter foreign sanctions and control exports in the name of national security, but it was slow to implement them. The CCP's individual sanctions against members of the Trump administration were not announced until the day of President Biden's inauguration (January 2021) and Trump officials were on their way out.¹⁷⁹ The CCP signaled a message, but its effect was muted given the new administration in office. This consistent lack of substance behind CCP actions seem to indicate a performance for an audience more than an actual power move by a rising state.

Against firms, sweeping measures from China have ensured that corporations follow the prescribed CCP narrative or risk losing access to the Chinese market. The decrease in publicized boycotts or strategic regulation by the Chinese government may indicate more self-censorship by MNEs. The only formal sanctions against MNEs were against the Houston Rockets after showing support for Hong Kong protesters and against defense contractors after US arms sales to Taiwan.

Conclusion

This section gave an overview of Chinese economic coercion from late 2017 to late 2022. It started with an overview of the US-China trade war that set the stage for continued back-and-forth dynamics in more than just tariffs between the two countries. The events during this period demonstrated the

¹⁷⁹ Steven Jiang and Ben Westcott, "Beijing Sanctions Outgoing US Officials as Chinese State Media Bids 'Good Riddance' to Trump," *CNN*, January 21, 2021, <https://www.cnn.com/>.

marked shift from informal to formal coercive means and from multinational enterprises to the US government as targets of its actions. Most of China's coercive events that targeted US-affiliated entities early in this period had a "Low" formality of coercive means and "Low" target reputation for resolve. As the trade war progressed, the back-and-forth exchanges on tariffs led to back-and-forth exchanges on sanctions, leading to China issuing formal sanctions against the US government and officials. This denotes a "High" formality of coercive means and a "High" level of a target's reputation for resolve. This yields an overall reputation-seeking behavior of "High" for China. This broadcasted to all audiences that it was not going to concede against the hegemon and displayed resolve. The next section dives deeper into analysis of the events and their trends.

Analysis

Seeking to isolate China is clearly unworkable.

—Bill Clinton, June 1998

This section analyzes the overall trends seen in the two periods of study, delving first into each sector of the 2x2 typology in the case overview section, then comparing across the two independent variables. Next, it compares the results to the proposed hypothesis from earlier sections and offers the study's limitations and alternative explanations.

Case Overview

This section provides an overview of cases with reference to the theory's 2x2 typology. Figure 9 displays a plot of the coercive events on the 2x2 diagram. Each event has further details in the appendix. Because of the variation within each term by year, I chose to denote each year as a different color, as seen in the legend in figure 9 below. Four of five events in the first term plot within the "Low" level of reputation-seeking sector. During the second term, the cases increase along both axes and plot within the "Medium" and "High" levels of reputation-seeking sectors. Next is stepping through each quadrant, starting in the lower left with low-level reputation-seeking.

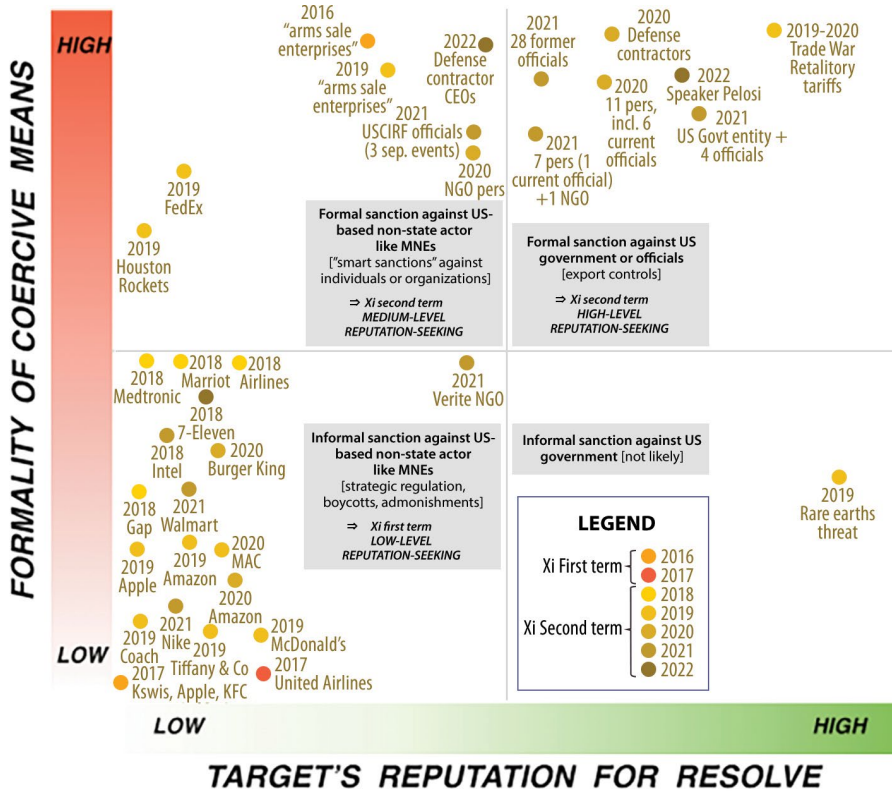


Figure 9. Empirical data plotted on 2x2 typology. (Source: Author's work. Relationship between data points is approximate and not absolute. The appendix contains details on each data point.)

The lower-left quadrant combines a low formality and a low target resolve. This quadrant contains firms that experienced boycotts, admonishment in the press, or strategic regulation from the CCP. I grouped boycott victims lowest in formality since the CCP has the greatest plausible deniability and can distance itself from the event. Next is admonishment in the press, which gives the CCP less plausible deniability because of ties to state media. Above these events are victims of China's strategic regulation tactics. Because the CCP exercised control of its narrative through other entities like the Cyberspace Administration or state-affiliated newspapers, I categorized this as a low level of reputation-seeking behavior. It is the CCP's method of managing the party line and deterring other firms from crossing it in the future, but a hedge since it still has plausible deniability. The CCP can point to the "error"

(e.g., showing an incorrect map of China) committed by a firm and generate a reason for state involvement, but the “error” does not rise to a level of state-state engagement. Apart from a sole publicized incident in 2022 with US-based firm 7-Eleven, China used these tactics most heavily from 2018 to 2021. A notable incident is a CCP entity using strategic regulation to shut down the organization Verite, which I plotted to the right of the MNEs within the quadrant; since it is a supply chain verification nongovernmental organization focused on human rights, it is therefore less likely to bend to the CCP’s will.¹⁸⁰ The Verite event did not get as much press as the corporations but is important to highlight since China’s response included accusations that Verite fabricated their data about Xinjiang human rights abuses.¹⁸¹ By shutting down Verite’s office in Shenzhen, China, this further deters other entities from investigating possible human rights abuses.

The upper-left quadrant denotes a medium level of reputation-seeking behavior that is at the intersection of high formality but low target resolve. Nearly all of these events occurred during Xi’s second term, after the trade war heated up. China’s threats of sanctions in 2016 and 2019 against the “arms sale enterprises” (US defense contractors) that manufactured the weapons the United States sold to Taiwan were vague and without any subsequent actions. Though the verbiage was more specific in 2022 against the defense contractors’ CEOs, it was still of minimal effect because there was no other notice that accompanied the sanctions. The sanctions against nongovernmental agencies were retaliatory for US-imposed sanctions. This quadrant differs from the previous because the CCP formally acknowledged the sanctions through a state agency like the Ministry of Foreign Affairs or Ministry of Commerce. They stop short, however, at targeting the US government directly. I categorize this as medium level reputation-seeking behavior. China does not want the risk that could come with facing the United States directly, but still wants to signal to audiences that they have the power to enact sanctions.

The upper-right quadrant denotes a high-level of reputation-seeking behavior that combines a high formality and high resolve for the target. This quadrant includes events that all occurred after the trade war started, perhaps indicating the underlying raised tensions in the dyad and an increased pressure on China to stand up to the United States and not appear weak. In January 2021, the CCP announced sanctions against 28 US officials, though they only mention

180. Lingling Wei, Eva Xiao, and Trefor Moss, “China Closes U.S. Auditor as Tensions Mount Over Forced Labor Allegations,” *Wall Street Journal*, August 19, 2021, <https://www.wsj.com/>.

181. Liu Xin, Fan Lingzhi, and Yang Ruoyu, “Exclusive: How US Forces ‘Xinjiang Forced Labor’ Narrative on Enterprises, Industry Agencies,” *Global Times*, March 27, 2021, <https://web.archive.org/>.

ten in the press release.¹⁸² On the surface this appears to be a strong signal from the Chinese, but further examination reveals that the targeted officials were all outgoing Trump administration officials on their last day in office. China wanted to signal a message of power, thus the high level of reputation-seeking behavior, but the effect was diminished by the timing. Additionally in this quadrant are the sanctions China imposed against Speaker of the House Nancy Pelosi after her visit to Taiwan in 2022.¹⁸³ Two other US congressional delegations visited Taiwan shortly after Pelosi, but no sanctions were levied on them.¹⁸⁴ With these actions targeting the US government and its officials using formal means, China sought to demonstrate its willingness to confront the United States.

Last, I did not expect any events to plot in the lower-right quadrant, since I projected that state-state interactions would all be formal and therefore in the upper-right quadrant. The 2019 threat of rare earth export controls was therefore an anomaly. Through a threatening commentary piece in a state-run newspaper, China conveyed its threat toward the United States.¹⁸⁵ China never acted upon the threat and did not communicate it through official channels like the Ministry of Foreign Affairs. This event's informality only further emphasizes my argument of the performative nature of China's signaling. It was not completely without effect, however. Since the threat was in the context of the trade war it only further caused the United States to reevaluate US-China imbalances and supply chain dependencies, likely furthering the security spiral between the two sides.¹⁸⁶

Formality of Means

From Xi's first to second terms, the methods China used to express its threats and actions became more formal, consistent with the hypothesis I posited. The first term consisted of informal boycotts that the CCP dissociated from. Early in the second term, in 2018, the CCP moved to at least use party-affiliated news outlets to shame the multinational enterprises. Along with that, the CCP mobilized its myriad of party-state agencies to selectively enforce mostly obscure regulations. So while it may not have explicitly announced the threat or action

182. Ministry of Foreign Affairs of the People's Republic of China, "Foreign Ministry Spokesperson Announces Sanctions on Pompeo and Others."

