China is a rising global power. Observers argue over whether it will rise peacefully within the current international order or if it will choose an aggressive posture. While its actions to date communicate a mixed message on the issue, the Chinese state will indeed rise peacefully. A.F.K Organski’s Power Transition international relations theory provides a substantive, predictive backdrop to Chinese intent and helps characterize China’s future as one marked by largely peaceful actions. Not only do its political traditions demand a peaceful approach to growth, but China’s methods of military employment and the economic realities confronting the state create the conditions where an aggressive rise is unlikely.
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The opinions and conclusions expressed herein are those of the student author, and do not
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other government agency. (References to this study should include the foregoing statement.)
ABSTRACT

China is a rising global power. Observers argue over whether it will rise peacefully within the current international order or if it will choose an aggressive posture. While its actions to date communicate a mixed message on the issue, the Chinese state will indeed rise peacefully. A.F.K Organski’s Power Transition international relations theory provides a substantive, predictive backdrop to Chinese intent and helps characterize China’s future as one marked by largely peaceful actions. Not only do its political traditions demand a peaceful approach to growth, but China’s methods of military employment and the economic realities confronting the state create the conditions where an aggressive rise is unlikely.
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INTRODUCTION

Rather be a dog in peaceful times than a man in troubled times.¹

~ Chinese Proverb

Zheng Bijian, a noted Communist Party scholar with close ties to then-Chinese president Hu Jintao first introduced the phrase “peaceful rise” in 2003 in an attempt to define the nature of China’s ascent as a global superpower. Zheng’s proposal gained credence in political circles when Mr. Hu and Premier Wen Jiabao repeated this language in speeches shortly thereafter. Though later permutations by Chinese leadership and communist scholars referenced this approach as “peaceful development” or “harmonious society,” the intent remained clear: China sought to develop as a global power using a mix of soft power and responsible stewardship.

The Council on Foreign Relations (CFR) defined the peaceful rise premise as one that would permit China to “develop economically by taking advantage of the peaceful international environment, and at the same time maintain and contribute to world peace by its development.”² The CFR Backgrounder entitled “The Promise and Pitfalls of China’s ‘Peaceful Rise’” went on to state

The policy is intended to create "an environment that maximizes the chances of China's economic development," says Kenneth Lieberthal, director of the China Institute at the University of Michigan and a director of Asian affairs for the National Security Council during the Clinton administration. Others agree that the policy's focus is clear. "It's an attempt to grow economically and increase China's diplomatic presence while keeping relations with other nations peaceful," says David Kang, a visiting professor at Stanford University's Asia-Pacific Research Center.³

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³ Ibid.
Zheng Bijian’s thesis and its subsequent appropriation by Chinese leadership accurately portrays economic success as a key ingredient to China’s rise, but it also implies a deeper point: that China will not attempt to redefine a new world order. Rather, China expects to adhere to the current construct, complete with the United States at the helm. This monograph will argue that China will peacefully rise within the current international order.

The peaceful rise premise acknowledges some limits on state action, but still requires an objective measure for analysis. What constitutes a “peaceful rise?” This monograph will use a two-part definition, addressing both terms. Though relatively straightforward, “peaceful” will be interpreted to mean undisturbed by violent strife or turmoil. Disagreement between parties will occur – such “normal” friction encapsulates the very nature of any change within human society – but implicit to this definition is the absence of conflict, no matter the result. The second term, “rise,” also offers several definitions. The appropriate ones for this inquiry include those that connote a steady improvement or elevation in status, prosperity, or importance. Based on this narrow definition, China’s rise must be to some extent predictable and uninterrupted by significant turbulence in any of the relevant dimensions.

Since Zheng’s declaration 10 years ago, scholars have grappled with the likelihood of China’s peaceful ascent into global affairs. Most reflect on how this approach will play out in the political and military realms, remaining skeptical China’s rise will not have an adverse effect on the international order. In general, literature along the line of China’s rise falls into four camps.

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6 Several commentaries have proposed China faces an inevitable political revolution, and that such a revolution will lead to a more democratic model that benefits the Chinese people in the long run. This monograph’s definition of “peaceful rise” rejects that future as an acceptable outcome as it would normally require some political and economic retrenchment within the Chinese state and violate the “rise” definition proposed above.
The first category, and clearly the one most representative of conventional wisdom, proposes that China will rise in an aggressive fashion.

Several authors, like noted international relations theorist John Mearsheimer, reject outright the chances China ascends in anything other than a non-peaceful manner. Mearsheimer’s great power offensive realism is best suited to describe reactions to external threats, perceived or otherwise. In his eyes, China’s move to the world stage will lead to a security dilemma for the United States and invariably include military overtones. But security dilemmas by their nature involve multiple parties and it’s fair to recognize American actions might well limit China’s hand to only hard power choices, notwithstanding any innate desire they have to the contrary. Mearsheimer’s analysis presumes a China win is a United States’ loss, and vice-versa, but such a binary outcome is not inevitable. Henry Kissinger makes the case that “the U.S.-Chinese relationship should not be considered as a zero-sum game, nor can the emergence of a prosperous and powerful China be assumed in itself to be an American strategic defeat.”

Mearsheimer’s analysis falls short in its presumption that security dilemmas, though the theoretical honey traps of great power politics, are fait accompli; while he claims to do so, he does not permit leaders to make choices that might incur risk. As Foreign Affairs put it, “…explaining how security-seeking states find themselves at war is actually something of a puzzle, since they might be expected to choose cooperation and the benefits of peace instead.”

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A second group of authors enumerates the reasons why China will never rise. Like John Mearsheimer in the first category, Gordon Chang champions this second position. He theorized China would crumble in upon itself, due in large measure to the failure of the Chinese “economic miracle.” What Chang failed to lend credence to, however, were the chances the Chinese might recognize the failures in their model and move to mitigate them. His analysis drew a fair inference on how China’s sole reliance on economic growth might create social friction and result in political breakdown. Two illogical leaps, however, followed: first, that political breakdown was the inevitable outcome in China (versus one of several potential futures) and second, that Chinese state could not manage those societal frictions in the first place. While the future of the Chinese political system remains uncertain, actions taken by the Chinese government since Chang’s book hit the shelves clearly show shortfalls are known and manageable.¹¹

The third group of writings project China’s rise as a hegemonic, hard power player and proposes ways for the United States to prevent any loss of American freedom of action. Mirroring the view that China cannot rise peacefully, this third category takes offensive realist literature one step further by not only presuming an aggressive Chinese rise, but also outlining methods the United States could take to offset Chinese power in the world. For obvious reasons, much of this literature originates from the American military sector. For example, the nascent Air Force-Navy employment construct called Air-Sea Battle is a thinly veiled attempt to provide the United States a roadmap for success against a resurgent China (among others) in the Pacific theater.¹² This category’s weakness is evident in how it assumes a pessimistic view of the world that may not be


the case. If a state “believes that its adversary is driven only by a quest for security -- rather than, say, an inherent desire to dominate the system -- then it should find increases in the adversary's military forces less troubling and not feel the need to respond in kind, thus preventing the spiral of political and military escalation.”

The final category of literature echoes this monograph’s argument that China’s peaceful rise is possible. This category has been hijacked, however, largely by Chinese authors intent on decrying Western positions to the contrary. Zheng Bijian, for example, not only introduced the thesis of peaceful rise to the world back in 2002, but he has continued to report on China’s successes in this area since then. Based on the level of state influence over traditional media within China, it would be easy to reject Bijian and others like him as regime mouthpieces, but this reaction would be intellectually lazy. Even though they are subject to state control, Chinese state-sponsored media statements still provide some insight into the thought process of Chinese leadership. What this area lacks is confirmation by Western non-ideologues who, no matter their own bias, still offer more objectivity than those whose very success depends on the whims of Chinese state leadership. Dr. David C. Kang provides perhaps the closest argument to this monograph in his short article, “Why China's Rise Will Be Peaceful: Hierarchy and Stability in the East Asian Region,” but his article focuses almost entirely on the international landscape.

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13 Reasons include: an aggressive China is viewed as one of the United States’ most challenging military problems and therefore demands consideration of military planners; highlighting a country with the means to fight an existential war on several fronts offers the U.S. military a strong opportunity to protect its dwindling budget.

14 Glaser.


within which China will grow rather than examining actions of the Chinese state itself.\textsuperscript{17} This monograph will support Kang’s ultimate position, but from a different analytical standpoint.

All serious literature on China contends the Chinese system is in flux. Since change is occurring on a multitude of levels and across all facets of Chinese society, however, it is difficult to characterize how the Chinese system will evolve. No matter how change will manifest within the Chinese state, collectively a consensus has formed that highlights the timeliness, relevancy and impact of the China rise discussion. With this in mind, this monograph will discuss China’s rise in three sections. Section one will establish the theoretical construct used for analysis. The second section will examine aspects of China’s rise along diplomatic, military and economic lines. The final section will contain concluding remarks.

China’s rise portends tremendous implications for the United States. With nearly 25 percent of the world’s population, China’s per capita income comparable to the world average grew from 24.9 percent in 2005 to 46.8 percent in 2010. Further, its economic output in 2010 equated to almost 6 trillion dollars (US) or 9.3 percent of the world’s total for that same year.\textsuperscript{18} For the first time ever, in early 2014 China also became the world’s largest trader of goods, stealing that crown from the United States.\textsuperscript{19} From this perspective alone, China appears to be the most likely competitor to the United States.\textsuperscript{20} Aside from China, few candidates present the

\begin{footnotesize}
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\item Note: Even John Mearsheimer agrees unipolarity is a temporary condition, claiming "But it is almost impossible for any state to achieve global hegemony in the modern world, because it is too hard to project and sustain power around the globe. Even the US is a regional but not a global hegemon. The best
\end{enumerate}
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resources, leadership and industrial potential needed to operate on par with American power. The Pentagon’s annual assessment of China in 2011 perhaps said it best: “China’s rise as a major international actor is likely to stand out as a defining feature of the strategic landscape of the early 21st century.”

