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Can China’s Political System
Sustain Its Peaceful Rise?

Susan L. SHIRK

SUMMARY

After more than a decade of diplomacy designed to reassure the United States and Asian neighbors that it wasn’t a threat, Chinese foreign policy has turned more confrontational. The Chinese government and Communist Party make decisions by consensus, which theoretically should sustain a cautious foreign policy. It also would seem that China’s growing economic ties with its neighbors would motivate it to avoid conflict. However, examples of a newly assertive China abound. What can this trend tell us about the underlying characteristics of China’s political system?
Chinese foreign policy has turned more confrontational since 2008. After more than a decade of sophisticated diplomacy designed to reassure the United States and Asian neighbors that it wasn’t a threat, Chinese officials started making threatening public statements and hostile gestures. The list of examples of China’s newly assertive rhetoric and actions includes the following:

- China extended the notion of “core interests”—an interest so crucial that the nation would use military force to defend it, previously limited to preventing the independence of the island of Taiwan—to cover Tibet and Xinjiang, and some Chinese officials included the South China Sea as well.
- When President Barack Obama visited China in November 2009, his hosts gave him a cold reception and refused to allow his address to Shanghai college students to be nationally broadcast, even though the speeches of Presidents Clinton and Bush had been broadcast during their visits.
- Military and government officials started treating the waters 12 to 200 nautical miles offshore (an area called an “exclusive economic zone” in the International Law of the Sea) as its sovereign territory; they harassed U.S. naval surveillance ships off Hainan Island and threatened military action against joint U.S.-ROK exercises in the waters between China and Korea.
- At the United Nations Meeting on Climate Change in Copenhagen in December 2009, Chinese officials publically lambasted the United States and Chinese security officers tried to physically block President Obama from joining a meeting in which Chinese Premier Wen Jiabao was participating.
- In 2010 when North Korea made two unprovoked attacks on South Korea—a torpedo attack against a South Korean naval vessel and an artillery attack against a South Korean island—Beijing was forced to choose sides. It stood with its traditional ally Pyongyang, and watched years of cultivating friendship with South Korea go down the drain.
- To pressure Japan to release a Chinese fishing boat captain who had rammed two Japanese Coast Guard vessels in the East Sea, China appeared to cut off exports of the rare earth metals necessary to produce many technology products. After the Japanese government purchased several of the contested Senkaku/Diaoyu Islands in the East China Sea (a move intended to keep the islands out of the hands of the ultra-nationalist politician who was then mayor of Tokyo) China reacted by encouraging anti-Japanese protests and dispatching large numbers of fishing boats and civilian maritime surveillance ships to try to roll back Japan’s effective control over the islands.
- When jailed democracy activist Liu Xiaobo received the 2010 Nobel Peace Prize, the Chinese government launched a well-publicized international campaign to strong-arm foreign governments to boycott the award ceremony, but only nineteen complied.
- The Chinese Foreign Minister angrily insulted the Southeast Asian countries that spoke in favor of a collective approach to managing the risks of the conflicting territorial claims to the South China Sea, and blamed the United States for interfering. Although not the only claimant behaving more assertively in the South China Sea, China’s claims are the most expansive. And China has taken actions to establish its claims on the small islands in the sea, including planting a PRC flag on the sea floor, creating a new city government on Sansha to govern the territory, and refusing to remove a rope blocking Philippine fishermen from Scarborough Reef even it had promised to do so when it negotiated a de-escalation of the stand-off with Manila.

From the mid-1990s until 2008, Beijing enhanced its international status and influence by taking a low-key approach to the United States and its Asian neighbors, accommodating their interests and actively participating in regional and global multilateral organizations. The obvious impetus for changing this approach was China’s rapid recovery from the 2008 global financial crisis at the same time as the United States appeared to many to be in decline; according to Pew polls, the Chinese public suddenly viewed China as just as economically powerful as the United States. As a result, Chinese citizens and elites started to demand that their leaders take tougher international stands, especially in making territorial claims and pushing back against Tokyo and Washington.