183. Ministry of Foreign Affairs of the People's Republic of China, "Foreign Ministry Spokesperson Announces China's Sanctions on U.S. House Speaker Nancy Pelosi."

184. "Five U.S. Lawmakers Arrive in Taiwan Amid Tensions With China"; and "U.S. Delegation Visits Taiwan for Trade Talks, Risking China's Ire."

185. Wu, "United States, Don't Underestimate China's Ability?"

186. Lara Seligman, "America Has Been 'Asleep at the Wheel' on China's Rare-Earth Threat," *Foreign Policy*, June 28, 2019, <https://foreignpolicy.com/2019/06/28/america-has-been-asleep-at-the-wheel-on-chinas-rare-earths-threat/>. For more on the economic security spiral, see Pearson, Rithmire, and Tsai, "China's Party-State Capitalism and Global Backlash."

against the company through the Ministry of Foreign Affairs, the party-state was unable to plausibly deny the threat or action. This stance of moving beyond plausible deniability shows a shift in wanting to use regulatory or legal frameworks to support its goals.

China went even further as Xi's second term progressed by establishing legislation to codify its use of sanctions. China's legislative initiatives during Xi's second term have been called a mimicry of the US system.¹⁸⁷ Certainly, there are parallels. The United States has an Entities List; China created its Unreliable Entity List. The United States has a sanctions law; China created the Anti-Foreign Sanctions Law.¹⁸⁸ The naming of these laws is purposefully defensive instead of offensive, since they were created to "counter the hegemonism and power politics" of the West.¹⁸⁹ China did not hold back on using these new tools once they were finally enacted, sanctioning prominent US politicians behind "anti-Chinese" policies along with human rights and democracy proponents.

What led to the drive to establish and then use this legal framework? Xi transformed the country to be more legalistic since the start of his tenure,¹⁹⁰ and the party announced in 2021 their desire to move in the direction of greater legality.¹⁹¹ But as an authoritarian regime it was not really necessary. By using legal means to build their reputation domestically and internationally is a plausible reason. Showing Chinese domestic audiences that the CCP is a more competent and uncorrupt organization serves their continuous quest for legitimacy. It also counteracts any principal-agent issues that may arise in implementing sanctions.¹⁹² The "countering hegemon" verbiage amplifies tones of nationalism that could also serve the party's purpose. The legal framework also sends a message to other states and organizations internationally that China can retaliate in kind, further strengthening its credibility.

Target's Reputation for Resolve

The targets in the CCP's line of sight also shifted from Xi's first to second term, matching my hypothesis on increasing their reputation for resolve. During the first term, late 2012 to late 2017, the CCP distanced itself from any

187. Timothy Webster, "Retooling Sanctions: China's Challenge to the Liberal International Order," *Chicago Journal of International Law* 23, no. 1 (Summer 2022): 178.

188. Webster, "Retooling Sanctions," 186.

189. "Anti-Foreign Sanctions Law Necessary to Fight Hegemonism, Power Politics: Official," *Xinhua*, June 11, 2021, <http://www.npc.gov.cn/>.

190. Zhang and Ginsburg, "China's Turn Toward Law," 380.

191. Communist Party of China, "Resolution of the CPC Central Committee on the Major Achievements and Historical Experience of the Party over the Past Century" (2021), <https://english.www.gov.cn/>.

192. Zhang and Ginsburg, "China's Turn Toward Law," 386.

boycotts against US-based brands. For context, the 2016–2017 period was when the CCP unleashed its boycott and strategic regulation tactics on South Korean companies to try to get the South Korean government to renege on their THAAD purchase. But the CCP was silent against the United States and US-based companies.

Xi's second term began in late 2017, and the CCP began to coerce US-based targets that caved easily to China's demands—multinational enterprises chasing the Chinese market size with a low reputation for resolve. China could bend these companies toward its narrative with little cost expended. It fomented boycotts online, perhaps as a distraction to other grievances people may have, or perhaps to stir up nationalism.¹⁹³ Over time and with repetition, the CCP's narrative cemented and others were likely deterred from speaking out against the party-state. While it is difficult to surmise how many unreported multinational enterprises were deterred from China's actions, there is evidence on how many apologized and how many self-censor (e.g., Hollywood film producers, NBA, Marriott Hotels).¹⁹⁴ Even Gap brand clothing took a shirt off the market that was not even sold in China because the apparel company was threatened by the CCP. These instances are evidence that China's coercion has an effect against these types of targets.

But what about targets who are not as malleable? The US government is a target with a high reputation for resolve because of its strong capabilities and regime type.¹⁹⁵ Its democratically-elected politicians are difficult to sway, because they could incur costs in the next election if they issue empty threats or bend too easily to an adversary. The United States spoke bluntly about China's human rights record and oppression in Xinjiang and Hong Kong with minimal fear of retaliation or escalation. It maintained consistent messaging throughout the US-China trade war, which began shortly after the start of Xi's second term. In this environment against the global hegemon, China needed to show resolve and demonstrate it could go toe-to-toe with a superpower. If it conceded, it would look weak and the regime would face public disapproval.¹⁹⁶ Having the "capacity for taking drastic action" is a key part to the "Performative" aspect of Carpenter's bureaucratic reputation framework.¹⁹⁷ Xi and CCP leaders want

193. Gary King, Jennifer Pan, and Margaret E. Roberts, "How the Chinese Government Fabricates Social Media Posts for Strategic Distraction, Not Engaged Argument," *American Political Science Review* 111, no. 3 (August 2017): 500, <https://doi.org/>.

194. Lucas Niewenhuis, "All the International Brands That Have Apologized to China," *Supchina*, October 25, 2019, <https://signal.supchina.com/>.

195. Joshua D Kertzer, Jonathan Renshon, and Keren Yarhi-Milo, "How Do Observers Assess Resolve?," *British Journal of Political Science* 51, no. 1 (January 2021): 308–30, <https://doi.org/>.

196. Weiss and Dafoe, "Authoritarian Audiences, Rhetoric, and Propaganda."

197. Daniel P. Carpenter, *Reputation and Power: Organizational Image and Pharmaceutical Regulation at the FDA*, Princeton Studies in American Politics (Princeton: Princeton University Press, 2010), 46.

to maintain party legitimacy and power, and being a performative organization domestically further supports this image. To the international community, if China backs down it could lose credibility, especially as a rising power. Painted into this corner, the CCP therefore continues to coerce targets with a high reputation for resolve, likely knowing that the measures are largely ineffective (unless a US politician has significant business interests or family in China), but not willing to face the reputational costs of conceding.

Revisiting the Hypothesis

To go back to the research question—*Why has China’s economic coercion against the United States changed over the first decade Xi Jinping was in office?*—this paper proposes that Xi’s desire to improve the reputation of the CCP domestically and internationally has manifested through economic coercive techniques. This can be seen through China changing both who it targets and how it targets. By increasing the formality of the coercive means, Xi takes a stronger stance of blatantly associating the CCP with the coercive action. This demonstrates to audiences that the CCP has the credibility of a state willing to take risks for its values instead of hiding behind unofficial boycotts. Pursuing targets that have higher reputation for resolve also increases the coercer’s credibility since the target is less likely to back down from their position and look weak. The coercer not backing down either only reinforces their stance, even when faced with a tough situation.

Xi’s drive is to improve the organizational reputation of the CCP from corrupt and ineffectual in its governance abilities to one that is cohesive and effective for 1.4 billion people, using law-based governance.¹⁹⁸ Xi also wants to improve China’s reputation internationally but is constrained by the interdependent nature of the global economy. These assertive moves are not without costs. As China becomes more open with its threats, the potential to induce a security spiral increases; this was apparent during the trade war with back-and-forth retaliatory moves of sanctioning individuals, organizations, and MNEs. It can also cause MNEs to become more hesitant about investing further in China, which could curtail its growth.

Limitations and Alternative Explanations

I acknowledge several limitations to this study. First, I recognize that posturing this paper in terms of Xi’s five-year terms is an American-centric viewpoint. It was a straightforward way to examine the period comparatively, but it does

198. Communist Party of China, “Resolution of the CPC Central Committee on the Major Achievements and Historical Experience of the Party over the Past Century” (2021), <https://english.www.gov.cn/>.

not necessarily mean much from a Chinese perspective.¹⁹⁹ Xi is not beholden to elections, and his plans may have been developed even before he took office.²⁰⁰

I also recognize that though my research question centers on Xi, my chosen level of analysis was the state level, largely due to data accessibility. Analyzing the state places more emphasis on China's capabilities and interests, and does not take into consideration the individual leader's personality traits, motivations, and personal experience—all of which influence decision-making and resolve.²⁰¹ In a US-China coercive exchange, Xi's own assessment of a US leader's individual resolve could alter the intensity or scope of the threat or action China delivers. Gauging Xi's individual traits and interactions would be difficult to measure using only open-source material but are still a relevant perspective for coercion.

Though I acknowledged the limitation of restricting this paper to the United States–China dyad presented earlier, it did reduce the number of overall coercive events and narrowed the scope from including other players in a dynamic global environment. Had I included even two more states, Japan and South Korea for example, I would have had more events to include in my dataset and could have examined the interplay between the close economic relationships between these states, the United States, and China. Additionally, the triad of the United States, China, and European Union is worthy of examination given the size of each economy.

Are there other explanations apart from reputation that could explain why China became more assertive with its economically coercive tactics? Harkening back to the earlier discussion of existing international relations theories, realism's explanation of power as a zero-sum game offers a competing perspective. China's imperative may be to counter the United States in its competition for power, knowing that if it relaxes too much, the United States will gain. From a realist perspective, this could have implications for state survival and thus, "the more powerful a state is relative to its competitors, the less likely its survival will be at risk."²⁰² This brutish view could fit why China faced off against the US government, instead of just exerting its will over firms.

One other explanation could be that the strong anti-Chinese rhetoric and trade war during the Trump era introduced a security spiral in which the path dependency of retaliation carried over from the trade war. By retaliating in

199. Baogang Guo, "Sino-Western Cognitive Differences and Western Liberal Biases in Chinese Political Studies," *Journal of Chinese Political Science* 24, no. 2 (June 2019), 192, <https://doi.org/>.