The difficulty in determining if China will rise and, if so, in what manner it will do so lies in the predictive nature of the discussion. A theoretical basis must serve as the metric that judges which events are relevant, and of those, important. This basis will permit some degree of analysis rather than marketing competing opinions as fact.

THEORETICAL CONSTRUCT

This monograph ascribes to the international relations theory known as the Power Transition theory. Introduced by A.F.K. Organski in 1968, Power Transition theory “envisions global politics as a hierarchy of nations with varying degrees of cooperation and competition.”

Power Transition proposes all countries play a role in geopolitics through the creation of international rules; the “dominant” state in association with other “great powers” retain more rights to shape the system than do those countries that have less power. The theory does not reject aggression between countries, but instead assesses the likelihood of conflict will increase that a state can hope for is to dominate its own back yard.” The depiction of his international view only permits some facet of stability in a bi- or multipolar world. See “Why China’s Rise Will Not Be Peaceful.” University of Chicago, http://mearsheimer.uchicago.edu/pdfs/A0034b.pdf. (accessed August 11, 2013).


23 “Great power” in Organski’s framework is a euphemism for the dominant’s regional rivals.

24 Note: Organski’s initial assessment measured power according to GDP. For more see A.F.K. Organski, World Politics (New York: Knopf, 1968).
dramatically between a hegemon and a rising power only when those countries achieve near
power parity. If the rising power does not achieve power parity with the hegemon, it assumes its
new, and presumably stronger, position in the world hierarchy with little disruption to the
international order. During all other times, countries understand and act in accordance with their
status in the world, again defined by their relative power. The forcing function within Power
Transition theory is neither outright aggression nor consensus, but rather varying forms of
influence.

The advantage of applying this theory to this case study is that it permits China to grow
larger and stronger than it is right now, but does not assume it will assume a level of parity with
the United States. Might a security dilemma result from American and Chinese interaction? Many
say this is already the case, but Foreign Affairs postulated that the “…possibility of variation in
the intensity of the security dilemma” makes “…predictions less consistently bleak than often
assumed.”25 Power Transition theory allows for conflict and aggression between states, but not to
the exclusion of cooperation, interdependence, and the peaceful rise of a regional power.

A comprehensive discussion of all elements of China’s rise is inappropriate for a
monograph of this size. For reasons of scope, this monograph will focus on China’s broad policy
choices as they apply to four major dimensions. These focal areas will mirror the first four
elements of the Diplomatic, Information, Military and Economic (DIME) analytical framework, a
methodology found in military circles that groups inquiry into realms. Since the second DIME
element (Information) is rarely an end unto itself, but rather a means or a way to achieve an
impact in either the diplomatic (political), military or economic elements, it will not be evaluated
separately. Hence, this monograph will stick to a line of analysis focusing on political, military,
and economic policy choices within China made over the last ten years.

25 Glaser.
POLITICAL FOUNDATIONS

The Chinese as a collective are, like most civilizations, distinct. Although far from a unitary body, theirs is a history of cultural amalgamation driven by Confucian precepts that view the unit, family or clan as superior to the individual. Those Confucian views play a significant role in casting the relationship between the Chinese people and the state’s central authority. The relationship, in part dependent and paternalistic, defines the government’s obligations to its people and in turn, its limits of authority and source of legitimacy.

According to Deng and Wang, as the recognized heir to the ancient Chinese civilization, the Peoples’ Republic of China (PRC) is composed of a relatively homogenous population free of religious zealotry. “Historically, China's imperial expansion has arrived via osmosis rather than conquest, or by the conversion to Chinese culture of conquerors who then added their own territories to the Chinese domain.” In addition to the common written language that acts to smooth over many remaining cultural issues associated with the small percentage non-Han Chinese ethnicities, Confucianism, as a pseudo-religion, plays a key role in Chinese cultural cohesiveness. With “…an attitude toward one's fellow humans of respect, particularly respect for one's parents, teachers, and elders” as well as a call to honor others’ cultural norms,

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26 Samuel Huntington highlighted this Confucian ethos as one that stresses “the values of authority, hierarchy, the subordination of individual rights and interests, importance of consensus, avoidance of confrontation, ‘saving face,’ the supremacy of the state over society and of society over the individual, and the maximizing of long-term gains over long periods of time.” See Samuel P. Huntington, *The Clash of Civilizations and the Remaking of World Order* (New York: Simon and Schuster, 1996), 225.


28 Kissinger.

29 Some significant ethnic tensions still exist in Chinese western provinces, but insofar as the country has nearly five times the population of the United States, the country remains 95% ethnic Han Chinese and relatively free of strife. “There has been little, if any, question about such homogeneity and unity.” Again, see Yong Deng and Fei-Ling Wang, *In the Eyes of the Dragon* (Lanham, MD: Rowman and Littlefield, Inc., 1999), 28-29.
Confucianism reinforces traditional cultural beliefs within Asia’s largest society.\textsuperscript{30} Although later rulers misinterpreted his teachings as favoring the “immutable hierarchy of authority and unquestioning obedience,” Confucianism continues to reverberate throughout the Chinese consciousness.\textsuperscript{31} Again, Deng and Wang: “Produced by the powerful Confucian culture and then nourished by the existing culture, the family structure has always been the cell of the Chinese nation and the basis upon which the Chinese state was maintained.”\textsuperscript{32}

Even though Confucius’ emphasis within the Chinese civilization has waxed and waned to varying degrees within China for centuries,\textsuperscript{33} it is worth noting that after the establishment of the PRC in 1949 all traces of the philosophy were “ruthless eliminated.”\textsuperscript{34} The Communist Party initially deemed Confucianism too receptive to notions of inequality, but with the transition to capitalism and concurrent erosion of Marxism as a practicable theory of governance during Deng Xiaoping’s tenure as President, Chinese leaders rediscovered the philosophy’s utility as a way to bind Chinese society to the state.\textsuperscript{35} In short, the Chinese Communist Party (CCP) sought to adapt


\textsuperscript{31} Ibid.

\textsuperscript{32} Deng and Wang, 28-29.


\textsuperscript{34} Ibid. Among other criticisms, the philosophy was portrayed accurately as supporting social hierarchies, a poisonous concept to the egalitarian ideas of a Revolution that promised the end to all classes.

its ruling ideology to permit change, but not “…undermine further its already tenuous justifications for maintaining a permanent monopoly on power.”

For more than the last quarter century, Confucianism and Chinese Communism have been convenient bedfellows since the former encourages respect for hierarchy and appreciation for one’s position in life while the latter relies on those qualities to maintain its grip on power. The death of the Soviet Union, until then communism’s greatest contribution to history, only spurred governmental efforts to justify Chinese single-party rule. Chinese President Hu Jintao found Confucian beliefs so valuable he “…made ‘a harmonious society’ his signature socio-political slogan.” Dr. Joseph Adler, an expert in Chinese Neo-Confucian religious thought, recognized this appropriation of the philosophy and commented, “the fact that ‘harmony’ has been a Confucian watchword since the earliest times suggests that the government views Confucianism as a potential ally in their attempt to maintain ‘social stability.’” Whereas once Confucianism found itself at odds with Chinese Communism, it is now viewed as complementary to the goals of the CCP. With that in mind, it is appropriate to evaluate the relationship between the CCP and the Chinese people through the veil of Confucianism.

China is a party-state; the People’s Republic and the Chinese Communist Party (CCP) are one and the same. The primacy the Party bears to the state also conveys a special connection to


37 Adler.

38 Ibid.

all of the nation’s people, party members and nonmembers alike. Unlike Western polities, “the Chinese Communist Party (CCP) is not a representative of any interest group but the representative of the entire population of China.”40 When viewed from under the guise of Confucianism, the central government is akin to the patriarch of China, heir to the Chinese civilization and deserving of respect, but also obliged to provide in accordance with that status. Chinese political culture reinforces that “the ruler or government, as the grand family/clan head (dajiazhang), has an obligation to work for the well-being of its subordinate members… [Thus the] legitimacy of the government does not come from votes but from promoting the welfare of the people.”41

While Western cultures would define “welfare” in both economic and political terms,42 “China is on a different path. Its leaders are prepared to allow greater popular participation in political decisions if and when it is conducive to economic development and favorable to the country’s national interests, as they have done in the past 10 years.”43 Political reform within China only takes place when required to solidify the CCP’s hold on power.44 Since the CCP is the final arbiter of power within the state, it is no surprise that “efforts have focused on ways of increasing the legitimacy of the political system by making it more competitive, transparent, and participatory, without going so far as to cede the Party’s ultimate control over all major

40 Ibid.

41 Ren Xiao, “Zhenzhi wenhua de fanxing” (“A Reflection on Political Culture”), Zhongguo shuping (China Book Reviews) (Hong Kong, no.1, 1994), 117.

42 Common terms include the defense of democratic institutions, rights of man, etc.


The welfare of the people as defined by Communist dogma and Confucian principles is limited in large measure to economic terms. In short, “as long as the CCP can continue to generate or allow for a satisfying (sic) economic development, political stability in the PRC is expected.”

