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Table of Contents

Letter from the Editors
Kyle Schut
Clarise Brown
1

China’s Role in Global Governance

China’s Rise as a Normative Power: Developmentalism in China’s Economic Diplomacy
Hao Zhang
3

The Influence of Regime Change on Hedging Between the U.S. and China: The Case of Myanmar
Christian Flores
15

China’s Policymaking Toward North Korea
Shan Wu
26

China’s Evolving Military Power

China’s New Wenchang Spacecraft Launch Site: National Security and Commercial Factors in Infrastructure Development
John Walsh
35

China’s Nuclear Forces: Modernization Initiatives and Policy Options
Rachel Xian
41

Responses to Insurgency Within Afghanistan: The U.S. and China
Daniel Rice
53

Interview

Thoughts on Understanding China: An Interview with SAIS China Studies Professor David M. Lampton
Kyle Schut
60

About SAIS China
65

Editors
66

Letter from the Editors

The China Studies Program at Johns Hopkins University, School of Advanced International Studies (SAIS) is proud to enable student researchers to reach a wider audience with their work, and in doing so contribute to and promote the rich atmosphere of scholarship and collaboration on the questions facing the China Studies field, both within the SAIS community and greater Washington, DC.

Since the 1980s, the world has regarded China's economic growth and unparalleled revitalization with admiration, with the country's (at times) double-digit growth rates the envy of other nations. In the past decade, that economic growth has started to cool, heralding a shift in not only the social dynamics underpinning the economy, but also demonstrating the need for a new narrative. Chinese leadership recognizes this need as well, with President Xi Jinping recently moving to alter the Chinese Constitution to strike terms limits, thereby allowing indefinite public service by top-ranking government and Communist Party officials. Supporters of this act contend that this consolidation of power is necessary to address the issues China faces going forward, while critics remain concerned that the centralization will merely increase the coercive power of the Chinese state without addressing the problems it was ostensibly introduced to mitigate.

China's ongoing socioeconomic and political transformation has led analysts around the globe to question not only its role in the U.S.-China relationship, but also in the international system. Over the last year, trade tensions between the world's two

largest economies has escalated significantly. The Trump Administration has imposed tariffs and sought tighter controls over foreign (and specifically Chinese) investment citing national security concerns. In contrast, China has adopted an increasingly vocal position in the World Trade Organization, even going so far as to urge member-nations to band together in defense of the institution's integrity. Meanwhile, China's Belt and Road Initiative has established itself as one of the foremost infrastructure and investment projects in recent history. Approximately 40% of global GDP and 60% of the world's population will be covered across more than 60 countries.

As China's economic development and increasingly assertive stance in the global arena reverberates both within and outside its borders, we are thrilled to present the fourth edition of the SAIS China Studies Review as a vehicle to increase understanding of both the challenges and opportunities in an ever-evolving China. The first section of this volume examines China's expanding role in global governance. Hao Zhang's piece takes stock of China's norm-setting tendencies on the world stage, and Christian Flores looks at Myanmar as a case study for how the U.S. and China follow different patterns in their treatment of smaller states. Shan Wu's piece on China's policy-making regarding North Korea concludes this section. The second set of articles reviews developments in China's military and aerospace fields. John Walsh's policy brief on the Wenchang Spacecraft Site provides an overview of the site and its significance to China's broader aerospace goals. Rachel Xian examines China's nuclear force and its modernization, and Daniel Rice compares Chinese and American actions in Afghanistan. The issue concludes with SAIS China Studies Review's interview of esteemed SAIS China Studies Professor David M. Lampton about his observations of China throughout his storied career.

We would like to sincerely thank our Assistant Editors for their exceptional display of

commitment and diligence, as this edition would not have been possible without their efforts. We would also like to thank our faculty advisors, Carla Freeman and Madelyn Ross, for their guidance and counsel throughout the creation of this edition. Without the immense support from the SAIS community and the China Studies community in Washington, D.C., these efforts would not have come to fruition, and we extend our utmost gratitude to all who helped us to produce this volume.

Kyle Schut, Editor in Chief

Clarise Brown, Managing Editor

Washington, D.C.

China's Rise as a Normative Power: Developmentalism in China's Economic Diplomacy

Hao Zhang

Introduction

It is widely acknowledged that Chinese President Xi Jinping has ushered in a new era of economic diplomacy with his distinct global vision. Xi's initiation of the Belt and Road Initiative (BRI), the Asian Infrastructure Investment Bank (AIIB), the Silk Road Fund (SRF), and the Asia-Pacific Free Trade Agreement has captured worldwide attention. So far, policy and academic discussions about these proposals have presupposed a material perspective, focusing on China's plausible rationale to pursue political influences and economic interests.^{1, 2, 3}

It is even more remarkable, however, that China's top leaders have come to formulate normative discourses over their ambitious initiatives. Therefore, this paper will address the following questions: What are the norms attached to these new economic initiatives? Where do these norms come from? Why do Chinese leaders engage in such intensive advocacy projects? What are the international responses and implications?