200. Cheung, *Innovate to Dominate*, 17.

201. Joshua D Kertzer, Jonathan Renshon, and Keren Yarhi-Milo, "How Do Observers Assess Resolve?" *British Journal of Political Science* 51, no. 1 (January 2021), 313–14, <https://doi.org/>.

202. John J. Mearsheimer, *The Tragedy of Great Power Politics*, Updated edition, The Norton Series in World Politics (New York: W.W. Norton & Company, 2014), 363–64.

kind to the United States during the trade war with its own tariffs (fig. 7), China may have become accustomed to challenging the hegemon directly. This could have carried over to its formal sanctions against US government entities and officials, which largely occurred during the same period.

Yet another explanation could be the organizational behavior model.²⁰³ China may have become more formal with legal methods because the sweeping bureaucracy that is the CCP needs a formal plan and structure before commencing on a new endeavor. Provincial and local levels of government have agency in enforcing the economic governance rules issued from Beijing since they interact the most with firms.²⁰⁴ The new anti-sanction laws could provide the CCP at all levels with the same set of rules to govern MNEs and prioritize national security—Xi’s way of propagating incremental change throughout the large organization.

Alternatively, one could view China’s actions of constructing and then using a legal framework similar to the United States’ that it is signaling a willingness to work within the established system instead of revising it. China has already doubled down on its advocacy for the WTO as an institution, so it may be embracing its multilateralism in full force.²⁰⁵ This would not be new in the economic realm, despite the party-state’s penchant for revising existing security norms. China has worked within existing institutions like the International Monetary Fund and World Bank and adhered to their fundamental rules, even after it has created its own institutional frameworks.²⁰⁶

Each of these alternatives could be a viable explanation with additional study. Furthermore, because reputation-seeking behavior is multifaceted, it could incorporate aspects of these alternatives as well. A more comprehensive theory in another study might incorporate them.

Conclusion

This section provided an in-depth analysis of each case within the 2x2 typology, showing where shifts occurred in Xi’s use of coercion and offered competing explanations for the events discussed. Through comparative qualitative analysis of 52 events, I found that early in Xi’s tenure, China displays low reputation-seeking actions based on coercing firms via informal means. By the end of the studied period, China displays high reputation-seeking behavior by

203. Graham T. Allison and Philip Zelikow, *Essence of Decision: Explaining the Cuban Missile Crisis*, 2nd ed (New York: Longman, 1999), 176–80.

204. Yeling Tan, “How the WTO Changed China,” *Foreign Affairs* 100, no. 2 (April 2021), 93.

205. Webster, “Retooling Sanctions,” 183–84.

206. Daniel W. Drezner, “Perception, Misperception, and Sensitivity: Chinese Economic Power and Preferences after the 2008 Financial Crisis,” in *Strategic Adjustment and the Rise of China: Power and Politics in East Asia*, ed. Robert S. Ross and Øystein Tunsjø (Ithaca, NY: Cornell University Press, 2017), 83.

constructing a legal framework of sanctions and signaling these sanctions to the United States. But these moves are frequently in reaction to similar moves from the United States and are without much bite because of possible blowback, leaving economic coercion as largely a performance to domestic and international audiences. The final section concludes by showing what all of this means from a policy and security perspective and charts a path forward.

Conclusion

As between you and us, even if we sometimes criticize each other, we will coordinate our actions with you, and we would never participate in a policy to isolate you.

—Henry Kissinger to Mao Zedong, February 1973

This is the first study of its kind to place economic coercion into a reputation framework for the United States–China dyad. Specifically, this paper presented reputation theory as a hypothesis for a fundamental research question: *Why has China’s economic coercion against the United States changed over the first decade Xi Jinping was in office?* I argued that Xi’s desire to improve the reputation of the CCP domestically and internationally has manifested through economic coercive techniques. By analyzing Chinese economic coercion events from late 2012 to late 2022 with respect to the formality of coercive means and the target’s reputation for resolve, this provided evidence for China wanting to improve its reputation to multiple audiences foreign and domestic.

China’s actions against a global hegemon like the United States are different than against the small and medium states. It is more hesitant to enact broad measures because of its close economic interdependence with such a large economy, but it has become more assertive as Xi Jinping’s time in office has gone on. This is seen through both variables of this study: the formality of coercive means and a target’s reputation for resolve.

For the first variable, China has become more explicit as a government in signaling its particular stance through formal statements and actions instead of using informal methods like fomenting boycotts or issuing admonishments in the press. It has also passed legislation that mimics the United States’ sanctions regime and allows it to take its desired actions in a legal manner. For the second variable, China has shifted its targets from US corporations to US government officials and entities. It likely has successfully caused many multinational enterprises to self-censor, leading to a decreased need to signal its desires. The turn toward targeting US government officials was in the context

of the US-China trade war, with Chinese actions often in response to like sanctions that the United States imposed on PRC officials (e.g., the United States sanctions 11 personnel, China sanctions 11 personnel).²⁰⁷

Over Xi's first term from late 2012 to late 2017, there were few instances of economic coercion and they all occurred in the latter part of the term. The Trump administration that took office in January 2017 arrived with more aggressive rhetoric toward China and implemented more US protectionist economic policies. Instead of cowering in a corner, Xi led the approach to counter assertive US actions in a similar, more forthright manner. He instituted four laws that help the CCP bureaucracy elevate national security over economic openness when needed. The laws use a defensive terminology ("anti-foreign sanctions" versus a more offensive sounding "sanctions") in order to "counter the hegemonism and power politics" of the West.²⁰⁸

Moving away from CCP plausible deniability tactics toward transparency and legality are not quite the actions of a "revisionist" power but rather one that plays by the same rules. That way, China's actions could be perceived as standing up to the hegemon—viewed as strong domestically and to states around the world. Though the actions were more forthright, they were largely just for show toward domestic and international audiences. This can be seen through five particular events during Xi's second term: (1) China sanctioning Trump administration officials on their last day in office; (2) China sanctioning US officials in similar status and quantity after US sanctions on Chinese officials (no more, no less); (3) China sanctioning Speaker Nancy Pelosi but not two other congressional delegations that visited Taiwan; (4) China not following through on its threat to limit rare earth exports; and (5) China not following through on its threats to place FedEx on their UEL. If China had really wanted to have an effect on the United States, it could have used much more severe economic methods and enacted the threats it issued. These aggressive actions may have initiated more severe retribution from the United States or may have caused repercussions domestically, given US-China interdependencies. This left its coercive actions to be largely performative to domestic and international audiences, signaling that the CCP had resolve and could issue threats or actions at a time of its choosing but without incurring too much risk on itself.

This paper used time frames delineated by Xi's first and second terms to chart the changes over time. It worked to see the evolution of China's methods over this period, but since Xi's reign continues past 2022, there are additional

207. US Department of Treasury, "Treasury Sanctions Individuals for Undermining Hong Kong's Autonomy," <https://home.treasury.gov/>; and Ministry of Foreign Affairs of the People's Republic of China, "Foreign Ministry Spokesperson Zhao Lijian's Regular Press Conference on August 10, 2020."

208. "Anti-Foreign Sanctions Law Necessary to Fight Hegemonism, Power Politics."

data points that could be included. Since the end of his second term in late 2022 to the time of this writing in spring 2023, China has taken even further actions against the United States. It placed its first entries on its Unreliable Entities List (UEL): US defense contractors who manufactured equipment that the United States sold to Taiwan. It also sanctioned a US congressman and two individuals affiliated with nongovernmental organizations advocating Tibetan human rights. I included these events in the appendix as a testament to China's trajectory into Xi's third term, though more data is needed on the effects of being listed on the UEL.

Policy Recommendations

Given this trajectory, what actions can the United States take to counter China's coercive actions? Think tanks have produced no shortage of other policy recommendations of how to counter Chinese coercion, but they typically focus on the United States supporting small and medium states.²⁰⁹ Some have proposed an "economic NATO" type of alliance that would coordinate response against Chinese economic coercion efforts,²¹⁰ while others have proposed a looser, more informal web of partnerships centered around particular issues like semiconductors.²¹¹ These are ideas worthy of exploration but may be slow to implement because of their multilateral nature. This is important given the interplay between all players of the world in an economic or geopolitical scenario, but what about the United States as not only a global power helping allies but also as a target itself? I propose three main policy recommendations in this context.

First, the United States should recognize and anticipate China's patterns of mimicry in response to any US actions in the context of reputation. It should pay attention to laws China has passed and actions it has taken both domestically and internationally. This will help US policymakers better plan for its own coercive measures and whether it will escalate or deescalate depending on the situation. This is especially important as the United States' new industrial policies on semiconductors begin to take shape in the forthcoming years.

Second, because of the possibility of escalation, the United States should ensure lines of communication are open to deescalate any trade war-like tensions and one-upmanship. Painting the CCP into a corner may spur their

209. See for example Matthew Reynolds and Matthew P Goodman, "Deny, Deflect, Deter: Countering China's Economic Coercion" (Washington, DC: Center for Security and Emerging Technology, March 2023), <http://csis.org/>.

210. "2022 Report to Congress of the U.S.-China Economic and Security Review Commission" (Washington, DC: 117th Congress, 2nd Session, November 2022), 209, <https://www.uscc.gov/>.

211. Michael Beckley and Hal Brands, *Danger Zone: The Coming Conflict with China*, First edition (New York: W.W. Norton & Company, 2022).

desire to brandish power in order to save face and lead to unnecessary escalation. Both sides need to be open to have a conversation, and US availability to meet China halfway gives the CCP options to be viewed equally in the relationship instead of belittled or minimized.²¹² Alternatively, being open to a third-party intervention (e.g., mediated talks through the United Nations) can also minimize any costs the populace levies on Chinese leaders for backing down.²¹³

Third, if China and the United States do spiral into an escalatory situation, there is a chance that China may not only enact “tough talk” but also enact export controls or other sanctions. Knowing the vulnerabilities of key industry supply chains can help the United States build alternative capabilities. The White House has already published a plan for supply chain resilience to “reduce our dependence on China and other geopolitical competitors for key products.”²¹⁴ This is a start, but supply chains are incredibly complex and studying these issues further as technologies evolve will only help US national security strategists create more tailored policies that incur less risk. Furthermore, understanding financial interdependence alongside trade interdependence will help give a more comprehensive picture of the relationship and associated risks.