But what does this shift in approach tell us about the underlying characteristics of China’s political system? Why didn’t China’s consensus-based decision-making and its high degree of economic interdependence with other Asian countries and the United States keep China on a prudent foreign policy path? And will China be able to exercise restraint in its foreign and security policy in the future as it grows in economic and military power?
THE POLICY-MAKING PROCESS

The Chinese government and Communist Party make decisions by consensus, which theoretically should be an ideal formula for sustaining a cautious foreign policy, although cumbersome for managing crises. Another way of describing a consensus rule is to see it as a system of multiple vetoes that can check one another. A consensus rule can bog the system down if there is no one at the top willing and able to take charge to make the final call. CCP General Secretary Hu Jintao and Premier Wen Jiabao both have been criticized within China for being weak leaders in this respect. Some Chinese experts believe that the foreign policy process has become broken. One sign is that the inter-agency Foreign Affairs Leading Small Group has met very rarely over the past two to three years.

The foreign policy arena has become crowded with different agencies and state corporations promoting their own agendas and diluting the power of the Ministry of Foreign Affairs. But instead of producing policy inertia, as one might expect from a lack of consensus, Chinese foreign policy seems to be overactive these days. Instead of steering a steady course, Beijing lashes out this way and that. It over-reacts to international events and statements. Chinese official spokesmen pronounce ultimatums even when they have little prospect of having their demands met.

The problem is not so much indecisiveness as a failure on the part of China’s collective leadership to effectively rein in the parochial interest groups within the government, Party, and military who exaggerate threats to increase their budgets and influence. The retired officials and think-tank experts who advocate for these interest groups take advantage of the commercialized media and Internet to go public with their case. The media also loves to dramatize the symbolic actions that appeal to nationalist audiences.

The top foreign policy official, Dai Bingguo, who served as head of the CCP Foreign Affairs Office and as a State Counselor in the State Council during the Hu-Wen administration, complained that no one listened to him when he tried to coordinate the nine civilian maritime agencies, the state energy corporations, and the PLA Navy, which are provoking China’s Asian neighbors by going their own way in the South China Sea. The South China Sea had never been the focus of much public attention; it wasn’t a hot-button issue of nationalism like Japan or Taiwan. The impetus for China’s increasingly assertive actions in the region came from the increasing number of parochial bureaucratic interests that now dominate the dysfunctional foreign policy process.

The Foreign Ministry has also lost control over other foreign policy issues. China’s stance toward North Korea is driven more by Communist Party departments and the PLA than by the Foreign Ministry; and the internal security agencies are important players in making Beijing’s policies toward Central Asia. When the Propaganda Department sends out instructions to depict U.S. policy in Asia as its “containment” of China, no one tells it to stop; it’s no wonder that according to recent Pew polls, Chinese public views of relations with the U.S. as “cooperative” are down sharply from 2010.

Dai Bingguo lacked the authority to coordinate and discipline other agencies, much less the military, because as an ordinary Central Committee member he held the same political rank as the other ministers or generals. If the Chinese leaders recognize the problem, they should make the next Dai Bingguo a Politburo member. In most governments, the foreign minister is one of the most important members of the cabinet.

Civil-military relations also have been plagued by poor coordination or outright insubordination. PLA officers make threatening statements toward other countries in the media without being disciplined. When the Defense Ministry takes a tougher stand than its Foreign Ministry counterpart on an issue like U.S.-ROK joint exercises, the Foreign Ministry modifies its position in a tougher direction rather than the Defense Ministry becoming more diplomatic. The PLA has embarrassed civilian leaders by failing to coordinate on the timing of an anti-satellite test (2007) or the test of a new stealth fighter (2010).

China’s disjointed foreign policy and its tendency toward overreaching indicate that China’s collective leadership may be achieving consensus by log-rolling. Because the Party leaders are afraid of public leadership splits that could spill out and mobilize public opposition, they are reluctant to challenge one another over policy issues. The Politburo Standing Committee rarely deliberates policy as a group and instead allows each of the Party barons to call the shots in his own domain. Unless it is a crisis, the issue is left to the relevant agency instead of being deliberated in a group setting. And if the group does discuss the issue, only the individual leader responsible for the issue speaks to it while the others simply nod assent.