This paper will make three contributions to the current literature. First, it will probe the normative dimension of China's economic diplomacy, complementing and contrasting the materialist explanations in policy

and academic circles. While accepting the rationalist perspective, I argue that the advocacy process reveals China's normative pursuit of a developmentalist consensus in the international community. In other words, these economic initiatives should be analyzed alongside their intensive public advocacy campaigns. As will be shown, this normative component is an integral, if not essential, part of the BRI, for which mere political and economic incentives cannot fully account.

Second, this paper will bring in a constructivist framework, the Norm Life Cycle theory,⁴ to explain China's most recent behavior. The Norm Life Cycle theory addresses the evolution of a new norm before its institutionalization in the international community, identifying key actors and their strategies in this multistage process. In so doing, this paper presents a dynamic analysis of how China reshapes the international norm system with its distinct values.^{5, 6, 7, 8} In contrast to the existing argument, China's advocacy projects can safely be said to have entered the initial stage of norm emergence since 2013. Nowhere is this more symbolic than in Xi's repeated emphasis on the contribution of Chinese wisdom to the world, as well as in the scholarly proposal to increase China's cultural competitiveness and attractiveness.^{9, 10, 11}

Third, this paper speaks to the rising literature about China's development model. With increasing suspicion toward Western-style liberalization, Joshua Cooper Ramo discusses the "Beijing Consensus" as an attractive alternative for late developers.¹² However, as Scott Kennedy eloquently argues, the three components of the "Beijing Consensus," namely "innovative-based development," "equitable distribution," and an "independent development path," fail to stand up to realistic evaluations.¹³ Instead, Suisheng Zhao presents a more accurate picture by stressing the role of a strong and pro-development state.¹⁴ While trying to further

dissect “China’s development model,” this paper partially agrees with Stefan Halper that “China offers not only an alternative path to development, but also an alternative to the Western-authored liberal international order.”¹⁵ In other words, China’s distinct developmental values and its recent advocacy efforts may lead to an ideational competition with the West.

Analytical Framework: The Norm Life Cycle

Martha Finnemore and Kathryn Sikkink, in their paper entitled “International Norm Dynamics and Political Change” explicitly challenge the static assumption of international norms in formulating the “Norm Life Cycle” theory. Their central argument is that all norms will go through a three-stage process before effective institutionalization: norm emergence, norm cascade, and internationalization.¹⁶ Norm emergence or norm building (Stage One) is typically characterized by assiduous “persuasion” of norm entrepreneurs, as well as the new international platforms they intentionally create. The universal approach that these norm entrepreneurs adopt is “framing,” which is to use specific language to interpret, dramatize, and rename the cognitive constructs that they wish to advocate.¹⁷ This is never an easy process, the authors claim, because new norms never enter a norm vacuum, but instead emerge in a highly contested normative space, competing for attention and understanding. Therefore, framing must harbor a clear reference to empathy, altruism, and ideational commitment that resonates with or gains support from potential targets.

After reaching a “tipping point” where “a critical mass of states” pick up the new norm, the norm cascade (Stage Two) gains momentum in deepening socialization and stimulating identity shift.¹⁸ Actors genuinely follow the new norm in this stage either out of their concerns over domestic legitimacy, or out of pursuit of conformity with and

esteem from the international community. The final stage, internationalization (Stage Three), marks the general acceptance and internalization of the new norm. A more detailed graphic representation is provided on the following page.¹⁹

This paper applies the “Norm Life Cycle” framework to China’s new economic diplomacy through “development,” analyzing the discourses around “development” as a normative instrument to expand international influence. Initially, the developmentalist consensus remained a domestic social construct, but it has since evolved to serve as justification for the CCP’s ambitious modernizing program. As new leadership came to office in 2013, there has been a consistent effort to project domestic norms to the international community, advocating development with Chinese characteristics as a new integral part of the international norm system. The succeeding part of this paper explicates the role of Chinese Communist Party (CCP) as a norm entrepreneur, especially its fundamental belief in a development-openness-stability nexus after more than three decades of experimentation.