Implications for the US Military

In addition to the generic policy recommendations for the US government, this paper has three main implications for the US military specifically. First are implications for military acquisitions. Given the results of this paper, defense planners can anticipate that defense contractors will likely be sanctioned by China, which may alter the decision calculus of the contractor firms. It is not likely that large defense contractors will stop competing for defense contracts. But if China starts sanctioning smaller contractors that sell commercial technology (i.e., generic technology products, not defense products that would be under US arms export limitations) to the Chinese market, this may cause the smaller contractors to distance themselves from the US government if the contracts are not as lucrative as the large Chinese market. For large contractors, if China decides to sanction all of Boeing Corporation, for example, instead of just its defense subsidiary, this could alter Boeing’s decision to compete for US government contracts because it would limit them from competing in the Chinese market. If fewer companies compete for contracts in the long-term,

212. Fred Bergsten has gone so far as to recommend the United States and China form a G-2 relationship, knowing that it would take “considerable finesse” politically to implement. *The United States vs. China*, 266.

213. Kai Quek and Alastair Iain Johnston, “Can China Back Down? Crisis De-Escalation in the Shadow of Popular Opposition,” *International Security* 42, no. 3 (January 2018): 7–36, <https://doi.org/>.

214. White House, *Executive Order on America’s Supply Chains: A Year of Action and Progress* (Washington, DC: White House, 2022), <https://www.whitehouse.gov/>.

the Department of Defense may not get the best products into the hands of warfighters. Furthermore, in case China does follow through on its export threats, the Department of Defense should plan for obtaining supply chain components and raw materials from allied nations instead of China to reduce the levels of US vulnerability to Chinese coercion. While the department has been planning this for over the last decade, it also needs to realize the subsequent cost increases resulting from this decision to “reshore” these supplies. Acquisitions of materiel reliant on components or raw materials that would be more expensive should be ranked by priority to ensure proper resourcing in a budget-constrained environment.

Second are the implications for defense of Taiwan. If China desires to uphold its current reputation or strive for a more hawkish reputation, it may use more formal measures militarily as well as economically. This could mean a decrease in grey zone coercion tactics that are ambiguous in meaning and give plausible deniability to the CCP. Instead, China would want to overtly display its power to garner higher reputation to both international and domestic audiences if this theory holds when applied to the military instrument of power.

Third, given that the two economies are so intertwined, this could place political limitations on the United States if conflict sparked by China occurred in the Indo-Pacific region. Fearing backlash from both US firms and the populace who may experience economic disruptions, the US government may decide not to intervene in a Taiwan incursion scenario or decide only to intervene via proxy so as not to upend the global economy. Accordingly, military planners should account for a wide range of flexible deterrence and engagement options.

Future Studies

Future work on this topic could go in several different directions. Performing more detailed content analysis on Chinese diplomatic messages could also be another future study that could help gauge tensions between the dyad. It could be augmented with more data that incorporates Chinese coercive events with US allies to see the full range of China’s triggers, tools, and targets. This could be a large-*n* quantitative study or a more in-depth qualitative study, one that better captures the realistic interconnected relationships within the global economy instead of restricting it to a dyad.

To more accurately depict and gauge reputation from a receiver’s point of view, it could also be supplemented with reactions from audiences throughout the world. If researchers could conduct accurate domestic polling, this would also provide an additional perspective of the CCP’s reputation internally. Re-

searchers could also obtain more comprehensive qualitative data with interviews with Chinese officials or local enterprise leaders, though this is becoming harder with limitations from the CCP.²¹⁵

Moreover, I hope that more military strategists study economic topics to give them a broader geopolitical perspective and an ability to bridge the chasms across the instruments of power. All strategists are part of an important team that ultimately provides political decision-makers with comprehensive and realistic whole-of-government options, and having team members with both depth and breadth of knowledge will make them a formidable policy tool.

215. Sheena Chestnut Greitens and Rory Truex, “Repressive Experiences among China Scholars: New Evidence from Survey Data,” *China Quarterly* 242 (June 2020): 349–75, <https://doi.org/>.

Appendix

Chinese Coercive Events

Event (yr.mo.day)	Means (informal/formal)	Target	Reason	Source
2014.2.21	None, statement	US Govt	Obama met with Dalai Lama in person at White House. "We urge the US side to take China's concerns seriously, cease to connive and support anti-China separatist forces that seek "Tibet independence," stop interfering in China's internal affairs and take immediate steps to remove the adverse impact so as to avoid further damage to China-US relations." (PRC MFA)	Ministry of Foreign Affairs of the People's Republic of China, "Foreign Ministry Spokesperson Qin Gang's Remarks on US President Obama's Tibet-related Comments When Meeting with the Dalai Lama," https://www.fmprc.gov.cn/ .
2014.04.25	None, statement "lodged solemn representations" with US & Japanese ambassadors	US Govt	US-Japan Joint Statement claims Diaoyu Islands fall w/in the scope of US-Japan Security Treaty, and comments on issues related to East China Sea ADIZ	Ministry of Foreign Affairs of the People's Republic of China, "Foreign Ministry Spokesperson Qin Gang's Remarks on US-Japan Joint Statement," https://www.fmprc.gov.cn/ .
2014.05.04	None, statement	US Govt	US Commission on Intl Religious Freedom re-designated China as one of the "countries of particular concern."	Ministry of Foreign Affairs of the People's Republic of China, "Foreign Ministry Spokesperson Qin Gang's Remarks on the China-related Contents in the 2014 Annual Report Released by the United States Commission on International Religious Freedom," May 5, 2014, https://www.fmprc.gov.cn/ .

Event (yr.mo.day)	Means (informal/formal)	Target	Reason	Source
2014.05.20	None, statement plus suspended activities of China-US Working Group	US Govt	US DOJ indictment against 5 Chinese military officers.	Ministry of Foreign Affairs of the People's Republic of China, "China Reacts Strongly to US Announcement of Indictment Against Chinese Personnel," May 20, 2014, https://www.fmprc.gov.cn/ .
2014.07.30	None, statement	US Govt	US DOS released 2013 Intl Religious Freedom report redesignates China as Country of Particular Concern.	Ministry of Foreign Affairs of the People's Republic of China, "Foreign Ministry Spokesperson Qin Gang's Remarks on the China-related Contents in the 2013 International Religious Freedom Report Released by the US State Department," July 30, 2014, https://www.fmprc.gov.cn/ .
2014.11.15	None, reaffirming statement	US Govt	Obama's speech in Australia, welcoming rise of a peaceful, stable China.	Ministry of Foreign Affairs of the People's Republic of China, "Foreign Ministry Spokesperson Qin Gang's Remarks on US President Obama's Speech in Australia," November 15, 2014, https://www.fmprc.gov.cn/ .
2015.07.13	None, statement	US Govt	Senior Adviser Valerie Jarrett took part in Dalai Lama's 80th birthday celebration in NYC on July 10. "China is strongly dissatisfied with and opposed to US senior official's engagement with the Dalai Lama. . . . We urge the US side to honor its commitment of recognizing Tibet as part of China and not supporting 'Tibet independence'" (PRC MFA)	Ministry of Foreign Affairs of the People's Republic of China, "Foreign Ministry Spokesperson Hua Chunying's Remarks on US President's Senior Adviser Jarrett's Attendance at Dalai's 'Birthday Celebrations,'" July 13, 2015, https://www.fmprc.gov.cn/ .

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
2015.07.24	None, statement	US Govt	<p>US Asst Secretary of State Daniel Russel implied that arbitration is only practical means left for China & Philippines to solve competing SCS claims.</p> <p>“Attempting to push forward the arbitration unilaterally initiated by the Philippines, the US side just acts like an “arbitrator outside the tribunal,” designating the direction for the arbitral tribunal established at the request of the Philippines. This is inconsistent with the position the US side claims to uphold on issues concerning the South China Sea disputes.” (PRC MFA)</p>	<p>Ministry of Foreign Affairs of the People’s Republic of China, “Foreign Ministry Spokesperson Lu Kang’s Remarks on the US Statement about Issues Relating to the Arbitration Unilaterally Initiated by the Philippines,” July 24, 2015, https://www.fmprc.gov.cn/.</p>
2015.12.17	formal / threat	<p>US MNEs</p> <p>Defense contractors</p>	<p>Arms sales to Taiwan. Threat of sanctions:</p> <p>“Q: It is reported that China will impose sanctions on the two companies involved, Thor and Lockheed Martin, regarding the announcement of the United States to sell weapons to Taiwan. Please introduce the specific sanctions.</p> <p>Answer: The participation of American enterprises in the sale of weapons to Taiwan is an act that seriously undermines China’s sovereignty and security interests. The Chinese government and enterprises will not cooperate or engage in business with any such enterprises.” (PRC MFA)</p>	<p>Ministry of Foreign Affairs of the People’s Republic of China, “Foreign Ministry Spokesperson Hong Lei’s Regular Press Conference on December 17, 2015,” https://web.archive.org/.</p> <p>Press releases from Taipei Economic and Cultural Representative Office (TECRO) in the United States.</p> <p>US Defense Security Cooperation Agency, “December 2015,” https://www.dsca.mil/.</p>

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
2016.07.18	informal / boycott not fomented	US MNE KFC & Apple	<p>UN tribunal in The Hague rejected China's claims to the SCS. Protests China started over perceived injustice in aftermath of int'l ruling against Chinese territorial claims</p> <p>People targeted KFC outlets and Apple iPhones as a symbol of US interests. "Any action that promotes national development can rightfully be called patriotism. But so-called patriotism that willfully sacrifices public order will only bring damage to the nation and society," People's Daily, as quoted in Wang.</p> <p>"The US is always selective when it comes to the application of international law: citing international law when it sees fit and discarding international law when it sees otherwise. It keeps urging others to abide by the United Nations Convention on the Law of the Sea (UNCLOS) while refusing to ratify the Convention to this day. What makes the US think that it is in a position to make all these irresponsible remarks against others?" (PRC MFA)</p>	<p>State media outlets warned protesters to avoid any illegal behavior:</p> <p>Yanan Wang, "KFC and iPhones are the latest targets for Chinese nationalists," Washington Post, July 22, 2016, https://www.washingtonpost.com/.</p> <p>Ministry of Foreign Affairs of the People's Republic of China, "Foreign Ministry Spokesperson Lu Kang's Remarks on Statement by Spokesperson of US State Department on South China Sea Arbitration Ruling," July 13, 2016, https://www.fmprc.gov.cn/.</p>