Beyond domestic economic considerations, political stability is also dependent on stable foreign relations as well. Deng Xiaoping was one of the first to push the idea of an invisible foreign policy. He thought “China should stay neutral in wars, conflicts about spheres of influence or struggles over natural resources – or as he said, ‘don’t stick your head out’.” Further, “Beijing should be humble and ‘yield on small issues with the long term in mind’… (opening) its arms to any country that could assist in its quest for markets, natural resources and political support.”

Consequently, Chinese leaders are quick to disassociate a China rise from those of previous, mostly Western, powers. CCP and Peoples’ Liberation Army (PLA) writings continually characterize the Chinese as victims of the West’s greedy imperialism, asserting Western nations grew historically out of “slave states [that] frequently launched wars of conquest and pillage to expand their territories, plunder wealth, and extend their sphere of influence.” Chinese leaders specifically note “…the negative record of Germany’s rise before World War I and Japan’s before World War II, and have no intentions of repeating their

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46 Ibid., 29.


mistakes.” For that reason, the China view themselves as a “peace-craving and peace-loving” nation that nonetheless must “seek peace, but prepare for war” when dealing with the West. Chinese political leadership “…appears to prefer a conservative foreign policy for the sake of its political stability.”

Claims like these serve several purposes, all bent on achieving a peaceful rise. Internally, such rhetoric reinforces the distinctiveness of the Chinese ascent, encourages greater harmony during times of crisis, and adds a degree of moral legitimacy of the CCP as a governing body for seeking the so-called “higher road.” Violating those precepts would undercut the legitimacy of the CCP’s rule. Deng and Wang framed it this way:

The peculiar Chinese value system and norms, already blended into the official national interests of the PRC, should be interpreted... as a cover and a defense of the CCP’s value system. Unlike an ‘ordinary’ rising power, therefore, Beijing lacks the moral calling to undertake adventurous foreign policies, let alone an expansionist or colonial program.

In designing a way to ensure the loyalty of its people, the Chinese leadership also bound them to a rather strict internal political ideal that effectively demands a peaceful rise.

Externally, such rhetoric may help quell Western and Asian concerns. The CCP now must ensure their actions support the state’s peaceful rise narrative ad infinitum or they risk being labeled duplicitous by states that find the China threat theory seductive. “Ironically, perhaps, the

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52 Deng and Wang, 21.

53 Ibid., 31.
more capabilities the PRC develops and the bigger role Beijing plays internationally, the more acute the sense of the CCP’s political insecurity is likely to become, and thus the restraining effect of such a mentality on China’s foreign policy will become even stronger.”54 In the end, acting in this manner will provide the Chinese state an opportunity to counter skeptics’ explanations when external, particularly military actions, appear to signify an aggressive Chinese rise. As the next section will show, Chinese actions are falling in line with this intent.

MILITARY EMPLOYMENT

Currently, the People’s Liberation Army is the military arm of the CCP, not of the People’s Republic of China.55 In other words, the Party has a military, but the state does not; little evidence exists that the CCP is willing to give up its control over the military.56 On the contrary, one of the historical missions of the PLA, according to former Chinese President and Communist Party Chief Hu Jintao, is to provide support for the CCP’s rule.57 Mr. Hu’s successor, Mr. Xi Jingping, appears to be of the same ilk since one of the few military initiatives approved by the Third Plenum of the 18th Congress was the creation of a state-security committee. The new committee’s mandate is somewhat unclear, but most observers believe it will resemble the United States’ National Security Council in form and function. While it would serve as an advisory body to the president, its more relevant function would be to ensure all government actions are coordinated, including those of the army and security forces.58 Should this arrangement work,

54 Ibid., 21.

55 Lawrence and Martin.

56 Zhiyue.


Chinese leadership could better align political words with military actions, something the previous section outlined was a key requirement of China’s peaceful rise. If military moves do not match political rhetoric, concerns about a push for Chinese hegemony will rise unabated.

The military realm remains the area in which the tenets of peaceful rise are most vulnerable to criticism. There are two reasons for this. First, given that military forces generally project power outward from the state – or, if nothing else, defend the state’s current borders from incursion – military decisions are most likely to spur other states to act if for no other reason than their forces’ proximity to each other. Even in the age of nuclear weapons and intercontinental ballistic missiles, proximity of neighboring forces remains a major factor when evaluating state security.

The second reason builds upon the first: military decisions regarding procurement and employment of forces are manifestly threatening. Few nations build military forces for their humanitarian usefulness though eventually they may be purchased in part for those reasons. The nature of military forces is to defend the interests of the Westphalian state by the threat or use of force. States that ignore the military buildup by a neighbor do so at their hazard, until and unless they can obtain ironclad assurances as to their neighbor’s intent. Relationships between nations are relatively intolerant of errors in military judgment. Conventional wisdom continues to support the thought that the relative power of a state defines its policy choices.

Chinese military growth appears to buck this wisdom. Despite the fact China’s military is enjoying a growth spurt in hardware and technology, current conditions do not encourage an aggressive Chinese rise. Instead, as geopolitical commentator Robert Kaplan argues, there is “nothing illegitimate about the rise of the Chinese military.” He draws parallels between China’s military growth and that of the United States a century ago when it enjoyed a similar increase in

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59 The concept of “ironclad” assurances is itself dubious: See Hitler’s decision to invade the Soviet Union as one example.
economic well-being. This bring to mind echoes of naval theorist Alfred Thayer Mahan’s arguments on how security requirements drive states to protect their economic lines of communication, and how choosing to do so is part of the natural evolution of a state.60 Henry Kissinger agrees that “China's recent military buildup is not in itself an exceptional phenomenon: the more unusual outcome would be if the world's second-largest economy and largest importer of natural resources did not translate its economic power into some increased military capacity.”61 Power Transition theory supports this conclusion since it recognizes that a state’s military growth will increase concurrently with its economic interests. The actions and employment of the Chinese navy (PLAN) best demonstrates this characteristic.62

United States’ defense contractor Booz Allen Hamilton describes the manner by which China has chosen to defend those economic lines as the PLAN’s “pearl strategy.” The strategy tries to extend PLAN power through ports leased from Myanmar, Sri Lanka and Pakistan, while creating similar partnerships with other regional powers in an effort to secure economic lines of communication.63 “China is building strategic relationships along the sea lanes from the Middle East to the South China Sea in a way that suggests defensive and offensive positioning to protect China’s energy interests.”64 Though this policy choice may enlarge China’s navy into a force

60 See Alfred Thayer Mahan, The Influence of Sea Power Upon History, 1660-1783 (Cambridge: John Wilson and Son, 1890).

61 Kissinger.

62 The PLAN was chosen as the best case study for this monograph. The land-based military is ignored since any large-scale confrontation between American and Chinese armies is unlikely given the vastness of the Pacific Ocean. The opportunities for these two armies to interact to any significant degree are too finite to lend themselves to examination. Similarly, the Chinese Air Force is not analyzed since there exist fewer opportunities for collaboration, nation-to-nation interface is more episodic and the ensuing interpretation of motives becomes nearly impossible.

63 Kreg S. Stonestreet, “Power and Stability: Promises and Perils of an Economically Strong China,” Monograph for the School of Advanced Military Studies (Fort Leavenworth, KS: Command and General Staff College, 2010), 49.

capable of true power projection beyond the Chinese littorals – something that might spur other countries to action – the choice to implement this strategy remains consistent with the state’s focus on internal economic development. Unfortunately, the “pearl strategy” alone does not provide convincing evidence of Chinese military motives, as this approach could be a precursor to an aggressive rise, especially given its scope: facilities in Cambodia, the Gulf of Thailand, Sri Lanka, and Bangladesh also have Chinese backing. More evidence is needed before China’s military rise can be categorized.

A second reason why the military environment is not conducive to anything but a peaceful rise by China lies in the nature of the current international order, specifically the fact that other nations within the Asia-Pacific region are unwilling to choose sides between China and the dominant nation, the United States. State entities would rather vie for a type of dual patronage system, whereby they could gain the benefits of collaborating with both the global hegemon and an upwardly-mobile regional rival. Theorist John Ikenberry argues the United States itself laid the groundwork for this preference by others when it created the rules for the new international order at the conclusion of World War II. As he argues, the new design incentivized both strong and weak nations to collaborate: For America and its allies, their incentive lay in locking in a favorable, institution-based postwar order and ensuring its longevity by making it acceptable to others; the weaker states were similarly incentivized to support the new world order through institutionalized assurances they would not get exploited. With China on the rise and the United

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States still the clear hegemon, Asian states are trying to backstop the benefits of Chinese strength with assurances from America in case China turns aggressive.68

The obvious advantage in this position lies in the concept of a forced hand. It permits neighbors within Asia to seek the benefits of a dual partnership, with the implicit threat that a rejection of this proposition by either the U.S. or China would drive nations into the other’s arms. A bipolar world would result. Again, Henry Kissinger supports this position:

Only a few countries -- and no Asian ones -- would treat an American presence in Asia as “fingers” to be “chopped off” (in Deng Xiaoping's graphic phrase about Soviet forward positions). Even those Asian states that are not members of alliances with the United States seek the reassurance of an American political presence in the region and of American forces in nearby seas as the guarantor of the world to which they have become accustomed. Their approach was expressed by a senior Indonesian official to an American counterpart: “Don't leave us, but don't make us choose.”69

As the Chinese are still quite a few years away from having either a navy or air force capable of countering U.S. power in the region,70 James Mulvenon, a naval analyst, argues they might be willing to accept the ‘free ride” offered by the good offices of the United States in assuring freedom of the global commons for all.71 Colin Powell captured this same argument by questioning why China would rise to fight the United States for global supremacy when it had


69 Kissinger.


done so well for itself by avoiding just that eventuality.\textsuperscript{72} In the unlikely event militancy led the Chinese into a confrontation with the United States in the near term, it would remove any doubt from the minds of neighboring countries and China would likely face a coalition of nations willing to move in lockstep with the United States to confront the aggressive rise.\textsuperscript{73} The dual patronage desire expressed by Asian nations with reference to relations with the United States and China makes a Chinese peaceful rise all that more likely.