Developmentalist Norms and Domestic Economic Modernization

National development had always been the key component of Mao Zedong’s strategic thinking. Despite the Marxist and nationalist framing, Mao made clear that unleashing social productivity was the only way to build a strong and industrialized China.²⁰ Considering the enormous external pressure, Mao’s impulse to catch up with the United States and the United Kingdom during the Great Leap Forward was not without political justification. However, such economically unrealistic goals led to rounds and rounds of massive experiments, often with catastrophic outcomes. It was only after these failed attempts that Mao decided to shift domestic attention to class

Figure 1 - Norm Life Cycle

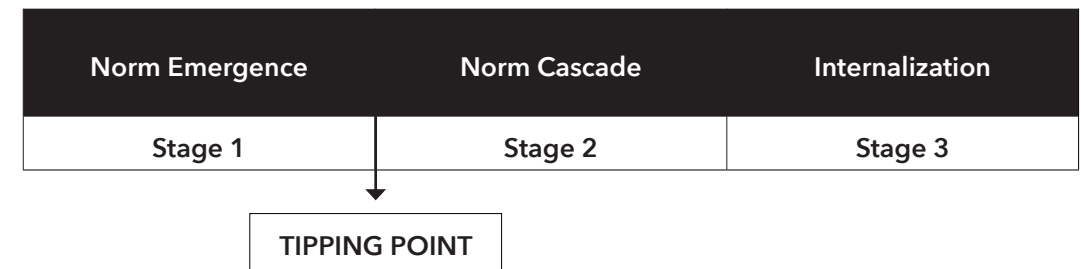


Figure 2 - Stages of Norms

	Stage 1 Norm Emergence	Stage 2 Norm Cascade	Stage 3 Internalization
Actors	Norm entrepreneurs with organizational platforms	- States - International organizations - Networks	- Law - Professions - Bureaucracy
Motives	- Altruism - Empathy - Ideational - Commitment	- Legitimacy - Reputation - Esteem	Conformity
Dominant Mechanisms	Persuasion	- Socialization - Institutionalization - Demonstration	- Habit - Institutionalization

Source: Finnemore and Sikkink (1998)

struggle to re-consolidate his power within the CCP. Therefore, it is fair to say that with these repeated (but unsuccessful) mass movements, the very concept of “development” became increasingly politicized before it was theorized as an integral part of the CCP’s ideological guidance.

Nevertheless, development became Mao’s major political instrument to win international recognition and support. In most cases, China’s official assistance programs aimed to serve Mao’s nationalist vision, with limited normative implications. For Mao, offering developmental assistance to Asian, African, and Latin American countries aimed

to support their struggles for “independence and liberation.”²¹ More importantly, China could secure more friendly relations with developing nations, especially at a time when it was isolated by both the Soviet Union and the United States in the 1960s. China’s foreign aid during this period amounted to more than 1.9 RMB billion per year, about 4.5 percent of the national budget.²² But these tremendous economic transfers should be regarded as alliance-building efforts rather than norm advocacy for development per se.

China’s domestic developmentalist consensus was forged by the second generation of the “leadership core” in the wake of the

decade-long Cultural Revolution. To end the disastrous ideological turmoil of that period, Deng Xiaoping almost single-handedly reversed the radical trajectory of the Chinese political economy. "Economic construction" was prioritized as the "central task of the Party" in late 1979, at a time when considerable intra-party resistance continued to exist. But Deng was fairly successful in reorienting the CCP towards economic development through his administrative authority in 1980s.^{23,24} Gradually, political coalitions that benefited from the "reform and opening up" enlarged and consolidated themselves to the extent that "development first" became an overwhelming consensus to drive the whole country forward.

Of course, such a developmentalist consensus was derived from Deng's political determination to resolve the problem of domestic backwardness and widespread poverty that could eventually destroy the legitimacy of the Party. Deng cleverly shifted attention away from class struggle by emphasizing social productivity as the (most important) strength of socialism.²⁵ Indeed, the purpose of opening up was to stimulate and enforce domestic reforms that would readjust domestic economic institutions in order to advance development. Nowhere was this more true than in Deng's well-known claims that, "development is an unyielding principle," and "development is the key to the resolution of all problems."²⁶

Therefore, it is hardly disputable that the consensus-building over economic development was a domestic-oriented initiative, but it would be naive to presume that no international implications existed from the very beginning. The push for development as the ultimate goal of the Party could also exert influence beyond Chinese territories, though this ambition was initially modest. When interviewed by foreign media, Deng claimed that China's development from a backward to a modern country would be its greatest contribution to the world.

Moreover, during his conversation with Swedish guests, Deng even explained that this contribution would include the provision of development experiences to developing countries.²⁷ Deng's developmentalist discourse in the international setting not only served as a justification for modernizing projects back home, but also foreshadowed the global norms that his successors would attempt to augment.

The leadership of Jiang Zemin further consolidated the developmentalist norm that finally took root in Jiang's ideological contribution, the "Three Represents." The essential rationale was to break the ideological constraint on party membership of private entrepreneurs. To allow political participation of the capitalists had been inconceivable during the revolutionary era and was still unacceptable to many party cadres after a decade-long reform. Yet, this dramatic ideological shift was once again justified by the strengthened norm of development. Indeed, the CCP's representation of "the most advanced social productivity" required the inclusion of a rising private sector that started to play an indispensable role in domestic modernization. It could be said at this point that the norm of development superseded Marxist orthodoxy to become a new guiding principle of China's ruling party.