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
2016.08	informal / boycott not fomented	US MNE K Swiss (South Korean ad for US footwear brand)	Firm's commercial depicted a Chinese character in a way that was perceived by Chinese social media users as humiliating to China. "In August 2016, Chinese netizens responded with a flurry of criticism over a South Korean television advert for US footwear brand K-Swiss. The ad depicted a South Korean actor winning a chess match against a plump Chinese man, who is later slapped by a woman during a dance battle. Many in China called the ad 'humiliating', urging restrictions on Korean entertainers' access to China." (Borowiec)	Steven Borowiec, "Composing battle lines," Index on Censorship 46 (1), April 1, 2020 https://journals.sagepub.com/ .
2016.12.03	None, statement	US President-elect	US President-elect Trump's Phone Call with Taiwan leader Tsai Ing-wen. "We urge the relevant party in the US to honor its commitment to the one China policy and the principles of the three joint communiqués, and properly deal with Taiwan-related issues in a discreet manner, so as to avoid unnecessary disruptions to the overall China-US relationship." (PRC MFA)	Ministry of Foreign Affairs of the People's Republic of China, "Foreign Ministry Spokesperson Geng Shuang's Remarks on US President-elect Trump's Phone Call with Taiwan leader Tsai Ing-wen," December 3, 2016, https://www.fmprc.gov.cn/ .

Event (yr.mo.day)	Means (informal/formal)	Target	Reason	Source
2016.12.26	None, statement	US Govt	US signing 2017 NDAA, which included non-legally binding section stating that US SECDEF should conduct a program of senior military exchanges between US & Taiwan. "We are strongly discontent with the US for signing this act." (PRC MFA)	Ministry of Foreign Affairs of the People's Republic of China, "Foreign Ministry Spokesperson Hua Chunying's Remarks on US Signing into Law 2017 National Defence Authorization Act," December 26, 2016, https://www.fmprc.gov.cn/ .
2017.04.09	informal / boycott	US MNE United Airlines	"Chinese social media has exploded with outrage after a video went viral showing a passenger who appeared to be of Asian ethnicity being dragged off an overbooked United Airlines flight with a bloodied nose." (Yan)	Sophia Yan, "Chinese social media continues to rage at United, and the airline may face real fallout," CNBC, April 12, 2017, http://www.cnbc.com/ . Bess Levin, "United Airlines Just Made an Enemy of the World's Biggest Country," Vanity Fair, April 12, 2017, https://www.vanityfair.com/ .
2017.06.29	none		Arms sales to Taiwan	Press releases from Taipei Economic and Cultural Representative Office (TECRO) in the United States. US Defense Security Cooperation Agency, "June 2017," https://www.dsca.mil/ .

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
2018.01.11	informal / strategic regulation	US MNE Marriott Hotels	<p>XI'S SECOND TERM</p> <p>Shanghai Cyberspace Administration shut down Marriott website for a week after it described Tibet, Hong Kong and Taiwan as separate countries in an email to customers. The administration said the company "seriously violated national laws and hurt the feelings of the Chinese people." (Hancock)</p> <p>"China's tourism regulator said in an online post on Thursday that it had asked all other hotel operators to check their websites to ensure that "similar incidents" would not occur."(Hancock)</p> <p>"We welcome foreign corporations' investment and operation in China. Meanwhile, they should respect China's sovereignty and territorial integrity, abide by China's laws and respect Chinese people's national feelings. This is the minimum requirement for any enterprise to invest, operate and conduct cooperation in another country." (PRC MFA)</p>	<p>Tom Hancock, "China shutter Marriott website over Taiwan listing," Financial Times, January 11, 2018, https://www.ft.com/.</p> <p>Ministry of Foreign Affairs of the People's Republic of China, "Foreign Ministry Spokesperson Lu Kang's Regular Press Conference on January 12, 2018," http://sd.china-embassy.gov.cn/.</p>

Event (yr.mo.day)	Means (informal/formal)	Target	Reason	Source
2018.01.12	informal / strategic regulation	US MNE Medtronic	The Shanghai Cyberspace Administration issued warning after Medtronic listed Taiwan as a separate country on its Chinese website. "An overhaul of the two sites was requested and their operators asked to deliver a written report on their rectification and improvement, the administration said. Further actions were pending." (Xing)	Brenda Goh, John Ruwitch, "China cracks down on foreign companies calling Taiwan, other regions countries," Reuters, January 12, 2018, https://www.reuters.com/ . Xing Yi, "Firms told to respect sovereignty," China Daily, January 13, 2018, http://english.www.gov.cn/ .
2018.03	informal / boycott	US MNE Walmart	Beijing Walmart posted a sign listing Taiwan as the country of origin on some of its products. Subsequent online backlash.	Keoni Everington, "Chinese netizens go bananas after Beijing Walmart lists Taiwan as separate country," Taiwan News, March 19, 2018, https://www.taiwannews.com.tw/ .
2018.05	informal / People's Daily admonishment	US MNE Gap Inc.	People's Daily criticized Gap for selling a t-shirt with a design that only included the outline of mainland China, omitting Taiwan and South China Sea. The t-shirt was for sale outside of China.	Simon Denyer, "Gap apologizes to China over map on T-shirt that omits Taiwan, South China Sea," Washington Post, May 15, 2018, https://www.washingtonpost.com/ . Curtis Stone, "Net users call out Gap for its 'unintentional error,'" People's Daily, May 15, 2018, http://en.people.cn/ .

Event (yr.mo.day)	Means (informal/formal)	Target	Reason	Source
2018.04.25	informal / strategic regulation	US MNEs American, Delta, United Airlines	<p>“On April 25, the Chinese Civil Aviation Administration sent a letter to 36 foreign air carriers, including a number of American carriers. This notice demanded that carriers change how ‘Taiwan,’ ‘Hong Kong,’ and ‘Macao’ are identified on their websites and in their promotional material so that the references fall in line with the Communist Party’s standards.” (White House)</p> <p>The letter required the carriers change their websites within 30 days or risk punishment. (Chan)</p>	<p>White House, “Statement from the Press Secretary on China’s Political Correctness,” May 5, 2018, https://trumpwhitehouse.archives.gov/.</p> <p>Tara Francis Chan, “Take a look at the letter China’s aviation authority sent to 36 foreign airlines that the White House called ‘nonsense’,” Business Insider, May 8, 2018, https://www.businessinsider.com/.</p>
2018.09.24	none		Arms sales to Taiwan	US Defense Security Cooperation Agency, “Taipei Economic And Cultural Representative Office In The United States (TECRO) – Foreign Military Sales Order II Case,” Press release, August 20, 2019, https://www.dsca.mil/ .
2019.01	informal / boycott fomentation	US MNE McDonald’s	McDonald’s Taiwan posted a YouTube ad that listed Taiwan as a separate nationality on an ID card, sparking backlash from Chinese netizens.	“‘Taiwanese’ in McDonald’s ad sparks fuss in China,” Taipei Times, January 20, 2019, https://www.taipetimes.com/ .
2019.03	informal / boycott fomentation	MAC cosmetics	“American makeup brand #MAC Cosmetics apologized Saturday on Sina Weibo for the incomplete map of #China without showing the island of #Taiwan in a promotional email to its customers on International Women’s Day.”	Global Times Twitter account (@globaltimesnews), March 9, 2019, https://twitter.com/ .

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
2019.05.29	informal / threat via People's Daily	US Govt	<p>Retaliation for US announcing tariffs on Chinese goods.</p> <p>"China does not want a trade war, but it is not afraid of one and will fight one if necessary.</p> <p>... In fact, consumer electronics, military equipment and many other products produced in the US are highly dependent on China's rare-earth resources.</p> <p>...</p> <p>There is no winner in the trade war. We advise the U.S. side not to underestimate the Chinese side's ability to safeguard its development rights and interests. Don't say we didn't warn you!" (Wu)</p> <p>"The Chinese tabloid Global Times also reported Tuesday that China is 'seriously considering' limiting rare earth exports to the United States. 'Based on what I know, China is seriously considering restricting rare earth exports to the U.S. China may also take other countermeasures in the future,' Hu Xijin, editor-in-chief, wrote on his Twitter account." (Domm)</p>	<p>Wu Yuehe, "United States, don't underestimate China's ability to strike back," People's Daily, May 31, 2019, http://en.people.cn/.</p> <p>Patti Domm, "China appears to make veiled threat about rare earth minerals crucial to US technology industry," CNBC, May 28, 2019, https://www.cnbc.com/.</p>

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
2019.06- 2019.07	formal sanctions threat	US MNE FedEx	<p>FedEx diverted or delayed packages containing Huawei products originally bound for Asia, after the US banned Huawei products in May 2019. CCP started investigating the incidents in June 2019.</p> <p>“The investigations found that FedEx’s claim of ‘operational errors’ for transferring Huawei packages to the US is simply not true. ... The consequences ... will depend on investigation results.” (PRC MFA)</p> <p>“The rule of law serves as a guiding principle of China.</p> <p>... From drafting an ‘unreliable entity list’ of foreign companies to investigating FedEx for ‘wrongful delivery of packages’, China is showing its resolute position – any foreign enterprise, organization or individual that fails to abide by Chinese laws and regulations will be punished in accordance with the law. FedEx, no one can help you if you break the law.” (People’s Daily)</p> <p>“It’s reported that FedEx might be put on China’s ‘Unreliable Entities List’ due to the company’s recent problems.” (MOFCOM)</p>	<p>Zong Gui, “PD Online Commentary: FedEx, no one can help you if you break the law,” People’s Daily, June 2, 2019, http://en.people.cn/.</p> <p>Don Weiland, “FedEx accused of breaking Chinese law on Huawei parcels,” Financial Times, July 25, 2019, https://www.ft.com/.</p> <p>“FedEx’s claimed misdelivery of Huawei packages not true: investigation,” Xinhua, July 26, 2019, http://www.xinhuanet.com/.</p> <p>Ministry of Foreign Affairs of the People’s Republic of China, “Foreign Ministry Spokesperson Hua Chunying’s Regular Press Conference on July 26, 2019,” https://www.fmprc.gov.cn/.</p> <p>Ministry of Commerce of the People’s Republic of China, “Regular Press Conference of the Ministry of Commerce (June 27, 2019),” http://english.mofcom.gov.cn/.</p>

