



# HOW TO INDUCE CHINA TO COOPERATE? THE DOMESTIC CONTEXT OF CHINESE FOREIGN POLICY AND US POLICY APPROACHES

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## EXECUTIVE SUMMARY

- **In spite of the lessons from history that rising powers almost always upset the status quo and cause conflict, the early 2000s saw a China that was seemingly rising “peacefully.”**
- **However, despite the initial optimism, events in recent years have shown Chinese leaders experiencing increasing difficulty in sustaining a restrained approach to the world.**
- **In light of this reality, the United States must devise policies that will continue to induce cooperative behaviour from China, least the unease experienced by its regional partners pave the way to greater risk of miscalculation.**

China’s foreign policy is formulated within a distinctive domestic environment that is constituted of strong influencing factors. Up until recently, China was on a path to rise peacefully, evinced by its cautious behavior and intent on avoiding conflicts that would disrupt economic growth and social stability. However, Chinese leaders now struggle to sustain this restrained approach. In particular, China’s increasingly assertive effort to enforce its expansive claims over the South China Sea is telling.

Within China’s domestic context, the deep insecurity of Chinese leaders has led to an over-emphasis on preventing large-scale social unrest, avoiding public splits in the leadership and keeping the military loyal. Against the context of intensifying popular nationalism, nationalist public opinion now has a clear influence on Chinese foreign policy. To this end, the case for strong United States (US) military presence in the region is compelling. The US should also seek diplomatic opportunities to encourage cooperation.

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## **The United States and Australia face a momentous challenge in devising a strategy to shape China's international behavior to be cautious and cooperative. There is no one right formula for responding to the rise of a new power; designing a strategy depends on our judgments about the character of the rising power.**

We need to understand its motivations and intentions as well as its capabilities. To form these judgments we must try to understand the Chinese domestic political context for Chinese foreign policy. This paper analyzes the key features of the domestic environment in which Chinese foreign policy is made and discusses the implications of these features for US policy efforts to encourage China to rise peacefully.

### **What Kind of Rising Power is China?**

History teaches us that rising powers almost always lead to war, and that the cause of war is as much the misperceptions of the current powers as the actual behavior of the rising power.

Misperceptions are rampant in international relations. For example, people everywhere tend to characterize other countries' actions as an expression of their unchanging national character (see Henry Kissinger's *On China*, for an eloquent recent example)<sup>1</sup> while being highly aware of the complex situational factors that explain their own country's foreign policy choices.<sup>2</sup> People also often misconstrue another state's defensive actions as a manifestation of their aggressive intent.<sup>3</sup>

The reigning powers are particularly prone to misreading and mishandling the rising power, often by overestimating the threat it presents. The Greek historian, Thucydides identified the fear that a rising Athens stirred up in other states as the cause of the Peloponnesian War. As Chinese foreign policy scholar Zhao Minghao wrote recently, "An exaggerated fear of China's capacities and intentions can itself become a cause of conflict and lead to tragic results."<sup>4</sup>

The risk of hawkish misperceptions between China and the United States is heightened because we live in a unipolar world in which the United States is the dominant power. The economic gap between the United States and large developing countries like China, Brazil, and India certainly has narrowed in recent decades. Even so, the American economy is still 2 1/2 times the size of the Chinese economy and its individual income is more than six times than what Chinese citizens earn even when measured by the most generous standard. Strikingly, the military spending gap has not shrunk at all. American military spending, which constitutes 43 percent of the global total, is still six times greater than China's.<sup>5</sup>

Before World War II, when a number of powerful countries existed, the addition of one new power did not appear to diminish any other country's position. Today, however, many Americans see the rise of China as a direct threat to their own country's predominance in the world. And China sees the United States as the one power that can block its rise to wealth and power. How the two countries manage this potentially dangerous historical transition will determine whether the twenty-first century is peaceful or not.