Furthermore, there was systematic adherence to the developmentalist consensus during Jiang's era. While continuing the logic of "openness stimulating reforms,"²⁸ the central leadership turned to the potential relationships between development and stability as a new normative justification. In the wake of increasing social unrest, Jiang's Party emphasized China's insufficient level of development as the root cause. While stability served as the precondition for development, it is more important to note that stability per se could be strengthened by development -- a mutually-reinforcing cycle as an integral component of the Chinese developmentalist norm.²⁹ Such ideological statements

would further consolidate the central position of "development" by drawing a plausible connection between economic advancement and political order.

Of course, developmentalist norms during Jiang's tenure also spread in the international arena. After China's accession to the World Trade Organization (WTO), Jiang adopted a "joint development" rhetoric in the 1990s. This could mark China's increasing confidence in applying its developmentalist framework to the existing international economic order, which was criticized for its deep-seated problem of uneven development. In his well-known speech on peace and development in 2002, Jiang emphasized that economic globalization should be carefully guided so that developing countries could catch up with their wealthy counterparts.³⁰

The next Chinese leader, Hu Jintao, enriched the developmentalist concept by stressing its more comprehensive, coordinated, and sustainable characteristics. Development, in his view, should go beyond mere economic achievements to include political, social, and cultural progress.³¹ Nevertheless, the scientific development concept has not introduced considerable changes to the existing normative theory of development, but did underline possible causality of development on stability. This was to a great extent supported by China's impressive performance in the 2008 financial crisis, in which it assumed the role of a key world economic stabilizer.³² During this extremely uncertain period, Hu's claim that China's maintenance of economic growth would be a great contribution to the world economy appeared prominently in multiple multilateral platforms.³³

During this period, the final component of China's developmentalist consensus was established: infrastructure investment as a key driver of development. In the wake of the global financial crisis in 2008, China's State Council initiated the Four Trillion Yuan Stimulus Package to boost investment

in housing, rural infrastructure, and transportation.³⁴ Although this tremendous financial plan caused mounting local debts and excessive industrial capacity, it nevertheless enabled China to stand out in the global economic recession. Hu was keen to praise infrastructure-led development, an essential component of the China Model.³⁵ In September 2012, he gave a speech at the APEC CEO Summit, which could be regarded as a step toward building the ideological foundation for the BRI. In this speech, he not only emphasized the importance of infrastructure investment in economic development, but even called for greater regional connectivity based on public-private partnerships in project construction.³⁶ Despite China's hundred-year-old proverb, "To be rich, first build the roads" (《要想富先修路》), infrastructure investment had not been encapsulated in the developmentalist norm until the later years of the Hu administration.

Xi Jinping's Norm Advocacy for "Development with Chinese Characteristics"

Based on these historical accounts of China's developmentalist consensus, Xi's new thinking about development is a continuation of the previous rhetoric. Shortly after he came to office, Xi notably repeated Deng's well-known slogan, "Development is an unyielding principle," and reaffirmed "economic construction" as the central task of the Party.³⁷ Even his "China Dream" preconditioned development to the ultimate goal of national rejuvenation. Moreover, he has also re-framed the "scientific development" concept by stressing the efficiency, quality, and sustainability of development.³⁸ In this regard, his fight against intra-party corruption and environmental pollution have boosted, rather than deviated from the extant developmentalist consensus.

However, it is Xi's proactive promotion of the developmentalist norm in the international platform that has mainly distinguished

him from previous leaders. Chinese leaders since 1979 have primarily advocated “development” in the domestic arena as a way of justifying their continued commitment to modernization through liberalization and internationalization. This inevitably constrained their ambition to apply a developmentalist framework to a wider context. In addition, China’s relatively weak material capabilities and “independent foreign policy” stood in the way of a more vocal norm advocacy project for development with Chinese characteristics. In contrast, Xi’s determined support for regional integration has been accompanied by an unprecedented confidence in advocating for the international adoption of the Chinese developmental experience, even though this would result in the reshaping of the global norm system. Built on the previous consensus, Xi’s upgraded version of the developmentalist norm has at least three observable implications.

First, China under Xi’s administration has started to advocate for the logic of “openness stimulating development” at the international level. This is consistent with the Western approach of liberalization represented in the Washington Consensus. In the face of rising protectionism and unilateralism, Xi has fervently claimed the significance of openness, in that “globalization is an irreversible trend” and that “all nations are forced to “sink-or-swim.”³⁹ To Xi, being able to reform and adjust to opening up is the key to successful development: one of China’s experiences applying to all nations.⁴⁰ As China’s developmental norm suggests, with pressures from openness come opportunities for development. This is not only due to the efficiency-oriented reforms in the domestic arena, but also because of the “win-win cooperation” based on complementary advantages in free trade and the open market.⁴¹ This will eventually justify the discourse of regional openness and integration, which is one of the most important motivations of the BRI.