Event (yr.mo.day)	Means (informal/formal)	Target	Reason	Source
2019.07.12	formal sanctions threat	US MNEs affiliated with arms sale (vague)	US announced arms sale to Taiwan "China will impose sanctions on the US enterprises involved in the above-mentioned arms sale to Taiwan." (PRC MFA)	Ministry of Foreign Affairs of the People's Republic of China, "Foreign Ministry Spokesperson Geng Shuang's Remarks on Chinese Government's Sanctions on US Enterprises Involved in Arms Sale to Taiwan," July 12, 2019, https://www.fmprc.gov.cn/ .
2019.08	informal / People's Daily admonishment, threat of boycott	US MNEs Coach, Calvin Klein, Fresh cosmetics	Listed Hong Kong and Taiwan as separate from China on t-shirts and website. "The pictures of the T-shirts and website screenshots have been circulating on Chinese social media, and netizens expressing outrage toward the brand. 'Coach' has become a top-trending hashtag on China's Twitter-like Weibo. ... if these had political motives, Chinese consumers would boycott them." (Global Times)	Song Lin and Yang Kunyi, "Coach brand risks potential boycott," Global Times, August 12, 2019, https://www.globaltimes.cn/ .
2019.08	none	US MNE Tiffany & Co	Tiffany & Co ran advertisement that showed Chinese model Sun Feifei doing a pose associated with the pro-democratic protests in Hong Kong (covering one eye). MNE self-censored shortly after.	Alexandra Ma, "Dior groveled to China after it used a map that didn't show Taiwan as part of the country. Here are other times Western brands caved after offending the Communist Party," Business Insider, October 17, 2019, https://www.businessinsider.com/ .

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
2019.08	informal / boycott fomentation	US MNE Amazon	<p>“Chinese people are enraged that Amazon is selling pro-Hong Kong protest T-shirts on its U.S. and UK websites. As the hashtag #AmazonTshirt generated heated discussions on China’s microblog Weibo, angry people took some action: They reported the listings to Amazon’s customer services and even figured out a way to hijack the product images by changing them into Chinese flags.</p> <p>...</p> <p>On Weibo, there are over 320,000 posts with the hashtag “Amazon T-shirt,” mostly condemning Amazon for selling pro-Hong Kong independence T-shirts. The Seattle-based giant quit the Chinese e-commerce market earlier this year, but it still has a booming cloud business in China. Chinese sellers also play a vital role in its global marketplace.”</p>	<p>Krystal Hu, “Chinese nationalists hijack pro-Hong Kong protest T-shirt listings on Amazon,” August 15, 2019, https://www.yahoo.com/.</p>
2019.08.20	none		Arms sales to Taiwan	<p>US Defense Security Cooperation Agency, “Taipei Economic And Cultural Representative Office In The United States (TECRO) – F-16C/D Block 70 Aircraft and Related Equipment and Support,” Press release, August 20, 2019, https://www.dsca.mil/.</p>

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
2019.10	formal sanctions	US corporation Houston Rockets basketball team	<p>One single tweet in support of Hong Kong democracy protesters from Houston Rockets general manager Daryl Morey. Twitter is blocked in China.</p> <p>Chinese Basketball association suspended exchanges/cooperation with the Rockets. State broadcaster CCTV announced they would stop broadcasting Rockets.</p> <p>"Morey, this time you have really broken the rules. When you foul, you must pay the price. If you fail to change after the foul, then you'll be sent from the court," said CCTV news anchor Kang Hui." (FT)</p>	<p>Christian Shepard, Hudson Lockett, and Murad Ahmed, "NBA rebukes Houston Rockets boss after Hong Kong praise," Financial Times, October 7, 2019, https://www.ft.com/.</p>
2019.10.08	Informal / People's Daily admonishment	US MNE Apple	<p>People's Daily criticized Apple "for allowing an app on its app store that tracks the movement of police around Hong Kong and is used by protesters in ongoing and sometimes violent demonstrations." (Reuters)</p> <p>"Providing a gateway for 'toxic apps' is hurting the feelings of the Chinese people, twisting the facts of Hong Kong affairs, and against the views and principles of the Chinese people." (Bo)</p>	<p>"China state newspaper criticizes Apple for app used by Hong Kong protesters," Reuters, October 8, 2019, https://www.cnbc.com/.</p> <p>Bo Lanping, "Is Apple helping HK rioters engage in more violence?" People's Daily, October 9, 2019, http://en.people.cn/.</p>

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
2020.02.21	Informal / Global Times admonishment	US MNE Amazon	<p>“Amazon is receiving public scorn once again for selling offensive items on its retail platform. The US online retail behemoth has angered many Chinese consumers after they discovered t-shirts and coffee mugs featuring the slogan ‘Coronavirus made in China’ were being sold on the platform. If Amazon doesn’t want to stand against their Chinese consumers, the company should apologize and punish vendors for selling such items.”</p>	<p>Hu Weijia, “Amazon should apologize for offensive t-shirts,” Global Times, February 21, 2020, https://www.globaltimes.cn/.</p>
2020.03.25	Informal / boycott fomentation	US MNE Burger King	<p>“Burger King China, the Chinese mainland operator of the multinational chain of hamburger fast food restaurants, made a public apology on Sina Weibo Sunday on behalf of the US brand’s Taiwan branch for using “Wuhan pneumonia” to refer to COVID-19 in a post on Facebook Wednesday.</p> <p>...</p> <p>The discussion going on under the hashtag ‘#Burgerkingapologies’ has gathered some 150 million views and 7,500 comments as of press time on Weibo.</p>	<p>“Burger King apologizes after using racist term to name COVID-19, sparking fury,” Global Times, March 29, 2020, https://www.globaltimes.cn/.</p>

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
2020.03.25 (cont.)			<p>The deliberate use of the terms of “Wuhan virus/ pneumonia” or “Chinese virus” especially after the WHO officially named the epidemic COVID-19, should be considered racist, as it helps promote nothing but hatred and makes no contribution to mankind’s worldwide battle against the disease, observers said.” (Global Times)</p> <p>July 17, 2020 – “Burger King closes franchises accused of selling expired food” (https://www.globaltimes.cn/content/1194817.shtml)</p>	
2020.07.13	formal sanctions –US Govt entity and individuals	<p>US Govt entity and 4 US Govt officials</p> <ul style="list-style-type: none"> - US Congress – China Executive Committee - US Ambassador-at-Large for International Religious Freedom Sam Brownback - Senators Marco Rubio and Ted Cruz and Representative Chris Smith 	<p>Retaliation for US sanctions on a Chinese government department and 4 officials in Xinjiang on July 9, 2020.</p> <p>“The US practice severely interferes in China’s internal affairs, violates basic norms governing international relations and damages China-US relations. China firmly opposes and strongly condemns this.</p> <p>In response to the US wrong moves, the Chinese government has decided to impose corresponding sanctions. . . .” (PRC MFA)</p>	<p>Ministry of Foreign Affairs of the People’s Republic of China, “Foreign Ministry Spokesperson Hua Chunying’s Regular Press Conference on July 13, 2020,” http://cebu.china-consulate.gov.cn/.</p>

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
2020.08.10	formal sanctions – individuals	<p>11 US individuals, including 6 current US officials</p> <p>US officials: Senators Marco Rubio, Ted Cruz, Josh Hawley, Tom Cotton and Pat Toomey and Representative Chris Smith</p> <ul style="list-style-type: none"> - National Endowment for Democracy President Carl Gershman, - National Democratic Institute President Derek Mitchell, - International Republican Institute President Daniel Twining, - Human Rights Watch Executive Director Kenneth Roth, and - Michael Abramowitz, President of Freedom House 	<p>Retaliation for US sanctions on 11 Hong Kong officials on August 7, 2020.</p> <p>“Such behavior openly meddles with Hong Kong affairs, blatantly interferes in China’s internal affairs, and gravely violates international law and basic norms governing international relations. China firmly rejects and condemns it.</p> <p>Reacting to the erroneous move by the US side, China has decided to impose sanctions on the following individuals with egregious behaviors on Hong Kong-related issues, effective today.”</p>	<p>Ministry of Foreign Affairs of the People’s Republic of China, “Foreign Ministry Spokesperson Zhao Lijian’s Regular Press Conference on August 10, 2020,” http://cebu.china-consulate.gov.cn/.</p> <p>“Treasury Sanctions Individuals for Undermining Hong Kong’s Autonomy,” Press release, August 7, 2020, https://home.treasury.gov/.</p>

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
2020.10.26	formal sanctions – MNEs	3 US MNEs, defense contractors Lockheed Martin Space Systems Company Boeing Defense, Space & Security Raytheon Company	Arms sales to Taiwan, October 21, 2020. “As China pointed out on multiple occasions, the U.S. arms sales to the Taiwan region severely violate the one-China principle and the three China-U.S. joint communiqués, and seriously undermine China’s sovereignty and security interests. China firmly opposes and strongly condemns it. To uphold national interests, China decides to take necessary measures to sanction U.S. companies involved in the arms sales to Taiwan including Lockheed Martin, Boeing Defense, Space & Security (BDS) and Raytheon, as well as the U.S. individuals and entities who played an egregious role in the process.” (PRC MFA) No further details on specific actions.	Ministry of Foreign Affairs of the People’s Republic of China, “Foreign Ministry Spokesperson Zhao Lijian’s Regular Press Conference on October 26, 2020,” https://www.fmprc.gov.cn/ .
2020.11.30	formal sanctions – individuals	4 US individuals from nongovernmental organizations National Endowment for Democracy and National Democratic Institute	Retaliation for US sanctions on 4 PRC officials for Hong Kong-related issues on November 10, 2020. “In response to the erroneous practice of the U.S. side, China decides to impose sanctions starting immediately on four people who behaved badly on Hong Kong-related issues.” (PRC MFA)	Ministry of Foreign Affairs of the People’s Republic of China, “Foreign Ministry Spokesperson Hua Chunying’s Regular Press Conference on November 30, 2020,” https://www.fmprc.gov.cn/ . “US sanctions more officials over China’s crackdown in Hong Kong,” Al Jazeera, November 10, 2020, https://www.aljazeera.com/ .