Nonetheless, the Chinese state is not a unitary actor and its military has, acted unilaterally in the past, despite its subordination to the Central Military Council.\textsuperscript{74} “The Chinese offensive in Korea in 1950, the sudden attacks on Indian forces in 1962, and the pedagogical war against Vietnam in 1979” are the most commonly referenced examples of China’s use of military power to achieve what might be euphemistically referred to as non-peaceful ends.\textsuperscript{75} All of those efforts, however, took place under a regime sworn to a Communist ideology that encouraged revolutionary fervor and the exportation of its precepts. Clearly, any tacit appreciation of Confucian ideals at that time would run a distant second to the immediate needs of the Communist party. Even one of the most violent military incidents (the Hainan Island PC-3 incident with the United States in 2001) took place before Hu Jintao’s renewed call for Confucianism within the state. Although China’s military motives remain difficult to discern, indications over the last 10 years point to a desire for the Chinese military to “toe the line” toward a peaceful rise.

\textsuperscript{72} Colin Powell in a speech to students at the Command and General Staff College, Fort Leavenworth, KS, April 29, 2008.

\textsuperscript{73} Kissinger.

\textsuperscript{74} The Central Military Council is an offshoot of the CCP.

Still, Chinese military signals in this regard are uneven. The acquisition of China’s first aircraft carrier, in particular, warrants investigation. Purchased as an empty hull in 1998, it remains several years away from minimal combat capability. Further, it has a limited if not non-existent network of naval escort support, which only highlights the carrier’s vulnerability and makes sea going combat trials futile. Meanwhile, the Chinese military acknowledges the value of using carriers in non-traditional roles, having learned many of the same lessons Indonesia did during the 2004 Indian Ocean tsunami humanitarian operation. Robert Kaplan argues appreciation for this mission set spurred an internal debate within Chinese military circles over the continued development of “purely warmaking platforms” to the detriment of carriers capable of delivering soft power in humanitarian roles. While the purchase of war making platforms like attack submarines can deliver immediate capability to the Chinese PLAN in the form of counter-surface warfare, the carrier offers no real immediate or near-term offensive military value, only a nascent humanitarian one. Whether the Chinese bought their first carrier for war making or


77 Axe.


peace assistance operations (or a combination of both) remains an unresolved issue. What is clear is that it is highly unlikely a nation set on an aggressive rise would invest in a platform that could only perform duties within the realm of humanitarian support, as is the case with its current carrier.

The carrier issue aside, critics question the motives of the Chinese military and levy the accusation that China is preparing to announce its own version of the Monroe Doctrine. This announcement would ostensibly free the western Pacific from what the Chinese view as undue influence by the United States. Such a declaration would conform to the growing state’s need to insulate its economic supply chain from foreign influence, as mentioned above. Moreover, such a move would encourage multilateral behavior by requiring Pacific nations to self-administer air and water access throughout their respective areas instead of relying on United States power projection. Critics ignore these positive aspects of such a declaration and instead make the claim that a Chinese Monroe Doctrine – much like the pearl strategy – must be the precursor to an

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82 Axe. Also, according to Ronald O’Rourke China Naval Modernizations: Implications for U.S. Navy Capabilities – Background and Issues for Congress, Prepared for Members and Committees of Congress (Washington, DC: Congressional Research Service, May 29, 2009), 9, http://fpc.state.gov/documents/organization/125541.pdf (accessed December 22, 2013), were they to even have aircraft or pilots qualified in aircraft carrier landings, the Chinese would only be able to generate a limited number of conventionally launched aircraft from the deck of their aircraft carrier. Most operations would be limited to that of vertically launched airframes (e.g. helicopters).

83 In its report to Congress in 2009, the Congressional Research Service stated, “Chinese aircraft carriers could be used for power-projection operations, particularly in scenarios that do not involve opposing U.S. forces. Chinese aircraft carriers could also be used for humanitarian assistance and disaster relief (HA/DR) operations, maritime security operations (such as anti-piracy operations), and non-combatant evacuation operations (NEOs). Politically, aircraft carriers could be particularly valuable to China for projecting an image of China as a major world power, because aircraft carriers are viewed by many as symbols of major world power status. In a combat situation involving opposing U.S. naval and air forces, Chinese aircraft carriers would be highly vulnerable to attack by U.S. ships and aircraft...” See Ronald O’Rourke China Naval Modernizations: Implications for U.S. Navy Capabilities – Background and Issues for Congress, Prepared for Members and Committees of Congress (Washington, DC: Congressional Research Service, May 29, 2009), 10.

extreme motive: hegemony. From a strictly theoretical standpoint, in this case they would be right.

In practice, though, the accusation by China Threat observers that a Pacific Monroe Doctrine would assist the Chinese in seizing control of the region withers under examination. 85 China’s use of an Asian Monroe Doctrine to promote its own hegemony would ignore its reliance on the current international system. Not only is China disinterested in isolationism – a hallmark of American policy when it incorporated its own Monroe Doctrine – but the Chinese state remains heavily dependent on international trade to obtain raw materials, fossil fuels and as a source of markets for its exports. “China is highly dependent upon an economically strong United States. China just wants to prevent U.S economic strength from translating into global influence over China’s affairs.”86

Employment of the Chinese military to prevent American influence over its economic affairs might actually threaten the state’s existence. “China’s commerce, and hence prosperity, depends very much on access to sea lanes through the Indian Ocean, the Malacca Straits, and other areas over which it has little control, and which are dominated by U.S. naval power.”87 Hu Jintao himself referenced this aspect of the problem as his country’s “Malacca dilemma.”88

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86 Stonestreet, 31.


88 Juli A MacDonald, Amy Donahue and Bethany Danyluk, “Energy Futures in Asia: Final Report,” Booz, Allen Hamilton, November 2004. This quote was originally reported by Ross Munro, a China expert.
Though some might think the pearl strategy carried to fruition would mitigate this exposure, it is unlikely a string of land-based support bases would infringe upon U.S. freedom of maneuver on the high seas when carrier battle groups are capable of at-sea provisioning for months at a time. Any move by China to “own” versus “share” its local commons might result in the “…disruption of maritime traffic, (and)…would provoke countermeasures that will put in peril China’s own access to critical sea lanes in the Indian Ocean and elsewhere.”

Those countermeasures imply another reason why the Monroe Doctrine analogy, though enticing, is an inexact parallel. When the United States enacted its Monroe Doctrine, the United Kingdom commanded the seas, which at that time was the only route by which a European state could influence a state in the western hemisphere. As long as the British concurred with (and so enforced) the United States policy regarding European intervention in its backyard, the policy assumed the de facto equivalent of an international law: it remained unchallenged by other nations. For the Chinese in a 21st-century context, a litany of nations both inside and outside East Asia retain countervailing forces that could erode a Chinese Monroe Doctrine.


91 Known as the Diaoyus Islands to the Chinese.

hegemony in multiple dimensions, a Monroe Doctrine remains an impractical and unenforceable theory.

A Chinese move toward hegemony via implementation of an Asian Monroe Doctrine would be, at minimum, economically “self-injurious,” and at most, impossible to achieve given the current realities in the Pacific Region. Moreover, “Chinese leaders are not oblivious to this fact. The truth is that they may not have the option of pursuing an aggressive posture. The costs will simply be too high.” Contrary to the fears of many, circumstances hamstring the military from actively participating in an aggressive Chinese rise. In fact, the stronger argument continues to support the military as enabler of a peaceful rise.

When analyzing China’s participation in overseas stability operations, motives behind military growth become more transparent, lending credence to the peaceful rise argument. A 2013 Pentagon Report stated Chinese investment in international efforts (specifically, United Nations Peacekeeping Operations) has increased tenfold. The nation’s level of support is the highest among all UN Security Council members and includes more than 21,000 troops dedicated to 30 UN missions. The Chinese direct most of their international support toward efforts in Sub-Saharan Africa and the Middle East, with particular focus toward anti-piracy off the coast of the Horn of Africa.

Chinese anti-piracy actions have garnered attention as the PLAN deployed its first-ever out-of-region task group. Whereas some might conclude a deployment like this might be the


93 Acharya.

94 Ibid. Though Acharya focuses on military costs in particular, based on the previous political assessment provided by this monograph, the Chinese state would face significant political costs as well.

precursor to imperialist actions, Chinese motives appear different. Two Chinese experts analyzed the PLAN approach since 2009 in the region and acknowledged “…China's increasing interests and involvement in Africa do not necessarily lead to the establishment of Chinese naval bases in or close to the continent.”\(^{96}\) Rather, the Chinese have sought to enable their international role through use of a commercial-diplomatic model that relies on close diplomatic relations with countries in the region. Though still short of conclusive evidence of a truly peaceful rise, PLAN actions in this regard are clearly not those of a country set on hegemony; more likely, they point to a state intent on growing a military concurrent with its economic interests while maintaining the smallest footprint possible.