As we seek to eliminate our misperceptions and view China with clear eyes, we should ask ourselves, "What kind of rising power is China?" All rising powers are dissatisfied with the status quo to a certain extent, but they differ as to how limited or unlimited are their aims and in their propensity to take risks.<sup>6</sup> As international relations scholar Randall Schweller puts it, "The key question is whether the rising power views the protection and promotion of its essential values as dependent on fundamental changes in the existing international order; or whether it is merely dissatisfied with its prestige and position within that order."<sup>7</sup> In the extreme case

of a rising power with unlimited aims, it wants to supplant the existing powers and become the number one dominant country in the world. Henry Kissinger defines a “revolutionary power,” i.e. one that has unlimited aims, as one that not only feels threatened “but that nothing can reassure it.”<sup>8</sup> As for risk-taking, some rising powers behave cautiously because they have an objective appreciation of the capabilities of existing powers and of the price to be paid for confronting them head-on. Other rising powers are driven by megalomaniacal leaders or domestic politics to exaggerate their own capabilities and gamble on victory in military conflicts.

## Can China Rise Peacefully?

Up until a few years ago, the signs were encouraging that China was on a path to rise peacefully. China generally behaved like a cautious, responsible rising power preoccupied with its own domestic problems and intent on avoiding conflicts that would disrupt economic growth and social stability.

China’s leaders are more worried about regime stability -- the domestic threats to Communist Party rule – than about any international threat. Keeping the economy growing by at least 7 percent per year is considered a political imperative to create jobs and prevent the widespread unemployment that could lead to large-scale labor unrest.<sup>9</sup> To maintain a good international environment for economic development Deng Xiaoping and Jiang Zemin adopted a low profile; they sought to avoid provoking their Asian neighbors or the United States. They ducked international controversies that might cause other countries to restrict the foreign trade and investment vital to China’s economic growth. Having opened its domestic market to gain admission to the World Trade Organization (2001), the Chinese government went on to offer free trade agreements to its Asian neighbors; even before these agreements were concluded, surging Chinese demand for imports lifted the economies of its neighbors and increased the economic integration of the region.

One of the most positive features of China’s international behavior during the post-Mao era was its foreign policy makers’ astute management of its international reputation. Conscious that its rapid rise leads other countries to view it as a threat, China’s diplomats worked hard to prevent the formation of a balancing coalition

against it by building its reputation as a good global citizen and regional neighbor. (International Relations scholar Avery Goldstein compares the logic of this grand strategy to that of Germany in the era of Otto von Bismark in the 1860s and ‘70s.<sup>10</sup>) China became a staunch supporter of the World Trade Organization and the Nonproliferation Treaty, and demonstrated its acceptance of the international status quo by participating in many more multilateral organizations than we would expect of a country at its level of development.<sup>11</sup> Seeking to reassure its Asian neighbors about its benign intentions, China resolved almost all of its land border disputes in an accommodating manner that involved giving up more territory than it got.<sup>12</sup> China also enhanced its image as a cooperative neighbor by participating actively in the new forums for regional cooperation that emerged in the 1990s. Beginning in 1996, China endorsed the notion of a code of conduct with the Southeast Asian countries to prevent conflict over the contested territory of the South China Sea. It stepped forward to mediate the dangerous standoff between the United States and North Korea over North Korea’s nuclear weapons program by organizing the Beijing-based Six Party Talks. All of this cooperative behavior boosted China’s international influence and was rooted in the leaders’ interest in achieving a peaceful international environment to sustain economic growth and prevent rebellion against CCP rule.

China’s cautious diplomacy shows some emotional blind spots, particularly toward Japan and Taiwan. Japan and Taiwan are treated as hot-button domestic political issues because they are the focus of intense interest and nationalist sentiment at elite and popular levels. Policies toward Japan and Taiwan are not handled as deftly as other foreign policy issues. Instead, China’s politically insecure leaders take tough public stands in order to bolster their standing with the public. But with the exception of these two issues, China’s international behavior up until 2008 gave

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hope that its leaders had the motivation and the skill to guide the country to rise peacefully.

## Sign of Loss of Restraint

In recent years, however, Chinese leaders have evidenced difficulty in sustaining this restrained approach to the world.

Following the violent protests in Tibet on the eve of the 2008 Beijing Olympics the government publically vilified the Dalai Lama and the Western media; injected the Tibet issue into every diplomatic interaction with Western counterparts; cancelled important meetings like the China-EU summit when President Sarkozy said he would meet with the Dalai Lama; and expanded to include Tibet the loaded concept of “core interests,” i.e. the national priorities which must be defended at all costs including by force, which previously had been limited to preventing Taiwan independence. In March 2009, violent ethnic conflict between Uyghurs and Han Chinese in Xinjiang produced a similar foreign policy reaction from the PRC government including the further redefinition of “core interests” to include Xinjiang.

