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Review Essay

China’s Rise: Contingency, Constraints and Concerns

Thomas Fingar

A Contest for Supremacy: China, America, and the Struggle for Mastery in Asia

In 1978, China’s leaders made the fateful decision to abandon Mao Zedong’s failed and futile quest for a uniquely Chinese development strategy in favour of priorities and practices that had transformed Japan, South Korea and the other ‘Asian tigers’ into economic powerhouses. At the time, they argued – and expected – that doing so would increase the scope of China’s independence. They were wrong. China has benefited enormously from Deng Xiaoping’s acceptance of the Carter administration’s de facto invitation to take advantage of the US-led ‘free world’ (now global) system without first changing China’s political system or formally aligning with the United States, but the benefits have come at the price of growing dependence on the system that makes them possible.

China is richer, stronger and more influential than at any time in the past 200 years, but it is also more dependent on developments and decisions made beyond its borders. It may also be more vulnerable than other rapidly rising big countries to internal problems and weaknesses. The complexity and contingency of the various domestic and external factors that promise to drive, constrain and shape China’s ambitions and actions

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make confident prediction of the country’s future behaviour and the efficacy of its policies exceedingly difficult. Indeed, the most accurate statement one could make about the possible shape, pace and implications of China’s rise is, ‘It depends’. Aaron Friedberg’s thoughtful and thought-provoking book does many things well, but what it does best is to underscore the uncertainties and contingencies that must be factored into any analysis of China’s rise and its implications for the United States and other nations.

*A Contest for Supremacy* should be on the ‘must read’ list of all who think about – or think they understand – China’s recent history and potential impact on world affairs. Friedberg’s diagnosis of China’s internal attributes and their mixed implications for sustained growth and avoidance of both ‘straight line’ and ‘collapse is inevitable’ projections underscores the importance of contingency. Indeed, one of the strengths of the book is that it forces readers to recognise and think about the multiplicity of factors that do, could and will shape perceptions and policy choices in Beijing, Washington and other capitals. In other words, Friedberg assists readers to identify what to look at and what to look for, while largely eschewing predictions of how contingent developments are likely to play out. This does not lead him, and should not lead others, to espouse a ‘wait and see’ approach to China’s rise. Although I disagree with the focus of the military-centric hedging strategy Friedberg recommends, I share his judgement that the United States must prepare for many possibilities. He would do so largely by maintaining military dominance and bolstering alliances to prepare for clashes and competitions he judges virtually certain to occur. I think the situation is more malleable, and therefore advocate continued efforts to shape China’s options and evolution in ways that defer, diminish or prevent zero-sum outcomes.

**Domestic developments**

Probably because Friedberg writes from the perspective of an international-relations specialist, and focuses on the implications of China’s rise for the United States and US policy, *A Contest for Supremacy* acknowledges but does not explore in detail the implications of domestic factors that will
shape China’s future. This is intended as a statement of fact, not a criticism; however, downplaying domestic contingencies has the (intentional or unintentional) effect of buttressing Friedberg’s preferred hedging strategy, which assumes that China will seek to displace the United States as the pre-eminent Asian power and that its political system will remain essentially unchanged for years, even decades. That might be the case, but any number of alternative outcomes are possible.

Domestic developments with the potential to change China’s engagement on the world stage, or the way other countries assess that engagement, can be divided into two broad categories: those affecting the future character and pace of economic growth, and those affecting the political system. Thirty years of sustained high levels of growth have increased China’s capabilities, buttressed regime legitimacy and brought unprecedented prosperity to hundreds of millions of people. At some point, perhaps sooner rather than later, the pace of growth will slow, as it has for every other fast-growing nation. All nations (except the city-state of Singapore) have experienced protracted periods of little growth – often called the ‘middle income trap’ – after reaching the point at which they must move from the ‘catch up’ to the ‘innovator’ stage of development. Chinese leaders and official scholars express confidence that the coming slowdown can be managed, in part by expanding production and consumption into the interior portions of the country, and by ‘rebalancing’ the economy to reduce dependence on exports. They might be right – indeed, there are many reasons to hope that they are. But success is rarely automatic, and one must question whether the path pursued by China is sufficiently different to avoid patterns seen in those nations Beijing has chosen to emulate.

Domestic factors that will shape future economic performance include rising expectations and rising labour costs. Cheap labour has been critical to the success of China’s development strategy, but continued growth requires moving up the technology ladder, and that entails competition for skilled workers who demand higher wages to satisfy their rising expectations and
meet the rising costs of life in China’s cities. Deficiencies in the education system are beginning to constrain the flow of workers from the countryside with even the minimal skills and discipline required for low-end manufacturing. External developments will complicate the ability of Chinese political leaders and enterprise managers to manage these challenges. I will cite three. One is increased competition from the ‘rise of the rest’. China enjoyed a decade-long head start in the global market, but India, Brazil, Indonesia and many others have entered the competition, and may have advantages that China itself can no longer take for granted. Another is the likelihood of sustained contraction, or at a minimum much slower growth, in the large markets of Europe, North America and Japan. As people in the OECD nations save more and consume less, reduced demand for products from China and other low-end contributors to global production chains will preclude sustained high rates of growth. A third factor over which China will have little control is the price of oil. Growth in China and other developing countries seems likely to fuel increased demand for fuel, more than offsetting demand decreases in the most developed markets driven by economic slowdown and greater efficiency. Higher demand is likely to mean higher prices. Instability in the Middle East, the region that supplies most of China’s imported oil, would drive prices up even further, possibly changing the equation that has made it profitable to transport raw materials and components to China (and other distant locations), and to ship goods long distances to reach final markets.