Anti-piracy actions off Africa point to a second reason why China seeks a larger military: it permits the state to assist in ventures validated by international consensus, like those sponsored by the United Nations and other recognized forums. Despite the fact the current Chinese task force does not operate under the official auspices of the United Nations’ peacekeeping mission, Chinese officials view their approach as serving that mandate, among others.\(^{97}\) Noteworthy is the fact that not one of those additional mandates is imperialistic. As researchers at the Netherlands Institute of International Relations Clingendael put it, “…the continuous element in China's policy on expeditionary military activities is that the Chinese military engages only in missions of

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\(^{97}\) Dengfeng Wu and Riuxue Bai, “Chronicle Of Chinese Naval Ships Overseas’ Missions,” posted December 30, 2008 to eng.mod.gov.cn, http://eng.mod.gov.cn/SpecialReports/2009hjdjhd/2008-12/30/content_4008189.htm (accessed December 10, 2013). According to Wu and Bai, the main tasks of the escort mission are “…to protect the safety of the Chinese ships and personnel navigating across the Gulf of Aden and the waters off [the] Somali coast, [and to ensure] the safety of ships carrying humanistic materials of such international organisations as the World Food Programme [:] and, if the need arises, the taskforce will jointly conduct humanistic rescue operations with the escorting ships of other countries.”
humanitarian, peacekeeping and non-combat natures…. merely as a complement to its very considerable — and ever-increasing — economic and diplomatic means.”

Power Transition theory would not categorize these Chinese efforts as disruptive to the international order since they constitute neither an increase in Chinese power nor a concurrent loss of American strength. More accurately, Chinese assistance in international efforts contributes power to a non-state entity (in this case, the United Nations); the resultant action taken by the U.N. benefits all nations. Again, Clingendael researchers concur: “China's military presence in and near Africa poses a threat neither to countries in the region nor to other great powers; on the contrary, it contributes to greater security and stability.” From a Power Transition standpoint, there exists no shift in relative power and therefore no increased risk of conflict. In theory and practice, China’s moves to support international regimes are a sign of a peaceful rise.

The final reason China has endeavored to increase its military standing is to balance the American presence and drive the world toward multi-polarity. Mark Leonard envisions China as a “giant time machine” when it comes to thoughts on power, an apropos assessment given China’s respect for its past. With leaders who think in terms of stability and harmony and a military that speaks about soft power, its diplomats reinforce that approach by emphasizing multilateralism rather than unilateralism. As an extension of the interaction with international regimes like anti-piracy efforts off Africa, China’s desires here remain power transition neutral. Further, they also reflect genuine cultural influences of the Chinese state.

While some dismiss this position, at its core multi-polarity remains the international equivalent of Confucian beliefs: they both require the appreciation of order and hierarchy, respect

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98 Kemmerling and van Der Putten, 138.

99 Ibid.

for others’ cultural norms and value collective approaches over individuals ones.101 This conclusion also supports peaceful rise political imperatives discussed previously, as non-intervention in other state’s affairs is a founding principle of China’s form of government. Even if Chinese leadership supported multilateral initiatives as a subterfuge to hide imperialistic goals, the eventual disclosure of such a hidden agenda would likely form neighboring countries into an anti-China coalition.

China’s military employment across and outside the Asian-Pacific realm is a reflection of Chinese motives. Based on the actions taken to date, PLAN activities appear to support motives consistent with a nation set on growing as part of the international order, not opposed to it. From the natural protection of their economic supply chain to multipolar relationships, Chinese military engagements show the country will continue to grow as a sea power. Though that eventuality will result in a reduction of American control of the seas, the PLAN’s capability is too far removed to be considered a true challenger to U.S. dominance, particularly in the naval realm. Power Transition theory indicates China will not become a threat due to its lack of parity, but even if so, a peaceful rise continues to better serve China’s self-interest in the military sphere.

ECONOMIC REFORM

Economic success provides China both the resources for change and the mandate to change. The nation’s foray into capitalist markets promoted widespread national growth over the last few decades with the Chinese state and its people benefiting tremendously in terms of industrial capacity, financial reserves, and access to global trade and wealth generation. The growth has not been without problems, however. Numerous structural weaknesses exist that are

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101 Two distinct reasons for dismissal of the unilateral ideal: one, China often cannot operate unilaterally on the world scene with the US acting as hegemon; and two, the Chinese policy of state nonintervention views external unilateral action as illegitimate, lest validation of external action be used as a carte blanche for other nations to comment on Chinese internal politics – namely their history of human rights abuses.
adversely affecting the Chinese system. In an attempt to continue the state’s upward mobility, Chinese leaders seize opportunities to secure their system where and when able. Future economic parity with the United States remains far from certain. Throughout the course of China’s transition, state leadership will be too busy ensuring the economic viability of their state to exert the energy necessary for an aggressive rise.

Implementation of Deng Xiaoping’s apocryphal notion of “socialism with Chinese characteristics,” brought with it tremendous economic advancement. Since 1990, the Chinese economy has risen from 10th largest in the world to second only to the United States. In the interim, China urbanized and transformed from agrarian to industrial state. Leveraging its enormous workforce, China took advantage of the world’s appetite for mass manufacturing and provided industry a nearly inexhaustible pool of cheap labor with which to produce a variety of exports for overseas consumers. In return, Chinese society benefited from a massive influx of wealth paid in the form of wages; state industrial capacity exploded. Simultaneously, China has been able to improve many of its societal metrics, from average family income to availability of health care to the percentage of children who attend primary and secondary education.

Some of the “Chinese characteristics” that enabled China’s rapid growth are now proving to be particularly problematic, however. In direction opposition to most other advanced economies, the CCP not only regulates market participation, but also acts as the primary player in

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105 People’s Daily Online.
financial affairs. The Chinese economy is so rife with state-owned enterprises (SOEs) that in many ways, the economy and the government are the same entity.\footnote{SOEs are actually holdovers from the Great Leap Forward when Mao attempted to incorporate community work units, or communes, into society. SOEs of the present day evolved out of these failed communes. See Lynn Chow, “Chinese Trade Environment,” paper submitted for class on China at Stanford University, posted on standford.edu at http://www.stanford.edu/class/e297c/trade_environment/global/ hrestructure.html (accessed February 4, 2014). To that end, some still claim SOEs are adaptive and innovative by nature, but at the same time also admit structural deficiencies inherent to the nature of SOEs limit their potential. See China Bystander. “Trust Defaults Creep Ever Closer to China’s Shadow Banks.” Entry posted on China Bystander February 17, 2014. http://chinabystander.wordpress.com/2014/02/17/ trust-defaults-creep-ever-closer-to-chinas-shadow-banks/ (accessed February 20, 2014) for one example of this argument.} Ian Bremmer, president of the Eurasia Group, a global political risk research and consulting firm, noted as much in an interview with Reuters: “On the 2012 Fortune Global 500 list, of the 70 Chinese countries\footnote{Author’s Note: As per Reuters, this conversation was based on a transcribed phone interview with Ian Bremmer. Though the article cites “70 Chinese countries,” Bremmer’s intent in this context clearly means to reference “70 Chinese companies.”} that made the cut, 65 of them are state-owned. The people who run the companies are some of the most influential political leaders in China, and so the government can’t just privatize the businesses — because the businesses are the government.”\footnote{Ian Bremmer, “Chinese Reform Is Coming, But Not the Political Kind,” column posted on reuters.com under US on November 1, 2013, http://www.reuters.com/article/2013/11/01/us-column-bremmer-idUSBRE9A00QV20131101 (accessed November 16, 2013).}

The explicit stake policymakers maintain in SOEs biases the market against the nascent private industry sector. Euphemistically called the “more vibrant sectors” of the economy, private industry is “…prevented from sufficiently rapid expansion because of the lingering state bias against the non-state sector of the economy.”\footnote{David M. Finkelstein and Kristen Gunness (eds), Civil-Military Relations in Today’s China: Swimming in a New Sea (Armonk, NY: M.E. Sharpe, Inc., 2007), 11.} Yet policymakers in Beijing “are no longer satisfied with the country’s position as the world’s manufacturer. Their solution is to break China’s dependence on foreign technology, moving from a model of ‘made in China’ to one of
‘innovated in China,’” something only a vibrant private sector can enable.110 Chinese leadership is at loggerheads, unable to keep the economy where it is and at the same time too vested in state-ownership to make the painful decisions required to advance the economy.111

Reform could occur in one of two ways, either structurally or functionally.112 Deng’s functionally driven transition toward capitalist markets moved Chinese markets from their agrarian-based model to an industrial one. What China now confronts is the need for structural reforms that places greater emphasis on the economic institutions and less on the methods of production. Another way to think about it is in the design of a government: there exists its design and composition. China has reformed its economy’s composition, but now must re-evaluate the design. Like the proverbial “cart before the horse,” Chinese policy makers face the daunting task of deconstructing and then rebuilding the institutional foundations of their economy without killing it in the process. When describing China’s endemic environmental problems, Jonathan Woetzel, a director at the consulting firm McKinsey, provided a succinct commentary that actually applies to the Chinese economy as a whole: “It costs a lot less to prevent a problem than to have to fix it later.”113


111 Foreign Affairs noted transitioning from an “administrative” state to a “regulatory” one where the state becomes more of an umpire that an active participant in the economy, will be difficult to accomplish. CCP leadership is full of ideologues who “instinctively distrust market forces and still prefer the government to manipulate and control the market. The plenum’s outcome suggests that the state must surrender such roles if many of the reforms are to take hold.” See Evan A. Feigenbaum and Damien Ma, “After the Plenum: Why China Must Reshape the State,” posted December 16, 2013 on foreignaffairs.com under Features/Snapshots, http://www.foreignaffairs.com/articles/140557/evan-a-feigenbaum-and-damien-ma/after-the-plenum (accessed January 13, 2014).