In March 2009, two Chinese fishing trawlers, a fishery patrol ship, and a State Oceanographic Administration patrol ship (with a PLA Navy ship nearby) created a dangerous maritime incident when they harassed the *Impeccable*, an American surveillance ship collecting underwater intelligence on Chinese submarines and the contours of the ocean floor 75 miles off Hainan Island. The Chinese vessels used poles to try to snag the towed acoustic array sonars dangling under the *Impeccable*. Chinese fishing boats attempted the same maneuver against another American surveillance ship in May 2009. The Americans believe that collecting military-related undersea information is within their rights in the “international waters” that begin 12 nautical miles off the Chinese coast. But the Chinese assert their right to exclude foreign military activities from the maritime and air space 12-200 nautical miles offshore (their Exclusive Economic Zone under the United Nations Convention on the Law of the Sea).

When President Barack Obama visited the PRC for the first time in November 2009, the Chinese government gave the new president the cold shoulder treatment. It refused to allow his speech to college students to be televised nationally even though it had allowed it for presidents Clinton and Bush.

Photographic images of President Obama walking alone on the Great Wall, with no friendly Chinese official at his side, and the short, stiff press conference between President Hu Jintao and President Obama communicated that the Chinese hosts preferred to emphasize differences instead of affinity with the U.S. The next month at the United Nations Climate Change Conference in Copenhagen unusually sharp vocal criticisms of the U.S. by Chinese officials sent the same message.

China has worked hard for years to cement friendships with both South and North Korea. But if one friend attacks another, it is impossible not to choose sides. China estranged the South Korean public when it followed its Mao-era loyalties and favored the North in response to two acts of North Korean aggression against South Korea in 2010. When in March the *Cheonan*, a South Korean corvette sunk and 46 sailors lost their lives, China declined to send a team to Seoul to review the findings of an international investigation that had concluded a North Korean torpedo was responsible, and wouldn't censure the North Korean attack. A few months later, the Chinese again refused to condemn an unprovoked artillery attack by the DPRK on Yeonpyeong Island that killed two civilians and two ROK marines. China's only vocal criticism was reserved for the US-ROK joint exercises, including an American aircraft carrier, held shortly after the artillery attack in the waters between the Korea Peninsula and China.

Perhaps the most worrisome change in China's foreign policy approach is its increasingly assertive effort to enforce its expansive claims over the waters and small islands in the South China Sea, one of the most heavily trafficked maritime transport waters in the world. China's claims are contested by Vietnam, Malaysia, Brunei, and the Philippines; Taiwan makes the same claims as China does. Like China, Vietnam and the Philippines also have ramped up their maritime activities; new technologies for undersea oil and gas exploration have opened up new

possibilities for prospecting and depleted stocks are forcing fishermen to catch fish further offshore. Vietnamese and Filipino ships challenge Chinese fishing boats and civilian patrol vessels that have pushed closer and closer to plant the Chinese flag, literally and figuratively. As tensions rise, maritime standoffs between China and Vietnam and the Philippines are growing more frequent and difficult to de-escalate. Most recently, the Chinese established Sansha, a prefectural government on Woody Island to rule over the other tiny islands and surrounding waters of the Paracels also claimed by Vietnam, and the Central Military Commission announced its intention to garrison a military unit there. China, in contrast to its earlier efforts to bend over backwards to reassure the Southeast Asians about its desire to cooperate to manage tensions in the South China Sea, has reverted to bullying tactics to assert its sovereignty over the area.

China's new, more assertive behavior – its apparent willingness to clash openly with the United States and its neighbors -- has caused Americans and Asians alike to revise their expectations about China's rise. They now believe that China may not be as limited in its aims and risk averse as it once appeared. As a result, their mistrust of China has heightened. American policy toward China has become more competitive. And the region is dividing into two Cold War-type blocs: The U.S. and its friends and allies vs. China, Russia, and the DPRK.

The dominant foreign explanation for China's growing assertiveness is that the 2008 global financial crisis made Chinese more confident that they were well on their way to supplanting the U.S. and that the U.S. was in decline. While this perception (or misperception) undoubtedly increased demands for the government to stand tall, systemic features of domestic politics also are responsible for recent foreign policy trends.