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
2021.01.20	formal sanctions - individuals	<p>28 former US officials (all part of outgoing Trump administration on the day of Biden's inauguration)</p> <p>Included: Michael R. Pompeo, Peter K. Navarro, Robert C. O'Brien, David R. Stilwell, Matthew Pottinger, Alex M. Azar II, Keith J. Krach, and Kelly D.K. Craft, John R. Bolton and Stephen K. Bannon</p>	<p>"Over the past few years, some anti-China politicians in the United States, out of their selfish political interests and prejudice and hatred against China and showing no regard for the interests of the Chinese and American people, have planned, promoted and executed a series of crazy moves which have gravely interfered in China's internal affairs, undermined China's interests, offended the Chinese people, and seriously disrupted China-U.S. relations. The Chinese government is firmly resolved to defend China's national sovereignty, security and development interests. Individuals & family members prohibited from entering the mainland, Hong Kong, Macao. They and companies & institutions associated with them are also restricted from doing business with China."</p>	<p>Ministry of Foreign Affairs of the People's Republic of China, "Foreign Ministry Spokesperson Announces Sanctions on Pompeo and Others," January 20, 2021, https://www.fmprc.gov.cn/.</p>

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
2021.03	informal / boycott fomentation	US MNE, Nike (along with non-US MNEs adidas, Burberry, H&M, Lacoste)	<p>Nike issued statement on concern about reports of forced labor in Xinjiang.</p> <p>“Nike has become the next target of Chinese netizens’ rage after H&M for its stance over Xinjiang cotton supply issues.</p> <p>The hashtag #nike has become the biggest trending topic on China’s Twitter-like social media platform Sina Weibo on Thursday with 720 million views and 530,000 comments over its announcement outlining its boycott of Xinjiang cotton.</p> <p>Chinese netizens called the announcement of the company disgusting and asked the brand to get out of Chinese market. . . .” (Global Times)</p> <p>“You cannot ask Chinese side to step back and spare those companies so that they can be ‘politically correct’ in the West — all the while leaving Chinese consumers with damaged dignity. Chinese netizens denouncing those Western companies is a normal reaction of any consumer group, particularly when they feel deeply offended.” (Hu Xijin)</p>	<p>“Nike, the next target after H&M on Xinjiang cotton issue,” Global Times, March 25, 2021, https://www.globaltimes.cn/.</p> <p>Stu Woo, Suzanne Kapner, and Brian Whitton. “Business News: Apparel Maker Pulled, Restored China Rebuke — North Face Seller VF Redrafted Criticism of Xinjiang Labor Practices as Others Went Silent.” Wall Street Journal, June 21, 2021, Eastern edition, http://aufric.idm.oclc.org/.</p> <p>Hu Xijin, “Chinese consumers won’t pay for multinational companies’ political correctness that caters to West,” Global Times, March 25, 2021, https://www.globaltimes.cn/.</p>

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
2021.03.27	formal sanctions – individuals	2 US Govt officials Commission on International Religious Freedom commissioners	Retaliation for US sanctions on PRC officials for Xinjiang-related issues on March 22, 2021. “The United States (US) and Canada imposed unilateral sanctions on relevant individuals and entity in Xinjiang on March 22 based on rumors and disinformation. In response, the Chinese side decides to sanction Chair of the United States Commission on International Religious Freedom (USCIRF) Gayle Manchin, Vice Chair of the USCIRF Tony Perkins. . . .” (PRC MFA)	Ministry of Foreign Affairs of the People’s Republic of China, “Foreign Ministry Spokesperson Announces Sanctions on Relevant US and Canadian Individuals and Entity,” March 27, 2021, https://www.fmprc.gov.cn/ . Antony J. Blinken, “PRC Sanctions on U.S. Officials,” Press statement, March 27, 2021, https://www.state.gov/ .
2021.04	informal / strategic regulation	US nongovernmental organization Shenzhen Verite, local partner of Verite Inc., a US labor rights nonprofit	Verite published report on Xinjiang forced labor allegations. Chinese law enforcement raided Shenzhen office and froze bank account in April 2021. Shenzhen Verite office closed August 2021. (WSJ)	Lingling Wei, Eva Xiao, and Trefor Moss, “China Closes U.S. Auditor as Tensions Mount Over Forced Labor Allegations,” Wall Street Journal, August 19, 2021, https://www.wsj.com/ . Liu Xin, Fan Lingzhi, and Yang Ruoyu, “Exclusive: How US forces ‘Xinjiang forced labor’ narrative on enterprises, industry agencies,” Global Times, March 27, 2021, https://web.archive.org/ .

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
2021.04 (cont.)			Global Times response to Verité report: "The Global Times has learned from sources that members of Verité who were responsible for the 'investigation' never went to Xinjiang to carry out any surveys. Instead, they obtained all their information by searching online and citing information from the US Congress, anti-China forces, including the World Uyghur Congress, and biased US-based organization Human Rights Watch. The Verité report called this 'flawless data,' thus reaching 'flawless' conclusions."	
2021.05.26	formal sanctions – individuals	1 former US Govt official US Commission on International Religious Freedom commissioner, Johnnie Moore	Retaliation for US sanctions on one PRC official after US Department of State released the 2020 Report on International Religious Freedom. "In response to the US blatant move to endorse cults and impose unilateral sanctions on Chinese personnel based on lies and disinformation, China decides to sanction Johnnie Moore, Commissioner of the United States Commission on International Religious Freedom (USCIRF). The individual concerned and his family members are prohibited from entering the mainland, Hong Kong and Macao of China." (PRC MFA)	Antony J. Blinken, "PRC Sanctions on a Former U.S. Official," Press statement, May 27, 2021, https://www.state.gov/ . Ministry of Foreign Affairs of the People's Republic of China, "Foreign Ministry Spokesperson Zhao Lijian's Regular Press Conference on May 26, 2021," https://web.archive.org/ .

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
2021.07.23	formal sanctions - individuals + org	<p>7 individuals (including 1 current US officials) + 1 nongovernmental organization sanctioned under Anti-Foreign Sanctions Law:</p> <ul style="list-style-type: none"> - former US Secretary of Commerce (under President Trump) Wilbur Louis Ross, - Chairman of US-China Economic and Security Review Commission (USCC) Carolyn Bartholomew, - former Staff Director of Congressional-Executive Commission on China (CECC) Jonathan Stivers, - Do Yun Kim at National Democratic Institute for International Affairs, - senior program manager of the International Republican Institute (IRI) Adam Joseph King, - China Director at Human Rights Watch Sophie Richardson, and - Hong Kong Democratic Council 	<p>Retaliatory sanctions after US sanctioned Chinese officials in Hong Kong on July 16, 2021.</p> <p>“The US Treasury Department’s Office of Foreign Assets Control (OFAC) imposed financial sanctions on seven deputy directors of the Liaison Office of the Central People’s Government in HKSAR by adding them to its list of Specially Designated Nationals. ... These acts gravely violate international law and basic norms governing international relations, and severely interfere in China’s internal affairs. China firmly opposes and strongly condemns this.</p> <p>In response...China has decided to take reciprocal countermeasures, and impose sanctions on seven US individuals and entity according to the Anti-Foreign Sanctions Law. . . .</p> <p>I would like to stress once again that Hong Kong is China’s Special Administrative Region and its affairs are an integral part of China’s internal affairs. Any attempt by external forces to interfere in Hong Kong’s affairs would be as futile as an ant trying to shake a big tree.” (PRC MFA)</p>	<p>“China imposes sanctions on US officials,” BBC, July 23, 2021, https://www.bbc.com/.</p> <p>Ministry of Foreign Affairs of the People’s Republic of China, “Foreign Ministry Spokesperson’s Remarks on China’s Decision to Impose Sanctions on Relevant US Individuals and Entity,” July 23, 2021, https://www.fmprc.gov.cn/.</p>

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
2021.12	informal / boycott fomentation	US MNE Intel	<p>Intel published a letter to its suppliers not to source products from Xinjiang due to US Uyghur Force Labor Prevention Act banning imports from Xinjiang, signed December 23, 2021. (Reuters)</p> <p>This “set off an outcry on Chinese social media” and spurred commentary in Global Times saying Intel was “biting the hand that feeds it.” (NYTimes)</p>	<p>John Liu, “Intel apologizes over its statement on forced labor in Xinjiang,” New York Times, December 23, 2021, https://www.nytimes.com/.</p> <p>“Intel deletes reference to Xinjiang after backlash in China,” Reuters, January 11, 2022, https://www.reuters.com/.</p>
2021.12 – 2022.01	formal / strategic regulation	US MNE Walmart	<p>Walmart removed all Xinjiang-sourced products from Sam’s Club, due to US Uyghur Force Labor Prevention Act banning imports from Xinjiang, signed December 23, 2021.</p> <p>“[A] publication supported by the State Administration for Market Regulation, reported on Jan. 5 that cybersecurity investigators in Shenzhen found Walmart’s China operation had failed to address 19 network security problems in a timely manner.” (Sweeney)</p>	<p>Brendan Case, “China accuses Walmart of ‘stupidity’ over missing Xinjiang items,” Bloomberg via Al Jazeera, December 31, 2021, https://www.aljazeera.com/.</p> <p>Pete Sweeney, “Walmart gets taste of the Lotte treatment in China,” Reuters, January 6, 2022, https://www.reuters.com/.</p> <p>“Walmart-owned Sam’s Club fined \$7,896 for violating food safety laws,” Global Times, January 24, 2022, https://www.globaltimes.cn/.</p>