The CCP acknowledges an overhaul is past due. While the list of economic reform challenges China faces is too lengthy to capture fully, Communist party officials bundled those issues into nine major economic hurdles. They include a broad-based slowdown in economic growth accompanied by an increase in unemployment, inflationary pressures, a housing and financial bubble, and the wholesale creation of a social welfare system. Additional hurdles include the transition from externally driven demand to domestic consumption, the divestment of state-owned enterprises and creation of a vibrant public sector, a rapidly deteriorating natural environment, a decreased desire for investment in China by other nations and finally, overcoming domestic “vested interests” opposed to continued reform within its own economy.114 Numerous decisions await Chinese leadership in each of these areas of reform, and each choice moves China along a path that will take years to see to fruition.

China’s economic transition will take time. Analysis of the CCP’s own public statements reveal “Beijing gave itself until 2020…to implement some of the toughest reforms” of the Third Plenum.115 Assuming a best-case scenario of 2020, the Third Plenum’s fall 2013 reforms are still just the beginning of this massive rebalancing. Other timelines are much less rosy. For example, Lu Zhongyuan from the Development Research Center of the State Council, an entity subordinate to the Communist Party, “…does not believe that the pressure to generate employment will be alleviated for the next twenty to thirty years.”116 Some researchers believe China will never

114 Shanghai Security News Online, “Nine Challenges that China’s Economy Faces,” posted August 8, 2012 to http://chinascope.org/main/content/view/4820/92/ (accessed January 14, 2014). Note: The veiled reference to “vested interests” includes Party officials at the Provincial and national levels with financial stakes in many SOEs. Many of the individuals expected to reform the system have little inclination to do so.


surpass the United States this century. Clyde Prestowitz, a former United States Trade Negotiator and one-time American “declinist” claimed China may “never catch the U.S. on any relevant measure” due to the adverse effects of environmental degradation and government-directed investment in excess infrastructure.\textsuperscript{117} Richard Haass, president of the U.S. Council of Foreign Relations, discounts the speed of Chinese reform even further by asserting “the world may already be in the ‘second decade of another American century’ without realising it.”\textsuperscript{118} Regardless of whether this is a new American century or even one with multipolar economic influences, it is clear that China lurches toward economic maturity along an indefinite timeline. As it continues to develop, the country’s future will resemble its past in the way the international economy enables the Chinese rise to power.

The means by which China reaches economic maturity still lie within the globalized economy, but they do not include traditional methods of export-led, large-scale manufacturing. On the contrary, that manufacturing approach will only increase China’s vulnerability on the world stage. Instead, China’s economic design must evolve into one that drives domestic demand, relies on market versus governmental input, and enables private industry and innovation. The CCP must disassociate itself from dictating market processes, a counterintuitive move for an entity that has been at the center of all decisions since 1949.

China’s economy is too dependent on international trade. In 2012, import and export of merchandise generated over 46 percent of Chinese GDP; the same year, the merchandise trade equaled less than 25 percent of United States GDP.\textsuperscript{119} So dependent is the country on


\textsuperscript{118} Ibid.

international consumption that the CCP’s much-maligned monetary policy holds the renminbi foreign exchange rate artificially low in order to encourage a continued stream of exports.\textsuperscript{120} Since China lacks a mature economic base\textsuperscript{121}, its reliance on exports makes it particularly susceptible to external economic shocks and variations of foreign trade.\textsuperscript{122} Rainer Gehnen, a Chinese business management consultant at the German-Chinese Business Association in Cologne, told Forbes Magazine “that China will remain strongly depended (sic) on the overall economic and financial developments in Europe and the United States.”\textsuperscript{123} If China cannot move away from this basic manufacturing, it will continue to suffer more than others do during times of global economic crisis.\textsuperscript{124}


More to the point, if China cannot relinquish its reliance on exports, it will be unable to continue to push reforms within its own economy, risking the security of the state. For the Chinese, the “challenge is to avoid exporting becoming such a dominant focus of policy that it distorts and retards development.”\textsuperscript{125} Some economists like Thomas Palley go so far as to accuse export economies like China’s of suffering from “pathologies” detrimental to overall sustainability.\textsuperscript{126} Dr. Ruby Ojha seizes upon of these and depicts a particularly destructive one as follows:

One widely identified pathology is the “race to the bottom.” To gain competitive advantage in international markets countries compete across every dimension, including work conditions and the environment. To the extent that work conditions and a clean environment are seen as adding to costs, companies have an incentive to minimize requirements. The result is a dynamic that has companies lowering requirements or shifting production to countries in which requirements are lower.\textsuperscript{127}

Paul Krugman agrees with this analysis, claiming “Asian growth, like that of the Soviet Union in its high-growth era, seems to be driven by extraordinary growth in inputs like labor and capital rather than by gains in efficiency.”\textsuperscript{128} His comments bring to mind a glass ceiling, of sorts, beyond which the Chinese cannot advance unless the CCP takes positive steps to mitigate the risks.\textsuperscript{129} China’s economic rise relied on exports, but that focus may also be the cause of their downfall.

\textsuperscript{125} Palley.
\textsuperscript{126} Ibid.
\textsuperscript{127} Ojha.
\textsuperscript{128} Ibid.
\textsuperscript{129} Although beyond the scope of this monograph, the glass ceiling references the “middle income trap,” within which the Chinese are caught. See The World Bank, “China 2030: Building a Modern, Harmonious, and Creative Society,” (Washington, DC: The World Bank and the Development Research
Despite recent initiatives by Chinese leadership to move “up the value chain,” and advance beyond being the world’s manufacturer, the transition away from an export-driven economy is still in its nascent stages. Unfortunately, the Chinese have no other choice than to accept this path. The alternative – turning outwardly aggressive and forcing a return to the tributary economic system of old – would expose them to economic reprisals and erode the Chinese “pillar of economic growth… (creating) a strong argument that the China that has built up around that single pillar will collapse.” The only practical path remains focusing on domestic economic reform, which means China must hedge its bets and exploit opportunities to protect its current growth and ensure future growth. Exploitation of these opportunities require unfettered access to the international economy, something only a peaceful rise can guarantee to a country so vulnerable to economic shocks.

Efforts to protect current and future growth revolve around two key areas, one external and one internal. Externally, Chinese leadership seeks to secure China’s resource supply chain as
a near-term guarantee for its industrial base.\textsuperscript{132} Partnerships with Russia, Pakistan, and Saudi Arabia show how Chinese leadership builds trust through wealth generation – peaceful rather than aggressive means.\textsuperscript{133} Internally, the creation of a base of domestic demand for Chinese products appears to be the key to enabling reform and driving self-sustaining growth in the future. Although they struggle to make great inroads on domestic demand, the creation of external partnerships has proven to be a relatively easy task.

Chinese economic efforts to protect their resource chain have taken the form of cooperative partnerships primarily, though not exclusively within the eastern hemisphere. In Russia, China’s erstwhile competitor has agreed to assign large swaths of land to Chinese labor efforts designed to exploit resources for mutual benefit. This so-called “Sinification” of the Russian Far East and its resource belt, while not yet a reality, is clearly a focus for both countries. Channel News Asia reported natural resource firms of the Russian Far East see Russia as a natural partner for China.\textsuperscript{134} Xi Jinping echoed that sentiment during his first diplomatic tour as Chinese president – to Russia, no less.\textsuperscript{135} His opinion indicates pre-existing partnerships between

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\item \textsuperscript{132} China’s urbanization is creating upward pressure on prices for commodities, to include natural resources. See Thomas I. Palley, “A New Development Paradigm: Domestic Demand-Led Growth,” Foreign Policy in Focus Discussion Paper September 2002 (Washington, DC: Interhemispheric Resource Center and Institute for Policy Studies, 2002),17. China seeks to control costs in this area by purchasing entire resource supply chains for its own use. With the supply chain under state control, China will not have to compete for resources with other nations at inflated prices.

\item \textsuperscript{133} These are only some of the larger efforts undertaken by the Chinese government. Analyst William Pesek cited others: “…railways in Indonesia, tunnels in Brazil, power grids in Cambodia, hydroelectric projects in Laos, bridges in Vietnam, roads in Zambia, factories in Malaysia, airports in Myanmar, and mining rigs in Uzbekistan….” See Peter Shadbolt, “Typhoon Relief Effort Boosts U.S. Soft Power in Asia Region,” posted November 18, 2013 on CNN.com under World/Asia, http://www.cnn.com/2013/11/18/world/asia/philippines-relief-us-soft-power/ (accessed November 3, 2013).


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several Russian and Chinese regions arranged to help facilitate development now have the CCP’s
imprimatur.\textsuperscript{136}

As an added benefit, the flow of Chinese emigrants drawn to labor-intensive activities
like oil and coal exploitation within Siberia only assists demographic rebalancing efforts inside
China.\textsuperscript{137} Robert Kaplan calls it a “reverse invasion” wherein Chinese immigrants collectively
complete “the slow process of demographically taking over parts of Siberia.”\textsuperscript{138} This approach
reflects the “conquest through osmosis” propensities seen so much in Chinese history. It also
provides China one of the few outlets available to address directly its gender imbalance, a
socioeconomic condition that left unchecked might otherwise fester and create a multitude of
other problems within the country. In theory and practice, this initiative demonstrates how China
relies upon regional relationships to assist in its rise as a world power.