## The Domestic Context of Chinese International Behavior<sup>13</sup>

Chinese politicians, like their counterparts in other countries, are motivated first and foremost by their political survival. Domestic politics drives foreign policy

in all political systems. In China, however, national politicians have to worry not just about winning the next election, but about the very survival of the Chinese Communist Party regime. The stakes are much higher for them, and their families.

Behind the headlines we read every day about China's rise is a country with a political leadership that is extremely insecure, constantly fretting that it might be reaching the end of its reign. It's also a country with a dysfunctional policy process dominated by powerful interest groups, many of them within the state itself.

The biggest danger isn't China's growing economic or military strength. It's the internal fragility that could drive it to make threats that leaders can't back down from for fear of loss of internal support – and the possibility of overexpansion, driven by parochial interest groups that would benefit in the short term. I worry that the nature of the Chinese political system is frustrating the restrained approach to foreign policy laid down by Deng Xiaoping during the 1980s, and making it hard for the country to sustain its peaceful rise.

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### Insecure Leaders

China's leaders have a deep sense of political insecurity. None of them have the charisma or personal following that Mao Zedong and Deng Xiaoping, their predecessors in the revolutionary generation once had. And as the current leaders look out from Zhongnanhai to a Chinese society drastically transformed by market reform and opening to the world, everywhere they see threats to their own political survival and to the survival of the CCP regime.

The leaders' anxieties about their survival spiked during the Tiananmen Crisis of spring 1989. Large protests occurred in over 130 cities throughout the country; the CCP leadership split on how to respond to the protests; and only because the PLA followed Deng Xiaoping's command to use force to put down the demonstrations

did the People's Republic of China remain standing. In November 1989, the Berlin Wall fell and communist governments in the Soviet Union and Eastern Europe started to collapse. Ever since then, China's leaders have worried intensely that their own days in power are numbered. And as they try to extend the lifespan of the regime, they pay particular attention to the three lessons they took away from the CCP's close call in 1989:

- Prevent large-scale social unrest.
- Avoid public splits in the leadership.
- Keep the military loyal.

As China's leaders make their foreign policy decisions, these domestic imperatives are very much on their minds.

### Anti-Foreign Nationalism

One type of unrest that China's leaders fear most is an opposition movement that fuses together various discontented groups – such as unemployed workers, farmers, and students – under the banner of nationalism. Anti-foreign nationalism could provide the glue that unifies what so far has been small scale and localized protest into a revolutionary tide that sweeps the CCP out of power. Such nationalist revolution movements overthrew both the Qing Dynasty (1912) and the Republic of China (1949). Any Chinese government that looks weak in the face of foreign pressure could meet a similar fate.

Popular nationalism is intensifying in China. In part this is a natural consequence of the country's rise after more than a century of being weak, internally divided, and internationally marginalized. Chinese nationalism is just as strong outside the PRC Mainland, in Hong Kong and the diaspora, as it is inside the PRC, as we see from the frequency of anti-Japanese petitions and demonstrations originating outside.

In addition, anti-foreign nationalism has been “constructed” by the post-Deng CCP leaders as a source of legitimacy now that almost no one believes in

communism any more. In the 1990s when Jiang Zemin led the party, a patriotic education campaign in the schools and propaganda stimulated a “rediscovery of nationalism.”<sup>14</sup> The focal point of the campaign was Japan's brutal occupation of China in the 1930s and '40s. The official narrative also included the loss of Taiwan inflicted by Japanese and American military forces. Once the official line became explicitly nationalistic, political correctness made it hard for anyone with ambitions to join the party or make a career in a state organization to deviate from it in meetings or public statements.

The CCP, by stoking anti-foreign nationalism, has boxed itself into a corner. Having allowed students to demonstrate outside the U.S. embassy and consulates (in 1999 after the accidental bombing of the Chinese embassy in Belgrade, Yugoslavia) and the Japanese embassy (in 2005 in protest of Prime Minister Koizumi's visits to the Yasakuni Shrine and Japanese efforts to become a permanent member of the United Nations Security Council), how do leaders manage future protests without risking having the students turn on them? It is striking that the Chinese government has never dared allow a demonstration against Taiwan! Yet it is this risk of losing control of anti-foreign protests – leaving something to chance -- that may encourage the Chinese government to tolerate them as a way of gaining “audience cost” leverage over the Japanese or the Americans.<sup>15</sup>

Nationalist public opinion has a clear influence on Chinese foreign policy. When the public is paying attention to an issue, it stiffens Beijing's policy stance. Although Sino-Japanese relations have been most battered by popular nationalism in China, in recent years, other issues also have become nationalist hot-buttons. Tibet and Xinjiang had not been particularly salient to the public before the 2008 and 2009 violent demonstrations in those ethnically divided regions. But Chinese Netizens

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were so infuriated by the photos and videos of Tibetans and Uyghurs beating Han Chinese they saw on line, that they drove the authorities to take a much harder line on the two issues in their diplomatic relations with the United States and Europe.