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
(cont.)			<p>“On January 14, Walmart China was been fined 300,000 yuan for using default five-star ratings for products on the Sam’s Club app. The Guangdong Administration for Market Regulation (GAMR) deemed that such false commercial publicity would deceive and mislead consumers.</p> <p>On January 4, it was reported that the market regulator for Qingpu district in Shanghai had fined Sam’s Club Shanghai 10,000 yuan (\$1,573.5) for producing, selling food and food additives with noncompliant labeling and introductory information, according to online enterprise platform Tianyancha.</p> <p>Sam’s Club found itself in hot water since it was exposed to have removed many products from Northwest China’s Xinjiang Uygur Autonomous Region in December. The anger it sparked among Chinese consumers led to significant cancellations of Sam’s Club memberships across the country.” (Global Times)</p>	

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
2021.12.21	formal sanctions - individuals	4 US officials US Committee on International Religious Freedom (USCIRF) commissioners	<p>Retaliatory in response to US sanctions on Chinese officials for human rights issues in Xinjiang.</p> <p>“The US imposed illegal sanctions on Chinese officials under the pretext of so-called human rights issue in Xinjiang in accordance with its domestic law. Such action seriously interferes in China’s internal affairs, seriously violates basic norms governing international relations and seriously undermines China-US relations. China firmly opposes and strongly condemns this.</p> <p>In response to the above-mentioned erroneous practice of the US side, China has decided to take reciprocal countermeasures in accordance with the Anti-Foreign Sanctions Law of the People’s Republic of China.” (PRC MFA)</p>	<p>Ministry of Foreign Affairs of the People’s Republic of China, “Foreign Ministry Spokesperson Zhao Lijian’s Regular Press Conference on December 21, 2021,” https://www.fmprc.gov.cn/.</p> <p>Anthony J. Blinken, “PRC Sanctions on U.S. Officials,” Press statement, January 10, 2022, https://www.state.gov/.</p>

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
2022.01.07	Informal / strategic regulation	US MNE 7-Eleven	<p>“Taiwan is an inalienable part of China, Wang Wenbin, spokesperson for the Chinese Foreign Ministry, said at Friday’s press conference after convenience chain store 7-Eleven was fined for displaying an incorrect and incomplete Chinese map that labeled the island of Taiwan as ‘an independent country.’</p> <p>...</p> <p>Seven-Eleven Beijing Co was fined 150,000 yuan (\$23,505) by Beijing planning and natural resources market regulators. . . .” (Global Times)</p>	<p>“Taiwan an inalienable part of China: FM responds to 7-Eleven using incomplete Chinese map,” Global Times, January 7, 2022, https://www.globaltimes.cn/.</p>
2022.08.03	formal sanctions – individuals	1 US official Speaker Pelosi + immediate family members	<p>Speaker Pelosi visited Taiwan.</p> <p>“It gravely undermines China’s sovereignty and territorial integrity, seriously tramples on the one-China principle...</p> <p>In response to Pelosi’s egregious provocation, China decides to adopt sanctions on Pelosi and her immediate family members in accordance with relevant laws of the [PRC].” (PRC MFA)</p>	<p>Ministry of Foreign Affairs of the People’s Republic of China, “Foreign Ministry Spokesperson Announces China’s Sanctions on U.S. House Speaker Nancy Pelosi,” August 5, 2022, https://www.fmprc.gov.cn/.</p> <p>“Nancy Pelosi Taiwan Visit Pelosi Leaves Taiwan, but Tensions Rise in Her Wake,” New York Times, August 11, 2022, https://www.nytimes.com/.</p>
2022.08.14	none		<p>Sen. Ed Markey (D-MA) + 4 bipartisan lawmakers visit Taiwan, no PRC statement</p>	<p>“Five U.S. Lawmakers Arrive in Taiwan Amid Tensions With China,” New York Times, August 14, 2022, https://www.nytimes.com/.</p>

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
2022.08.21	none		Indiana governor delegation of 5 visit Taiwan, no PRC statement	"U.S. Delegation Visits Taiwan for Trade Talks, Risking China's Ire," New York Times, August 21, 2022, https://www.nytimes.com/ .
2022.09.16	formal sanctions - individuals	2x US MNE individuals Defense contractor CEOs: Gregory J. Hayes, Chairman & CEO of Raytheon Technologies Corporation Theodore Colbert III, President & CEO of Boeing Defense, Space & Security, who were involved in the latest arms sale.	Arms sales to Taiwan on September 2, 2022. "US arms sales to China's Taiwan region seriously violate the one-China principle and the provisions of the three China-US joint communiqués, especially the August 17 Communiqué of 1982. The arms sales gravely undermine China's sovereignty and security interests, and severely harm China-US relations and peace and stability in the Taiwan Strait. China firmly opposes and strongly condemns the sales. To defend China's sovereignty and security interests, the Chinese government has decided to sanction Gregory J. Hayes, Chairman and Chief Executive Officer of Raytheon Technologies Corporation, and Theodore Colbert III, President and Chief Executive Officer of Boeing Defense, Space & Security, who were involved in the latest arms sale.	Ministry of Foreign Affairs of the People's Republic of China, "Foreign Ministry Spokesperson Mao Ning's Regular Press Conference on September 16, 2022," https://www.fmprc.gov.cn/ .

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
(cont.)			China once again urges the US government and relevant parties to abide by the one-China principle and the provisions of the three China-US joint communiqués, stop arms sales to Taiwan and military contact with Taiwan, and stop creating factors that could lead to tensions in the Taiwan Strait. China will continue to take all necessary measures in light of the situation to firmly defend its own sovereignty and security interests.” (PRC MFA)	
			XI’S THIRD TERM (not part of study)	
2022.12.08	None, statement		Arms sales to Taiwan “The arms sales undermine China’s sovereignty and security interests, harm peace and stability in the Taiwan Strait, and send a wrong signal to the “Taiwan independence” separatist forces. China deplores and rejects them. We will act firmly to defend our own sovereignty and security interests.”	Ministry of Foreign Affairs of the People’s Republic of China, “Foreign Ministry Spokesperson Mao Ning’s Regular Press Conference on December 8, 2022,” https://www.fmprc.gov.cn/ .

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
2022.12.23	formal sanctions - individuals	2 US officials Yu Maochun, Todd Stein	<p>Retaliatory for US sanctions on 2 Chinese officials over human rights abuses in Tibet.</p> <p>“On December 9, the US imposed illegal sanctions on two Chinese officials under the pretext of the so-called ‘Tibetan human rights’ issue.”</p> <p>“China has decided to take the following anti-sanctions against Yu Maochun, Todd Stein and other individuals listed in the attached ‘Anti-Sanctions List’ measure” (PRC MFA)</p>	<p>Ministry of Foreign Affairs of the People’s Republic of China, “Foreign Ministry Spokesperson Mao Ning’s Regular Press Conference on September 16, 2022,” https://www.fmprc.gov.cn/.</p>
2023.02.16	formal sanctions – MNEs on Unreliable Entity List	US MNEs Lockheed Martin + Raytheon Missile & Defense prohibited from “engaging in import and export business related to China”	<p>Arms sales to Taiwan.</p> <p>Banned the companies “from engaging in China-related import or export activities and making new investments in China.”</p> <p>“Senior executives of the two companies ...have since been prohibited from entering China, as well as working, staying and residing in China.” (PRC SCIO)</p>	<p>The State Council Information Office of the People’s Republic of China, “China’s commerce ministry explains implementation of unreliable entities list,” April 19, 2023, http://english.scio.gov.cn/.</p> <p>“China sanctions Lockheed Martin, Raytheon over Taiwan arms sales,” Reuters, February 16, 2023, https://www.reuters.com/.</p>

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
2023.04.07	formal sanctions - orgs	<p>US nongovernmental organizations</p> <p>Hudson Institute, Reagan Presidential Library, 4x individuals.</p> <p>“For the two institutions, i.e., Hudson Institute and the Ronald Reagan Presidential Library and Museum:</p> <p>All universities, institutes and other organizations, and individuals within China shall be strictly prohibited from engaging in transaction, exchange, cooperation and other activities with them.</p>	<p>Violating “one-China principle” by allowing “Tsai Ing-wen, leader of the Taiwan region, to ‘transit’ in the US”</p> <p>PRC more specific with consequences and issued official decree.</p> <p>Also specific legal references: “Pursuant to Articles 4, 5, 6 and 15 of the Law of the People’s Republic of China on Countering Foreign Sanctions, China decides to take the following countermeasures against the institutions and individuals as listed in the attached List of Targets of Countermeasures, including Hudson Institute, the Ronald Reagan Presidential Library and Museum and their leaders.” (PRC MFA)</p>	<p>Minister Qin Gang, “Decision on Taking Countermeasures Against Hudson Institute, the Ronald Reagan Presidential Library and Museum and Their Leaders,” Decree of the Ministry of Foreign Affairs of the People’s Republic of China, April 7, 2023, https://www.fmprc.gov.cn/.</p>

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
(cont.)		<p>For the four individuals, i.e., Sarah May Stern, Chair of the Hudson Institute Board of Trustees; John P. Walters, President and CEO of Hudson Institute; John Heubusch, former Executive Director of the Ronald Reagan Presidential Foundation and Institute which sustains the Ronald Reagan Presidential Library and Museum; and Joanne M. Drake, Chief Administrative Officer of the Ronald Reagan Presidential Foundation and Institute:</p> <ol style="list-style-type: none"> 1. All of their movable and immovable properties, and other kinds of assets within China shall be frozen. 2. All organizations and individuals within China shall be prohibited from engaging in transaction, cooperation and other activities with them. 3. They shall be denied visas or entry into China.” 		

Event (yr.mo.day)	Means (informal/ formal)	Target	Reason	Source
2023.04.13	formal sanctions - individual	US official US Representative Michael McCaul Similar measures as above.	Led a delegation to visit Taiwan, violating the one-China principle. Specified legal references: "According to the provisions of Articles 3, 4, 6, and 15 of the Anti-Foreign Sanctions Law"	Ministry of Foreign Affairs of the People's Republic of China, "Decision on countermeasures against US anti- China Congressman Mike McCall [sic]," April 13, 2023, https://www.fmprc.gov.cn/ . US House of Representatives Foreign Affairs Committee, "McCaul on Being Sanctioned by CCP," Press release, April 13, 2023, https://foreignaffairs.house.gov/ .

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