To describe these scenarios is not to predict that they will happen or that their impacts could not be managed by leaders in China, but they do illustrate the complexity and indeterminacy of economic developments underpinning China’s rise and future capabilities. Slower growth, even if managed successfully, will generate smaller revenues for governments at all levels, from Beijing on down – governments which, in the past, have spent lavishly on infrastructure and prestige projects such as the 2008 Olympics and the 2010 Shanghai Expo. Foreign-currency reserves remain extraordinarily high, but domestic banks are sitting on massive debts that cannot be repaid without continued high growth (and maybe not even then). Decreased revenues will have to pay for increasing demands, making
it difficult to sustain investments in advanced military hardware, tertiary education and other priority categories critical to China’s future impact on global developments.

Economic performance will affect China’s future in other ways as well. Perhaps the most direct impact will be on regime legitimacy, which now rests almost entirely on Beijing’s ability to sustain growth and improve living conditions. Doing so is likely to become more, not less, difficult. This might lead to greater reliance on nationalism, the other, albeit much less robust, pillar of legitimacy, and more assertive, less compromising positions on sovereignty issues and imputed efforts to contain and constrain China’s influence.

China’s sustained double-digit growth has been accompanied by high levels of corruption, great and still-growing income inequality, steady deterioration of environmental conditions, and other pathologies seemingly made tolerable by the steadily expanding economic pie and a sense that conditions will continue to improve. Public patience and willingness to tolerate increasingly burdensome conditions could erode quickly if people perceive that further improvement is unlikely, or certain to be much slower than in the past. One does not have to envision massive protests and social unrest in order to predict that slower growth will reduce citizens’ willingness to put up with widely acknowledged deficiencies in government performance. This could be compounded by other phenomena. For example, China’s urban middle class has grown to roughly 350–400 million people. Heretofore, its members have been grateful for the chance to live in cities, obtain better housing and send their children to better schools; and have been willing to overlook the downside costs of rapid urbanisation and breakneck development. At some point, however, they may begin to act more like middle classes elsewhere and demand more responsive and responsible government and greater scope to shape their own destinies.

In other countries, increased citizen demands leading to transitions away from authoritarianism have occurred at roughly the level of development that China is expected to reach during this decade. This is also roughly the same level of per capita GDP at which growth in other countries has slowed significantly.
The case for hedging

My purpose in citing these examples is not to argue that they will necessarily happen, but rather to illustrate some of the ways in which the domestic factors noted by Friedberg could evolve and transform China’s political system, economic prospects, military capabilities and foreign-policy behaviour. From the way that he constructed his book, I suspect that he would concur that these outcomes are all possible, and that many alternative scenarios constructed by taking other domestic challenges as starting points would entail similarly significant implications for China’s future behaviour. That said, Friedberg clearly does not consider all of the many possibilities to be equally likely. Indeed, his argument that the uncertainty and indeterminacy of China’s goals, capabilities and future actions make it prudent for the United States to adopt a hedging strategy evinces a realist imputation of certain existential qualities to China, its neighbours, the United States and the international system.

One element of his argument comes very close to maintaining that China sees the world and acts as it does because it is China. My stating the point in this way is not intended to dismiss or denigrate the importance of the insight. To the contrary, I also judge that Chinese leaders and ordinary citizens perceive events and formulate objectives in a way that can best be explained with reference to China’s history (real and imagined). Whether encapsulated as ‘the Middle Kingdom syndrome’, ‘China’s rightful place in the world’ or some other formulation, the conclusion that Chinese believe their country is superior and entitled to dominate its periphery (and by extension the world), and that it has suffered from nearly two centuries of overweening dominance by barbarian imperialists, contains more than a grain of truth. Whether and how this may differ from other manifestations of big-power chauvinism is probably less important than the fact that these beliefs are widely accepted as true in China, and taken into consideration by other countries when assessing what motivates Chinese leaders to act as they do.

A second, albeit less prominent, element in Friedberg’s analysis posits that China’s current – and future – behaviour can be explained by the fact that it is and will be a Communist Party-dominated authoritarian regime. 
To be clear, Friedberg neither asserts nor implies that China represents the reincarnation of the Soviet Union. But he does seem to posit an unchanging one-party state willing to do whatever it takes to maintain party dominance and inherently antagonistic to American values and political institutions. Oversimplifying his argument, he maintains that a China led by the Communist Party will – must – challenge US pre-eminence because of ideological incompatibility and because American pre-eminence is inherently threatening to the interests, if not the political survival, of the party and those who benefit from its dominant position inside China.