When mobilized to a high pitch by the media nationalist public opinion also can make it more difficult for decision-makers to de-escalate during foreign policy crises. Yet after each crisis related to Japan, the government has so far been able to suppress protests and smooth over relations more or less with Tokyo.<sup>16</sup> Over time, however, the repeated highly publicized clashes have turned the Japanese public and many Japanese politicians against China despite the close economic ties between the two countries.

The commercialization of the media and emergence of the Internet has made nationalist public opinion a major influence in the foreign policy process. Chinese newspapers, magazines, and Web news sites compete for readers by publishing exciting stories about national security threats just as their counterparts in other countries do. Headlines and photographs of Japanese Aegis cruisers or joint exercises of the U.S. military with its Japanese or South Korean allies sell newspapers. The overheated nationalistic reporting and commentary of the Global Times, the commercial newspaper published by the newspaper group of the party's mouthpiece, People's Daily, has turned it into one of the most widely read and profitable publications in the country.

But it is the Internet that increasingly sets the international news agenda and forces officials to react. Hungry for news and dissatisfied with the timeliness and accuracy of information provided by print and television, the public, particularly the young urbanites who are most likely to demonstrate against foreign targets, flocks to the Internet. As of mid-2012, the number of Netizens had swelled to 538 million, 388 of whom access the Web through their mobile devices. The fastest and most decentralized source of online information is weibo, the Chinese microblogs which combine features of Twitter and Facebook. As of August 2012, 469 individuals were registered users on one weibo platform (Tencent) and 368 on the other (Sina). Only a small number of Chinese Internet users access international news sources directly; most international news is channeled through Chinese sites.

CCP propaganda officials have made a massive effort to maintain control over the content of the commercial media and the Internet.<sup>17</sup> They employ ingenious technological methods and human monitors to restrict access to online information it defines expansively as subversive. Propaganda departments send out directives about what to say and what not to say. For example, framing U.S. Asia policy as "containment" of China is the current line. In contrast, almost all criticism of Taiwan has disappeared from the media as Hu Jintao has made it his personal legacy to improve cross-Strait ties. The CCP also uses paid employees and volunteers to post comments that make it appear as if the tide of opinion favors the CCP's line. Because the hand of the censor is clearly visible on the Internet, when an anti-Japanese or anti-American news story (or a petition) isn't yanked offline, it sends a signal that officials approve of it.

Market competition and propaganda censorship in combination with one another foster media myths about international as well as domestic threats; myths that spur the military and the internal security bureaucracies to over-reach abroad and at home; myths that blow back on the thinking of top officials who closely track media and Internet commentary as a way to gauge public views.

Still, it is undeniable that despite censorship, the Chinese people today have exponentially more information about events outside the country than in the past. Keeping people ignorant of a speech by a Japanese or American cabinet minister is no longer possible. In the short time before the censors delete a news story, it can be spread widely and spark online outrage, forcing Chinese officials to react. Chinese crisis management often falls into a commitment trap as the propaganda authorities jump the gun and take a tough stand before there has been time for careful deliberation of its consequences.

### **Broken Foreign Policy Process**

China scholars have observed since the 1980s that policy making in China is a pluralistic and fragmented process with multiple moving parts.<sup>18</sup> Despite stereotypes about the decisiveness of communist authoritarian governments, in reality decisions require a protracted process of building consensus among



bureaucratic organizations that represent functional, sectoral, and regional interests.

The Communist Party leadership in the Politburo Standing Committee delegates to government agencies the making of economic policy and routine foreign policy. But as the sovereign national authority, the Standing Committee retains for itself the major foreign policy decisions, especially those related to the U.S., Japan, Russia, and the United Nations, and decisions during foreign policy crises. The Party leaders also have the power to intervene in routine decisions and reorganize government agencies in order to tilt outcomes in a direction they favor. The politicians in the Standing Committee decide these questions with an eye to domestic politics as well as national interest.