Second, China has also elevated the importance of development to domestic stability, suggesting that all vulnerable developing countries should faithfully follow the path of developmental peace. Not as unusual as it may seem, such arguments have differed sharply from the Western approach that prioritizes democratic institution building. Xi’s speeches during his state visits to Central Asia, Latin America, and Africa have repeatedly stressed the key to problems of national instability as being effective economic development.⁴² Very often, the plausible correlation between economic development and stability has been based solely on China’s domestic experience, without clear and convincing theorization. Nevertheless, such political advocacy has gradually gained some support from Chinese academia: for instance, Wang Xuejun defined “developmental peace” as peace-building based on socio-economic development -- “a promising alternative to liberal peace in Africa.” He Yin even specified regional peace as one of the benefits that can be delivered by the BRI.⁴³

Third, infrastructure investment is the most important approach to openness and development. This is certainly new to the Western lessons of development. The BRI explicitly prioritizes infrastructure inter-connectivity as one of its five pillars, and in fact makes it the precondition for the other four.⁴⁴ Based on its relatively effective financing models,⁴⁵ China has endeavored to foster a common awareness of infrastructure-driven development along the Belt and Road.

In summary, this Chinese approach with its joint development principle should bring in tremendous opportunities for international cooperation to help realize the “Shared Future for Mankind.”⁴⁶ Essentially, win-win economic relations should serve as a stabilizer for political ties. Therefore, with increasing devotion to regional development and developing countries in general, Xi seems to be confident that long-term political trust will be fostered, winning a

friendly environment for further Chinese development.⁴⁸ In light of this statement, the so-called “Community of Common Destiny” is nothing but an “alliance” against underdevelopment and instability, both in the domestic and international arena.

A New Norm Platform: AIIB As a Case Study

The main purpose of this short case study is not to display the details of the AIIB’s negotiation process or institutional design, but instead to anatomize China’s discourses when advocating this new platform. There are multiple reasons to study the AIIB: First, the AIIB is widely regarded as an institutional financier for the BRI, thus forming an intrinsic component of China’s grand initiative.⁴⁸ Second, the framing of the AIIB has been more consistent than the overarching BRI, thus allowing a more concentrated analysis. Third, the advocacy campaign for the establishment of the AIIB has almost finished, rather than continued to evolve with a high degree of uncertainty. Fourth, the AIIB represents a truly multinational and tangible platform aimed at gaining normative acceptance from a critical mass of states, differing from other domestic-oriented initiatives.

In East Asia, few other areas harbor more potential for developmentalist consensus-building than infrastructure construction. The shortage of investment in huge public projects has contrasted with the impressive economic records of developmental states, even in their most prosperous years. In general, increasing infrastructure investments has been difficult, partly owing to the intrinsic economic challenge that such projects usually require large-scale and long-term commitment with considerable risks.⁴⁹ An apparent lack of funding in infrastructure presents a great opportunity for leadership.

However, China’s developmentalist norms have been intensively advocated alongside

the new institution of the AIIB. First, the logic of openness-stimulated development has manifested itself since the very beginning. As Xi himself claimed, the long-run goal of the AIIB is to attain joint development through regional integration and open regionalism.⁵⁰ Inter-connectivity based on better infrastructure will enormously reduce the transaction costs that hinder the free flow of capital and labor, so that the invisible hands can better allocate resources for collective benefits. Moreover, increased openness can even improve domestic economic and political governance in the Belt and Road countries, as indicated by China’s reform experiments.⁵¹ This is a typical example of China starting to contribute its own developmental experience to the region and the world.

Second, not only has the AIIB (and its infrastructure projects) been frequently depicted as a regional stabilizer, but a “special political coalition” is emerging in China’s normative rhetoric.⁵² These arguments are based entirely on the possible causality from development to stability, the most fundamental element of China’s developmentalist norm. Along with the initiation of the AIIB, Xi put forward the concept of a “Community of Common Destiny.” His ultimate goal for the AIIB is to provide a new platform for building this new Community, one which fosters the habits of cooperation and trust beyond narrow national interests.⁵³ While such arguments may require a series of strong assumptions and often arouse severe criticisms,⁵⁴ it becomes much easier to understand when taking China’s own developmental experience and normative consensus into account.

Last but not least, China sees the AIIB as the optimal platform to advocate its unique experience in infrastructure-driven development. This development model, according to Xi’s speech at the inauguration ceremony of the AIIB, has proved to be an efficient way to lower transaction costs, improve the financial environment, and create employment opportunities.⁵⁵

Therefore, the AIIB will essentially complement the existing multilateral financing institutions with a special focus on infrastructure development. Another important trait of China's developmentalist norm is effective decision-making in project financing, which has been reflected in the structural simplification of the AIIB's Board of Directors.⁵⁶ With still the largest voting share, China could enshrine the new multilateral institution with more of its own developmentalist ideal that awaits broader advocacy and deeper socialization.