The third strand of Friedberg’s realist analysis is that China does what it does because it is a rising power that must challenge and defeat the existing hegemonic power in order to survive. For adherents of a realist approach to international relations, rising powers inevitably challenge the status quo and the power or powers that maintain the existing system. The trick is to defer competition and clashes with the dominant power – now the United States – for as long as necessary to build up sufficient power to have a reasonable chance of prevailing. This is a contest for survival because any hegemonic power will do whatever it considers necessary to preserve its pre-eminence, including containment of would-be rising powers and pre-emptive military action to defeat aspirant states before they are strong enough to pose a serious challenge. Deng Xiaoping’s oft-cited admonition that China should hide its capabilities and bide its time reflects the logic of pursuing a strategy allowing the rising country to take advantage of the existing world order (currently led, maintained and dominated by the United States) for as long as possible to build up its own capabilities without provoking pre-emptive actions by the dominant state. A Contest for Supremacy describes this strategy and calculus very well.

All three strands of this argument are presented in more definitive terms than seems warranted given the emphasis on contingency earlier in the book, but they are consistent with Friedberg’s hedging strategy. His argument is well constructed; who could disagree that the only prudent course of action in a situation with such high stakes and multiple uncertainties is to hope for the best while preparing for the worst? The problem, at least as I see it, is that Friedberg’s recommended course of action seems to go further
than any US policy going back 40 years, and to entail high risk of creating a self-fulfilling prophecy. Oversimplifying again, the more we treat China like an enemy, the greater the likelihood it will act like one.

**Progress and ‘constrainment’**

US policy has long acknowledged the malleability and indeterminacy of China’s evolution as it has sought to shape the way China evolves. As Friedberg notes in his analysis of the policies pursued by successive American administrations, the United States has combined elements of a liberal internationalist approach with a realist appraisal of the limitations of this approach. At its core, this is a hedging strategy that consciously seeks to transform China while recognising that the effort to do so may not be fully successful. Friedberg calls this mixed strategy ‘containment’ to reflect its blend of containment and engagement. I think a better characterisation of past policy is ‘constrainment’ because the approach has sought to constrain China’s options by increasing its dependence on institutions, norms and relationships that reflect and protect US interests.

Engagement has always meant more than talking to or ‘dealing with’ either China as a whole or specific parts of the Chinese system. The basic premise is simple and probably accurate: the less contact we have, the less we are able to influence perceptions and behaviour. The more contact we have, the greater the potential to shape events and evolutionary change. Engagement has never been intended merely to persuade the Chinese to like Americans and American foreign policy; it has been to show them that working with the United States and through the US-led international system offers the best way to achieve Beijing’s proclaimed national objectives of security, stability and prosperity. Enmeshing China in the US-led system by providing tangible benefits is another goal (and to some extent an unintended but desirable consequence) of this approach, creating dependencies and interdependencies, and constraining the options of Chinese leaders.

Perhaps the clearest way to gauge the efficacy of ‘constrainment’ is to review the pattern of China’s domestic reforms and step-by-step acceptance of international norms and rules. When Deng launched the policy
of reform and opening more than 30 years ago, a key premise was that China would change as little as possible but as much as necessary to ensure sustained economic growth and progress on the road to modernity pioneered by Japan and the other Asian role models. In one issue area after another (such as reliance on markets to set prices, contract law, labour mobility, property rights and foreign-investment regulations), China has moved closer to international (or Western) norms. Chinese leaders made the changes because they determined that it was preferable to do so, not because they had undergone an epiphany with respect to Adam Smith or Western-style political accountability. Recurring, mostly incremental change has cumulatively transformed China into a still imperfect but more responsive, and more open, system.

The pattern in the international arena is similar. On a wide and still-expanding range of issues (adherence to nuclear, missile and other control regimes; acceptance of World Trade Organisation requirements; support for international peacekeeping operations; acceptance of the Responsibility to Protect), China has moved from outright rejection of any rules that it had not helped to make, to acceptance in specific cases, to acceptance in principal, to formal adherence to agreements, to, in a few cases, active embrace of the multilateral regime. The pattern is clear, and so are the reasons for it. China decided, usually grudgingly, to conform to international norms and practice because doing so seemed to be in its interest. Each step on this road enmeshed it more deeply into the international system, brought new and increased benefits useful to meeting domestic demands, and increased China’s wealth and influence. Any future changes, benefits and constraints will continue to be facilitated by the international system in which China has a growing stake and on which it is increasingly dependent.

Do these patterns mean that China will abandon its quest for greater security and international influence? Not at all. But it does mean that Chinese leaders will find it increasingly difficult, costly and perhaps unnecessary to disrupt the US-led system from which it benefits. This is as true of economic and political benefits as it is of regional and global security. China will become increasingly able to challenge US pre-eminence, but may well find it increasingly unnecessary to do so. In fact, it may be able to live with
US pre-eminence for a long time. That would be a good thing, because the United States is almost certain to remain pre-eminent for the foreseeable future. The Chinese may not like that, but they know it is true.