CCP Leading Small Groups -- one for Foreign Affairs and one for Taiwan -- consisting of heads of relevant bureaucracies and the PLA are supposed to handle interagency coordination and consensus building.<sup>19</sup> Chinese academics have long urged the creation of a National Security Leading Small Group to improve crisis management, but the Standing Committee has resisted delegating its crisis authority to any other committee.

Many of the Chinese I have interviewed believe that the Chinese policy process, both foreign and domestic policy, is broken. 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. (Private businesses and coastal provinces that may have the strongest interest in peaceful economic interdependence lack a voice in foreign policymaking.) The Foreign Affairs Leading Small Group has ceased to meet.<sup>20</sup>

The top foreign policy official, Dai Bingguo who serves as head of the CCP Foreign Affairs Office and as a State Councilor in the government State Council, has complained that no one listens to him when he tries 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.<sup>21</sup> (One reason is that Dai's Party status is only that of an ordinary Central Committee member.) 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.

Civil-military relations also have been plagued by poor coordination if not outright insubordination. PLA officers make threatening statements toward other countries in the media without being disciplined.

When the Defense Ministry spokesman takes a tougher stand than its Foreign Minister 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).

The disjointed foreign policy process makes it hard for China's leaders to steer a steady course. The management of foreign policy has not kept pace with the expansion of China's international footprint that has brought new bureaucratic players into the foreign policy arena.

In China, bureaucratic interest groups (including those in the military) are stove-piped -- separate vertical organizations often reaching down from Beijing to the provinces and cities, that don't communicate with one another and go their own way with little discipline or coordination from above. Each bureaucracy pushes for policies that will feather its own nest -- to increase its budgets, staffing, and influence with little regards for the ramifications for the Party or the nation as a whole. Top leaders in the Standing Committee and Politburo are assigned portfolios representing a particular set of bureaucratic agencies. This portfolio system, which was also used in the Soviet Union under Brezhnev, is designed to keep the leaders from stepping on one another's toes and to preserve a proper balance among the key constituencies in the Party.

These difficulties represent more than simple matters of public administration. They

stem from the political challenges of managing oligarchical rule in an authoritarian system. Because the Party leaders are afraid of public leadership splits that could spill out and mobilize public opposition, they rarely deliberate policy as a group and instead allow each of the Party barons to call the shots in his own domain. Formally, the Standing Committee makes decisions by consensus, but most of the time they actually engage in a kind of logrolling.<sup>22</sup> As a rule, 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 not assent.

Without a strong leader like Deng Xiaoping 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 by the others.

Although nowadays CCP general secretaries and state presidents are only first among equals in a collective leadership, they have an increment of authority over foreign policy when they chose to use it. President Jiang Zemin made a personal investment in improving relations with the United States. And President Hu Jintao has protected his initiatives to improve relations with Taiwan from bureaucratic logrolling and the trend toward assertiveness in Chinese outward behavior.

Presidents Jiang Zemin and Hu Jintao seemed to appreciate the dangers of over-reaching that could produce a hostile reaction from the United States and Asian neighbors and thereby harm China's national interests. On the eve of his January 2011 state visit to the U.S., Hu was confronted by just this kind of reaction. America's friends and allies in the region sought to protect themselves from an increasingly assertive and risk-taking China by strengthening military ties with the U.S. Showing an encouraging ability to learn from this obvious negative feedback,

the Standing Committee issued an essay by Dai Bingguo, the Party's top foreign policy official that sought to reassure the Americans and Asians that China stood by its commitment to "Stick to the Path of Peaceful Development."<sup>23</sup> Since then, the Standing Committee appears to have been trying to recalibrate foreign policy to be more cooperative and less provocative. The CCP leaders also reportedly have been discussing reducing the size of the Standing Committee from nine to seven, which indicates a possible awareness of the need to keep logrolling in check.