The AIIB has already gained global influence since a cascade of countries joined the institution as founding members, but a more profound phenomenon has been their explicit and implicit concurrence with the Chinese developmentalist norm. British think tanks pointed out that the AIIB provided an opportunity to increase regional influence through greater openness, and to rewrite more efficient rules for global economic governance. In addition to the possible economic interests, European members agreed with the normative appeal of infrastructure-driven development and better international standards. Asian members are also eager to join the AIIB as a way of filling their infrastructure funding gap and of taking China's "express train." The World Bank and the International Monetary Fund have both expressed their positive attitudes towards the AIIB, stressing the importance of infrastructure development to poverty reduction and joint prosperity.⁵⁹ Most importantly, the United Nations General Assembly has recently written the ideal of "Community of Common Destiny" in its final resolution, a notable success of China's economic diplomacy and normative campaigns.⁶⁰

Questions for the Future

China's early endeavors to promote its developmentalist norm from a mere domestic consensus to a widely-accepted international standard fit within the Norm

Life Cycle, which explicitly deals with the dynamism of international norms from emergence to internationalization. Certainly, the first stage of norm emergence is most relevant to the topic at hand, and its assumptions of the norm entrepreneur and the organizational platform hold explanatory power for Xi's ambitious economic diplomacy.

Apparently, the CCP as the norm entrepreneur has followed a gradualist approach to norm advocacy from the domestic to the international arena. Initially, the CCP leadership tried to forge a developmentalist consensus to justify its ideological reorientation. Such consensus has been successfully expanded and enriched with three generations of Chinese leadership, but the essential components remain unchanged: from greater openness to economic development, from economic development to peace and stability. This domestic experience constitutes the very foundation of China's derivative discourse in the international community: developmental cooperation through the liberal approach will arrive at the ultimate goal, the establishment of the "Community of Common Destiny."

The AIIB, as the organizational platform for norm advocacy contributes to the continuous socialization of the developmentalist ideal, in that it not only promotes China's specific experience in infrastructure-driven development, but also encourages regional integration that leads to increasing openness to internal and external markets. The framing of developmental peace is also prevalent in China's advocacy campaigns, as Xi fervently pointed out the nature of the AIIB as a new platform for regional stability and mutual trust. These developmental ideals have now acquired increasing support from neighboring countries, Western members, and international organizations.

This paper aims neither to evaluate the effectiveness of China's norm advocacy, nor the validity of China's developmentalist

norm. Rather, it tries to dissect China's multiple economic initiatives from the constructivist perspective. Of course, even successful norm emergence does not guarantee smooth passage past the tipping point and arrival at the stage of cascade or even internationalization. Before proceeding through the Norm Life Cycle, the developmentalist norm faces at least two challenges. The first concerns how to further distinguish China's developmentalist concept from that in the existing international norm system, and how to phrase the idea in a more rigorous and acceptable fashion. The second concerns how to stand up to the international expectations of the developmentalist framework in real practice, and how to further socialize the new norm in the face of internal and external suspicions. These are important questions that need to be addressed in future research.

About the Author

Hao Zhang is a recent M.A. graduate of Johns Hopkins SAIS, where he concentrated on International Economics and China Studies. He will start his PhD studies in International Political Economy and Political Methodology at Massachusetts Institute of Technology in Fall 2018. His research interests include corporate internationalization from emerging markets and state-business relations in East Asia.

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The Influence of Regime Change on Hedging Between the U.S. and China: The Case of Myanmar

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Introduction

As many countries in Southeast Asia deepen their economic ties with China, they also seek opportunities to reinforce or strengthen relations with the United States as a check against excessive Chinese influence. This attempt to extract maximal benefit from relations with both China and the U.S. is captured in the concept of hedging. Most explanations for countries' hedging behavior focus on national responses to structural changes in power dynamics in the international environment. However, a growing body of research also considers domestic political effects on hedging behavior. This article seeks to contribute to this literature by addressing the question of how regime type may affect hedging behavior. It focuses on Myanmar (Burma) as a country in the region that has experienced significant change to its political regime in the past decade.

The paper is organized into five main sections. It begins with a brief review of the academic research on hedging, with specific reference to Southeast Asia. It then makes a case for the value of analysis that takes regimes type into account in explaining hedging behavior. This section is followed by a discussion of the

methodology used in this analysis. The study then moves to analysis of the Myanmar case. The article concludes with reflections on China's response to Myanmar's hedging behavior and the implications of hedging for Myanmar's future foreign policy.