The Chinese government has even invested significant time and money into ventures with
obvious and legitimate security concerns. As one example, China continues to fund the port of
Gwadar in southwest Pakistan as a regional deep-water port despite the local Baluchi’s continued
thrust against Pakistani authority. Echoing the familiar Chinese desire to maintain a simple
economic relationship and avoid accusations of operating a parallel political agenda\textsuperscript{139} inside
Pakistan was the implicit agreement to have a non-Chinese entity, the Port of Singapore
Authority, manage port operations.\textsuperscript{140} By design, the natural gas and oil pipelines envisioned to

\textsuperscript{136} Jeanne Lorraine Wilson, \textit{Strategic Partners: Russian–Chinese Relations in the Post–Soviet Era}

\textsuperscript{137} Gabe Collins, “China Looms Over Russian Far East,” posted June 22, 2011 on

\textsuperscript{138} Kaplan, 282.

\textsuperscript{139} Ibid., 11.

\textsuperscript{140} Ibid., 70. Note: Notwithstanding the Port of Singapore’s competency in this area, China’s
experience with its own ports, like that of Shanghai (the world’s largest as of 2011) and Hong Kong,
provide it an ample deep water port operations resume.
travel into China’s far western regions would enrich that restive population and, hence, temporarily mollify their political concerns with CCP administration.\textsuperscript{141} The fact that this Chinese investment lays dead center of a region known for its mineral wealth also portends continued Chinese-Pakistani cooperation.\textsuperscript{142}

China’s push to access resource-rich areas extends beyond its immediate neighbors. Since oil is a commodity key to industrial maturation and China’s rate of oil consumption is seven times greater than that of the U.S., Saudi Arabia lies near the top of China’s desired partnerships.\textsuperscript{143} As of 2013, China imports 54 percent of its oil, a number that will rise;\textsuperscript{144} by 2020, China expects to import 7.3 million barrels of crude oil daily, or one-half of Saudi Arabia’s total planned output.\textsuperscript{145} Similarly, analysts expect its natural gas consumption to rise six-fold by 2030.\textsuperscript{146} With those increasing levels of demand and lacking a Chinese-controlled secure supply chain, China risks

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\textsuperscript{141} Ibid., 71.
\textsuperscript{142} Ibid., 76.
\end{flushright}
being held hostage to the whims of energy producers. Recognizing their vulnerability on this developing issue, China did what it has always done: it invested in a hedge. The China Petrochemical Corporation signed a contract with Saudi Arabia in 2004 for the exploration and production of natural gas within a 15,000 square mile section of the southern Empty Quarter. The way ahead for the Chinese nation is clear: If everything works out, perhaps they can use the port of Gwadar as a transshipment point, send the oil and natural gas via the pipeline to their western provinces and avoid the Straits of Malacca entirely.

The path toward China’s internal imperative – that of building a domestic consumer base – is less clear, yet no less reliant on access to the unencumbered flow of trade and financial instruments. As China’s protection of resources abroad helps secures the state’s present, the conversion from a manufacturing base to a consumer-based economy is the key to future success. Of all the nine challenges outlined earlier, the creation of an internally driven consumer economy tends to be the only one that results from the achievement of the other eight. That reason alone is why it remains an elusive goal.

An increase in domestic demand would provide China a self-sustaining economy wherein money flows circularly, alternatively enabling production and wages, consumption and profits. With a solid economic base largely free from external influence, CCP leadership could divest the economy of SOEs without fearing a collapse of growth. Private industry would then have room

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147 China’s future position is not too far removed from 1930’s Imperial Japan. The Japanese faced a similar resource conundrum that in part drove their imperial ambitions and contributed to the outbreak of hostilities with the United States in World War II.

148 Ibid.

149 A demand-driven economy builds upon itself: “China’s labor-intensive and export-driven growth model will gradually lose its competitive advantage. China will have to reorient its development strategy toward labor practices that are more capital intensive and based on laborers’ skills. The success of the new development model hinges upon on a strong investment in human capital. As industries become more technology- and knowledge-based, the demand for skilled labor will increase.” See Xiaobo Zhang, Jin Yang, and Shenglin Wang, International Food Policy Research Institute Discussion Paper 000977, “China Has Reached the Lewis Turning Point,” (Washington, DC: International Food Policy Research Institute, 40
to grow, with research and development – innovations in all areas – to follow.\textsuperscript{150} This shift presents hazards to the Chinese political model, but it is the clearest path through their current economic conundrum.\textsuperscript{151} Indeed, the shift to a domestic demand-driven economy is a large facet of China’s long-term strategy.\textsuperscript{152}

One of the pillars domestic demand-led growth relies on is improved income distribution.\textsuperscript{153} Unfortunately for China, the country is far removed from any semblance of income equality, with economic bifurcations along multiple axes: urban/rural and coastal/interior to name just two.\textsuperscript{154} The urban/rural split appears to be the most compelling: although China’s gini coefficient was .474 in 2012,\textsuperscript{155} Chinese analysts pegged it at .61 as recently as 2010, nearly

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\textsuperscript{150} Although regulation of the private industry will remain an ongoing challenge for the partially-closed Chinese state, the private sector’s potential is undeniable: within one month of CCP leadership communicating a desire to open markets, over 760 companies applied to move forward with an initial public offering. See Lily Kuo, “There Are Over 760 Companies Waiting to Flood China’s Public Markets with IPOs,” article updated December 2, 2013 to qz.com under Top News, http://qz.com/152592/there-are-over-760-companies-waiting-to-flood-chinas-public-markets-with-apos/ (accessed November 28, 2013).

\textsuperscript{151} Among other hazards, Thomas Palley notes “Effecting this new paradigm will require a constellation of policy changes that include enhanced labor and political rights, financial market reforms that ensure stable capital flows and temper capital market discipline….” The labor and political rights will slowly erode CCP legitimacy unless carefully managed. See Thomas I. Palley, “A New Development Paradigm: Domestic Demand-Led Growth,” Foreign Policy In Focus Discussion Paper September 2002 (Washington, DC: Interhemispheric Resource Center and Institute for Policy Studies, 2002).


\textsuperscript{153} Palley, 1. Palley identified four pillars for domestic-demand. The others include good governance, financial stability and an adequate, fairly priced supply of development finance.


\textsuperscript{155} Ibid.
the highest in the world.\textsuperscript{156} Merrill Lynch recently assessed that the economic boom created nearly 320,000 U.S.-dollar millionaires, but the World Bank estimated that more than 300 million Chinese still live on less than $2 a day.\textsuperscript{157} As if those numbers were not compelling enough, income disparities also contributed to the outbreak of the Chinese Revolution in 1949.\textsuperscript{158} While improving the lives of the average Chinese, urbanization has also created a wide swath of income inequality that impedes further reform.

Other unintended consequences of China’s urbanization process abound. Urbanization has caused a litany of problems within the nation, to include ballooning local government debt (from investment in excess infrastructure projects that kept unemployment low), significant environmental damage, housing bubbles, inflation, and liabilities associated with the creation of an as-yet-nonexistent social welfare net for the elderly.\textsuperscript{159} According to the United States Department of Commerce, these combined issues form the basis of an unsustainable growth model.\textsuperscript{160} Urbanization alone does not hold the key to a successful transformation of the Chinese economic system.


Ironically enough, Chinese leadership disagrees, viewing continued urbanization as its only way to ensure domestic demand and guarantee future growth. As opposed to primarily pushing forward with painful structural reforms to bring its markets a degree of transparency and international credibility, Chinese leaders have chosen the urbanization path. The state’s solution for bolstering its economy focuses on increasing the pace of urbanization, since urban dwellers spend, on average, 3.6 times more than rural residents.\textsuperscript{161} China’s current urbanization rate is currently marked at 51 percent, but Chinese leadership wants to increase the national rate to 60 percent by 2020.\textsuperscript{162} Increasing urbanization rates by 9 percent in China within that timeframe is the equivalent of resettling the entire population of Manhattan into cities each month for the next seven years, or nearly 45,000 people per day.\textsuperscript{163} With 25 of the world’s 100 largest cities already in China,\textsuperscript{164} authorities face the continuing “challenge of regulating one of the largest migrations


\textsuperscript{162} The veracity of the current urbanization rate is dubious at best. Although China reports an urbanization rate of just over 50% (sources vary between 51% and 53%), “Only 35 percent of Chinese citizens have the right to medical care, education, and other social services that urban residency provides. The other 18 percent of China’s formally acknowledged urban residents are actually migrant workers with no benefits.” City governments are not burdened to care for undocumented migrants. Using a 35% urbanization rate as the more accurate number, the planned urbanization rate increase would mean a commensurate increase in city management obligations (associated with education, health care, transportation, sanitation and emergency services, in particular) of nearly 40%, an enormous balloon of unfunded liabilities. Additionally, “the estimated costs of providing 25 million of the 250 million urban migrants currently without an urban hukou the same social benefits urban dwellers already enjoy is $106 billion annually. Of course, that does not account for the more than 10 million more rural Chinese migrating every year to urban areas or the 400 million total that China wants to urbanize by 2030.” (Elizabeth C. Economy, “China’s Li Keqiang on the Urbanization Warpath,” entry posted September 10, 2013 to blogs.cfr.org under Asia, http://blogs.cfr.org/asia/2013/09/10/chinas-li-keqiang-on-the-urbanization-warpath/ (accessed September 14, 2013). See also Shannon Tiezzi, “China’s ‘War Against Poverty,’” posted January 29, 2014 to thediplomat.com under China Power, http://thediplomat.com/2014/01/chinas-war-against-poverty/ (accessed February 3, 2014) for more details.