## Policy Implications for the United States and Australia

A lively and intelligent debate is currently underway in Australia about what kind of rising power China is and what strategy Australia should adopt toward it. I hope my Australian friends will forgive me if I begin this dialogue among us by focusing on how the U.S. might induce China to behave cooperatively. Without attempting to provide a comprehensive strategy, I simply raise a few suggestions derived from my analysis of the Chinese political system and how it is confounding the efforts of its leaders to sustain its peaceful rise. I highlight certain features of the Chinese political system:

- A politically insecure leadership that places the highest priority on the survival of CCP rule and is intent on preventing large scale unrest, avoiding public splits in the leadership, and keeping the military loyal.
- A leadership that is highly responsive to nationalist public opinion. Censorship and commercial incentives combine to create media myths about international and domestic threats; these myths stir up nationalist sentiments and cause officials to believe their own propaganda.
- A policy process characterized by inadequate restraint over parochial bureaucratic interests that gain from international and domestic over-reaching. The weak collective leadership, anxious to preserve its façade of unity, makes decisions by logrolling among the bureaucratic interests they represent, including the PLA.

## Policy Suggestions

The domestic dynamics that might impel China to act rashly make the case for a strong U.S. military presence in the region all the more compelling. In a crisis, domestic pressures could drive China's leaders to make threats they then cannot back down from for fear of losing public support. Therefore when Chinese decision-makers look out toward the Pacific, it's important for them to see the U.S. and its allies capable of making a robust defense of their interests, and think twice -- to reassess the risks -- before making threats. They know they may pay some domestic cost for exercising restraint; the U.S. and its allies must remind them that they will pay an even greater cost if they act belligerently.

Yet the United States should avoid saber rattling and rhetorical muscle flexing that provokes government spokesmen and media to respond in kind. Quiet strength is the best way to handle a rising power with a political system like China's. Military exercises and basing arrangements send their own message; low key public statements help mitigate the security dilemma misperceptions -- and dispel the myth -- that a strong U.S. military presence in the region means a hostile containment strategy. Washington should avoid tough public statements such as those about the "pivot to Asia" that inflame nationalist public opinion, force a sharp official reaction, and increase the clout of the parochial interests including the PLA that benefit from a tense threat environment. For the same reasons, it is advisable to criticize Chinese actions whenever possible by emphasizing the principles of international relations that should be followed by every country, and not by calling out China. The recent US Department of State statement on China's behavior in the South China Sea is a negative example of how not to criticize China.

The U.S. should seek ways to bolster the authority and restraint of the top leadership over parochial interests. The odds for China to rise peacefully should improve if its leaders develop the confidence and political will to act as stewards of the all encompassing national interest instead of letting interest groups go their own way. Visits and meetings by top leaders will get their attention as they prepare for the meetings; the more such meetings, the better. American leaders should lavish respect on Chinese leaders at every opportunity including in global multilateral

forums. The U.S. should build relationships with all the members of the Standing Committee, not only the President and Premier. China's collective leadership consists of individuals with domestic portfolios and minimal experience abroad. The US should seek to improve their understanding of the United States and the rest of the world to encourage them to operate as statesmen as well as politicians.

The U.S. should seek diplomatic opportunities to bring together multiple agencies from China (including the PLA) to encourage them to get to know one another and improve their coordination. This is a good approach particularly for maritime and cyber security issues.

## Endnotes

1. Henry Kissinger, *On China* (New York: Penguin Press, 2011).
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  18. Kenneth Lieberthal and Michel Oksenberg, *Policy Making in China: Leaders, Structures, and Processes* (Princeton: Princeton University Press, 1988); Kenneth Lieberthal and David M. Lampton (eds), *Bureaucracy, Politics, and Decision Making in Post-Mao China* (Berkeley: University of California Press, 1992); Susan L. Shirk, *The Political Logic of Economic Reform in China* (Berkeley: University of California Press, 1993).
  19. The Chinese term for "coordination" *xietiao* means bureaucratic conflict resolution, working out agreement among the conflicting positions of different organizations. See Shirk, *The Political Logic of Economic Reform in China*, p 97.
  20. According to interviewees, there was one meeting prior to President Hu Jintao's state visit to the United States in January 2011.
  21. "Stirring Up the South China Sea (I)", *International Crisis Group, Asia Report No. 223*, April 23, 2012, <http://www.crisisgroup.org/en/regions/asia/north-east-asia/china/223-stirring-up-the-south-china-sea-i.aspx>.
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Susan Shirk is the Ho Miu Lam professor of China and Pacific Relations at IR/PS. She first traveled to China in 1971 and has been doing research there ever since.

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