Different Perspectives on Hedging

The current scholarship on hedging may be broken into three main types of analyses based on the determining factors motivating Southeast Asian nations to hedge between regional powers. The first type of analysis focuses on bilateral relations between Southeast Asian nations and the leading powers, China or the U.S. The second considers state-level factors, which encompass domestic influences that drive specific Southeast Asian nations to hedge. The third posits that a combination of economic and/or military interests affects the calculus for hedging by ASEAN or individual Southeast Asian countries towards or away from regional powers. While the literature posits plausible modes of analyses that are beneficial to understanding how Southeast Asian countries hedge between great powers, these lenses fail to fully analyze the importance of regime type, and how regime type may affect an individual country's hedging policies.

Literature focused on the motivations of Southeast Asian countries for hedging between China and the U.S. largely considers the bilateral relationship between smaller states and great powers. With specific reference to Myanmar, professors of political science at University of Bologna Antonio Fiori and Andrea Passeri explore the relationship that Myanmar has with China and the U.S. as the central reasons for its hedging policy. Historically, China and Myanmar have shared a connection based on non-traditional security issues such as energy and drug trafficking. However, as China's economic role in the region has changed, Sino-Myanmar relations have

incorporated an economic dimension.¹ The economic overdependence on China and the Obama White House's "rebalance strategy" provided Myanmar with the possibility of a hedging policy that would normalize relations with the U.S. The authors see the formalization and interactions between the U.S. and Myanmar as a moment in which the smaller state began to hedge as a way of balancing China's rise.

Qing Hong Chen, Assistant Researcher at the Research Center for Modern Chinese International Relations, attempts to demonstrate that countries hedge in accordance with their perception of danger and economic expectations. In this dimension, Chen analyzes Philippine hedging during the Arroyo era, when the Philippines and China had a very stable relationship. Chen explains that, while China has a strong economic relationship with the Philippines, the Philippines has a stronger economic relationship with its ASEAN neighbors and allies.² At the same time, geopolitical areas of contention, such as the South China Sea and the rebalance policy, pushed the Philippines to hedge against China. In addition, Le Hong Hiep, Professor of International Relations at Vietnam National University, analyzes Vietnam's hedging policy towards China. This analysis includes three different kinds of forces that affect Vietnam's recent approach towards China, including historical experiences, the situation in domestic and bilateral politics, and Vietnam's international relations where they intersect with its overall strategic environment.³ By analyzing several aspects of Sino-Vietnamese relations, Hiep concludes these factors are the overall forces that affect the way Vietnam hedged towards China.

The second cluster of scholarship on hedging emphasizes state-level factors as the determinants of the foreign policy adopted by Southeast Asian nations. For example, Anne Marie Murphy, Associate Professor of International Relations and Asian politics at Seton Hall University, argues that countries in the Southeast Asian region are

not necessarily hedging between China and the U.S. vis-a-vis the Philippines and Thailand. Instead, Southeast Asian nations have been attempting to maintain an independent foreign policy through multilateral interactions with other countries or organizations, such as ASEAN.⁴ However, Murphy argues that increasing linkages between domestic politics in Southeast Asian countries and the formation of foreign policy (as leaders are pressured to further the interests of domestic political groups) are the most significant factors in shaping hedging. In one case examined by Murphy, Malaysia has struggled to curtail increasing anti-Chinese public opinion in recent years as it attempts to protect its economic interest in China.⁵

In another example of work in this category, Shaofeng Chen, Associate Professor of International Political Economy at Beijing University, also shows the interplay between regional dynamics and domestic political factors in a study that compares regional responses in Southeast Asia to China's Belt and Road Initiative (BRI). Chen concludes that the major four determinants of hedging by Southeast Asian countries are politically domestic and these factors are: the interest of elites in power, the levels of trust countries have towards China, the ideology held and political choices of leaders in power, and societal opinions on China.⁶

The last group of scholarly work focuses on the effects of multilateral or multiple bilateral interactions undertaken by smaller states as a way of hedging between the U.S. and China. Cheng-Chwee Kuik, Associate Professor of International Relations at The National University of Malaysia, argues that ASEAN adopted a hedging behavior in response to China's rise within the region that encompasses "returns-maximizing" and "risk-contingency" strategies. ASEAN uses its return-maximizing as a way of increasing economic benefits gained from China's rise, engagement with China through bilateral and multilateral platforms,

and controlled balancing that pushes for limited military cooperation with great powers.⁷ On the other hand, the risk-contingency strategy includes diversification of trade and investment partners, non-military methods to balance the influence of great powers, and the development of military tools without specifically targeting either great power.⁸