Without a strong leader in charge, no one at the top dares to say no to the powerful bureaucracies that benefit from a tense international environment, such as the military, the internal security police, and the propaganda apparatus—or even the bureaucratic weaklings like the Fisheries Bureau or the State Oceanic Administration that have expanded their fleets of patrol ships.
by exploiting popular nationalism and regional tensions. Instead of the checks and balances that should produce a cautious foreign policy, China is trending toward dangerous over-reaching as each bureaucracy pursues its parochial interests more or less unimpeded.

**ECONOMIC INTERDEPENDENCE AND FOREIGN POLICY**

International relations scholars have found that although it is not an ironclad guarantee of peace, economic interdependence motivates countries to pursue cooperation and avoid conflict, particularly with trading partners. Chinese foreign policy up until 2008 looked like a textbook case. China’s politically insecure leaders were well aware that maintaining stability and keeping the Party in power depended on a growing economy and improved living standards. And China’s economy relied on trade and foreign investment much more than in most large continental countries. That is why for three decades Chinese post-Mao leaders adopted a cautious foreign policy to avoid provoking international conflicts that could disrupt growth and spark unrest at home.

After joining the WTO in 2001, China buoyed the economies of its Asian neighbors and dramatically increased the economic integration of the region. Having already committed to open its markets, it was easy for China to offer free trade agreements (FTAs) to other countries. Even without FTAs, China became the largest trading partner of Japan and South Korea. FDI flowed to China as it became the manufacturing factory of the world and the hub of regional supply chains. China-U.S. economic relations thickened dramatically. Economic interdependence creates new contentious issues even when tariffs are low. Still, the mutually beneficial ties of trade and investment should provide a strong foundation for pragmatic diplomacy.

The China case shows, however, that although this pattern may hold for democracies, in authoritarian systems like China’s, the groups with the most direct economic stake in preserving good relations with other countries may lack effective political voice. In the PRC, the foreign policy process is dominated by government, Party, and military organizations, while business firms are only minimally represented.

When they do lobby on foreign policy, Chinese companies, particularly the large state-owned enterprises that have become more powerful in China’s political economy over the last decade, favor foreign policies that directly benefit them even if they harm long-term relations with other countries. Chinese energy and mineral companies support Beijing’s assertion of its expansive claims over territory where they want to drill. And large corporations exploit popular sentiments of economic nationalism to press the government to help them keep out foreign competitors.

You would think that with Chinese businesses, both large-state owned companies and private ones, seeking to invest and set up production overseas, including in the United States, they surely would have an interest in avoiding any political backlash against China that might bar them from these opportunities. Business magazines like Caijing and Caixin sometimes question the economic wisdom of consumer boycotts of Japan or of a rigid, fundamentalist stance toward territorial issues. But there are few signs that the business community has lobbied for a more moderate Chinese foreign policy.

**CONCLUSION**

Asian countries and the United States reacted promptly and forcefully to the disturbing change in Chinese foreign policy in 2009 and 2010. In a manner straight out of an international relations textbook, Asian countries moved closer to the United States, asking Washington to please stand with them militarily and politically. The Obama administration, which had already been engaged in an effort to enhance its involvement in Asia across the board, not just militarily, was prepared to engage in joint exercises and announce plans for new training, fueling, and repair facilities for U.S. forces in Australia and Southeast Asia.

China’s leaders got the message and tried to recalibrate their own foreign policy signaling. On the eve of President Hu Jintao’s January 2011 state visit to the United States, Dai Bingguo issued an important essay (followed by an official white paper) that emphasized that China still adhered its “peaceful development strategy.” In the two years since, however, the leadership has not recalibrated the tone or substance of its approach to the South China Sea, territorial disputes with Japan, and accusations toward the United States, even though according to a recent Pew survey, the Chinese public has returned to its pre-2009 view that the United States is more economically powerful than China. The contest for power in the lead up to the 18th Communist Party National Congress in November 2012 may have been partially responsible for the tough posturing. But if this hawkish approach to foreign policy persists after the Congress under the new leadership, it may mean that the source of the problem lies with the Chinese political system itself.

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