\textsuperscript{163} Based on a Chinese population of 1.3 billion and a 2012 Manhattan population figure of 1.6 million, that means moving 117 million people over 7 years.

in human history, with steep financial and political costs....” Yearly resettling costs alone for the 25 million people expected to move to cities in the near term could cost the equivalent of 5.5 percent of fiscal revenue.\textsuperscript{165} A monolithic task to begin with, the government would have little hope of executing such a plan if it also had to concern itself with the implications of volatile international economic relationships.

Chinese leadership remains undeterred. The National Development and Reform Commission, the organization that has broad administrative and planning control over the economy of China, recently submitted an urbanization plan to Chinese Premier Li Keqiang.\textsuperscript{166} The Commission’s director, Minister Ma Kai stated “we will promote development by relying on the expansion of domestic demand...(using) consumption, as a major driving force, and transform economic growth from being driven by investment and export to being driven by consumption (with) investment, domestic and foreign demand combined in a balanced manner.”\textsuperscript{167} The Premier summarily rejected Mr. Ma’s proposal not based on cost (it topped $6.5 trillion dollars, or nearly 80 percent of China’s current GDP\textsuperscript{168}), but rather because no one could develop strategies to mitigate the wealth of urbanization hazards discussed previously.\textsuperscript{169} Still, consultants at McKinsey showed an urbanization plan could work, but given the complexity of the issues at


\textsuperscript{167} Ojha.


hand, it is likely the Chinese will need several chances to get it right.\textsuperscript{170} According to noted Nobel

economics laureate Joseph Stiglitz, urbanization in China is one of the two “most important

issues that will shape the world’s development during the 21st century.”\textsuperscript{171} The overriding

question remains how the CCP, as the nation’s “doctor,” cures the patient without killing it first.

This shift to a market economy is thirty years in the making and shows no signs of

stopping. After last November’s Third Plenum of the 18th Congress, CCP leadership issued a
decision paper outlining 60 findings from the meeting. Grouped together into 16 subheadings,
these points lay out the way ahead for China over the next several years. Ten of the sixteen
sections dealt specifically with economic issues; four of the remaining six dealt with issues
ancillary to economics.\textsuperscript{172} The tasks to restructure China’s nearly $9 trillion economy, placed
firmly at the feet of the Communist Party, are akin to efforts to “refashion the state” and resemble
“more of a political question than an economic one” because of the nature of the CCP’s
relationship to the Chinese people.\textsuperscript{173} The scope of this transition cannot be overstated, and there
is no doubt Chinese leadership has its sight fixated on resolving this economic peril, to the
exclusion of almost all other tasks.

The Chinese economy will remain particularly vulnerable until this transition fully
matures. Even though any state invested in the current system of globalized trade risks economic
damage due to foreign intrigue, the Chinese confront an additional and potentially catastrophic

\textsuperscript{170} Ibid.

\textsuperscript{171} Bloomberg News, “China’s Urban Population Exceeds Countryside for First Time,” posted

\textsuperscript{172} Central People’s Government of the People’s Republic of China website. Posted November 15,
14, 2014).

\textsuperscript{173} Evan A. Feigenbaum and Damien Ma, “After the Plenum: Why China Must Reshape the
State,” posted December 16, 2013 on foreignaffairs.com under Features/Snapshots.,
political result should they risk international economic reprisals with an aggressive rise. Specifically, domestic economic dissatisfaction will likely draw greater scrutiny to the CCP’s role as the solitary governing body in China, creating questions as to whether that model of government is still appropriate. Put another way, in countries where the political model is generally accepted, significant economic difficulties will at most place the composition of the current government at risk; because of their one-party form of government, the Chinese risk not only the government’s composition, but its very framework as well. Economic stability remains the foundation for Chinese governmental legitimacy and right now cracks are developing.

This speaks to the issue of parity, one of the key components in Power Transition theory. In its present and near-term form, China’s economy lacks the flexibility of more institutionally bound, free markets open to private investment and economic advancement. The American economy faces similar challenges to those of the Chinese, but the American economy retains the potential to overcome its issues without structural redesign. Whereas the American system is subject to modest adjustments, Chinese reforms are “bound to modify cultural patterns” which may lead to “…a new pattern of insistent achievement and vast, perhaps unfulfillable, expectations may arise.”\textsuperscript{174} Quite simply, the American economic design can be better, but the Chinese system is faulty. Until the Chinese economy endures several rounds of successful reform, it will remain susceptible to external pressures and incapable of achieving parity with the likes of the balanced American economy. Lacking substantial parity within systems, Power Transition theory concludes aggressive behavior between nations is unlikely.

\textbf{CONCLUSION}

When Zheng Bijian publically acknowledged the concept of peaceful rise, he introduced the world to a developmental roadmap for the Chinese nation. China would grow into a regional

\textsuperscript{174} Kissinger.
if not global power. This growth, however, would face challenges within the political, military, and economic realms that would require the state to remain inwardly focused. China views a stable international environment as a necessary precursor to success in all those realms; “peaceful rise” was China’s implicit agreement to contribute to that stable environment, even if it only did so for self-serving reasons.

From a political standpoint, CCP leadership would continue to honor the state’s historical tendencies of (largely) noninterventionist policies while ensuring a firm grip on its power. Militarily, the nation would continue to “show the flag” in ever-expanding circles in an effort to protect economic supply chains and encourage multilateralism across the region. Economically, the state would focus on the bevy of domestic tasks placed at the foot of the central government. For the most part, the Chinese state has stuck to this roadmap.

With a system that relies heavily upon maintaining political stability, the CCP leverages its unquestioned right to rule to ensure tranquility.\textsuperscript{175} Over the past few decades, it has reincorporated Confucian principles as a baseline for governance, recasting the Communist government as the advocate and defender of its entire people. This role decreases domestic dissent and encourages popular loyalty to the CCP, thereby providing the government the domestic mandate to implement other reforms across Chinese society. That role also burdens the government with the obligation to serve as a near single-source provider of the people. Should the government fail to meet its obligations to improve the lives of the average citizen, it will lose not only the right to implement reform, but also to rule.

By taking this path, the Communist government has created a high stakes policy box within which it must operate. Only two futures appear possible: total success or abject failure. If successful, the future of the single-party structure is all but guaranteed; failure, however, will only encourage more critical views of the state’s current governance structure and draw the

\textsuperscript{175} Lawrence and Martin.
legitimacy of the Communist party into sharp focus. In accordance with its centralized decision-making process, senior CCP leadership believes it can navigate the challenges facing the Chinese state. Regional strife detracts from this focus, though, so to the extent the Chinese government can prevent low-level friction between itself and neighbors from bubbling over into full-blown conflict, it will do so. Chinese political constraints require peaceful relationships with its neighbors.

Full-blown conflict is also something the military seeks to avoid. Although the Chinese military is naturally more likely to strike an aggressive posture, so long as conflict with regional neighbors remains at a relatively low level, China can still fulfill its peaceful rise promise. China’s military continues to grow coincident with its overseas economic development, but the dual patronage system within the Asia, wherein both China and the United States are seen as legitimate security partners, caps violence in military affairs to tolerable levels. Moreover, the preponderance of countervailing forces fielded by other Asian states in the naval arena alone creates the impression that the Chinese military presents more bark than bite. Ultimately, the manner in which the Chinese military is employed echoes the belief that success in the region will result from multilateral operations between partners and not in aggressive, unilateral employment of maritime forces.

Of all the dimensions considered, resolution of the Chinese economic transition may be most relevant to the topic of peaceful rise. Both the political model and the military models are, in large measure, insulated from direct external influence; the CCP may decide to acknowledge, validate or ignore other states’ actions through its own policy choices. Within the economic realm, however, with money and products designed to flow freely across borders, China policies must remain responsive to other states’ actions. The nature of the Chinese economic system makes it more susceptible to volatility within globalized trade and with that comes a measure of political risk. Economic problems that might otherwise create dissent in another country have the
potential to create political revolution in China. Now that the Chinese people have experienced the immediate benefits of a move toward capitalism, the Chinese state, and more specifically the CCP must deliver on reforms or find itself obsolete.

Chinese state leaders fully appreciate how CCP legitimacy and, hence, domestic stability is inexorably linked to market-driven reform. Successful strategies to solve the Chinese economic problem exist. The complexity involved with juggling all relevant variables while still ensuring the viability of the system, however, taxes the Communist Party to the extent that economic viability assumed nearly all its attention during the Third Plenum in 2013. Quite simply, the Communist leadership has all it can do to handle China’s economic problems. Since the Chinese economic problem mimics an unremitting circle of cause and effect, making reforms is an “all-in” issue: far from implementing a grand strategy to rise aggressively, Chinese leadership has demonstrated little capacity to coordinate efforts outside of immediate economic concerns, as evidenced by their relative inability to implement even the most basic of those economic reforms.

Chinese leadership finds itself forced to navigate a narrow course. Its domestic situation dictates a future that does not include or accommodate overly aggressive policy choices for fear that the government may fall victim to a waterfall of critical vulnerabilities within their system. The Chinese face decades of work with finite capability to deviate from their roadmap; any instability in the international environment will force the CCP to divert time, resources and money away from their domestic imperatives and increase the risk of outright failure. Ill prepared


to deal with the strategic ambiguity that an aggressive rise introduces into their system, the
Chinese state lacks the historical tendency, the political desire, the military approach or the
economic capability to rise in an other-than-peaceful fashion.
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