ASEAN nations have been able to balance between a rising China and a rebalancing U.S. through the employment of both hedging strategies. Tianyi Shi, professor at Fudan University, argues that ASEAN countries hedge through threat-counteracting and risk-transforming strategies that can be, respectively, broken down into two categories: 1) limited military, diplomatic, and economic bilateral as well as multilateral interactions, and 2) the use of multilateral networks to confine regional powers.⁹ With the rise of China, ASEAN nations applied both strategies to varying degrees; however, as China and the U.S. compete for regional dominance, ASEAN nations will not be able to contain the behavior of regional powers. This has caused ASEAN to face a setback in its hedging policy and may have caused countries to rethink this strategy. In an additional example of work in this area, Iis Gindarsah, Researcher at the Centre for Strategic International Studies in Washington DC, examines the experience of Indonesia defense hedging – composed of diplomatic relations with regional powers as a way of modernizing its military capabilities while engaging in strategic interactions. Indonesia's defense diplomacy comes from an era of uncertainty within the region as the rise of China brings security concerns and economic benefits. Indonesia's hedging strategy has been realized through multilateral – mainly ASEAN – and bilateral platforms that include military training and exercises, defense visits and exchanges, coordinated operations, and procurement, as well as joint ventures.¹⁰

The Case for a Regime-Type Analysis of Hedging for Myanmar

Despite the expansion of studies on hedging behavior by Southeast Asian states, scholars have done only limited work on the effect of regime type on hedging in Southeast Asia. Chen's examination of regime type in his analysis glosses over the significance of this variable's influence on Southeast Asian support for the Maritime Silk Road Initiative (MSRI), a maritime section that connects China to Southeast Asia, India, and ultimately Europe.¹¹ Moreover, Chen's quantification of regime type and support for the MSRI as simply variables within an equation hinder a more in-depth assessment of regime type. In addition, Murphy analyzes internal political factors through a relatively narrow lens. She examines the South China Sea as an influencer in growing anti-Chinese sentiment throughout Southeast Asia and explains how several countries are hedging against China as a result.

While the South China Sea dispute may be a factor in the hedging policy of some countries, the regime type factor can explain the ways that different countries deal with a variety of perceived challenges to their security. For example, in democratic countries, political parties may hold and promote different perspectives on certain issues and this can drastically change foreign policy narratives. Democracies more readily allow for pluralistic opinions on foreign policy issues; thus, countries that have perceived threats may experience changes in foreign policy. This is guided by public opinion and participation. Authoritarian regimes, in contrast, may have less room for drastic political differences, despite the formation of factions with regards to foreign policy. Historically, Myanmar has faced years of ethnic conflict and military intervention. This has caused the sprawl of an authoritarian regime in which the military held control of democratic processes such as elections, and controlled

information available to the public.¹² However, in recent years, Myanmar has experienced democratic reforms that have drastically altered its former authoritarian regime and transformed it into a quasi-democratic, hybrid regime. Myanmar's hybrid regime is a unique form of presidentialism, in which the president has a limited degree of power while the military plays a highly involved role in upholding the constitutional framework.¹³ To further explain the democratic changes occurring in Myanmar, the following data is used from the Economist Intelligence Unit's report on the democratic index of countries around the world. The report examines countries based on five different democratic characteristics: electoral process, function of

greater role on Naypitaw's political choices, this study hypothesizes that public opinion in Myanmar has affected the way that Myanmar has hedged between the U.S. and China in recent years. Thus, regime change in Myanmar from an authoritarian regime to a hybrid regime has shaped its hedging behavior between the U.S. and China.

Because Myanmar is the only country in Southeast Asia that experienced a dramatic change in its regime during a time in which the region has begun to adopt hedging policies towards China and the U.S., this change may explain how or why the regime change plays a role in the formation of foreign policy. If this hypothesis proves to be correct, then research may suggest

Table 1 : Myanmar's Democracy Index 2010, 2014-2016 ¹⁴

Year	Electoral Process	Function of Govt.	Political Participation	Political Culture	Civil Liberties	Overall Score
2016	3.17	3.57	4.44	6.88	2.94	4.20
2015	3.17	3.57	4.44	6.88	2.65	4.14
2014	1.92	2.86	2.78	5.63	2.06	3.05
2010	0.00	1.79	0.56	5.63	0.88	1.77

government, political participation, political culture, and civil liberties; higher values indicate a stronger presence of democracy in each respective category.

According to Table 1, Myanmar has experienced an upward trend in its democratic scores. However, electoral processes and political participation had the highest increases from 2010 – 3.17 and 3.88 respectively. The increase in political participation may then suggest that public opinion has become more important to the Burmese government as the political process has democratized over time. Given this evidence that public opinion is exercising a

that the regime type does influence the way that Southeast Asian nations hedge. However, if the hypothesis is incorrect, then it is possible that the main driver of hedging is not regime type, and further research should steer away from studying regimes as an influential force in Southeast Asian foreign policy. Currently, there is a shortage of literature on Myanmar's recent regime changes that have allowed it to slowly transition from an authoritarian regime under control of the military into a democratic regime and this reform's connection to foreign policy. Thus, the hypothesis based on Myanmar's experience is to contribute to the literature and provide a potential basis

for future researchers interested in the effects of Myanmar's regime change. More importantly, depending on the outcome of the case study analysis, this paper may serve to guide future research on Southeast Asian regimes and the possible hedging patterns taking place within them.

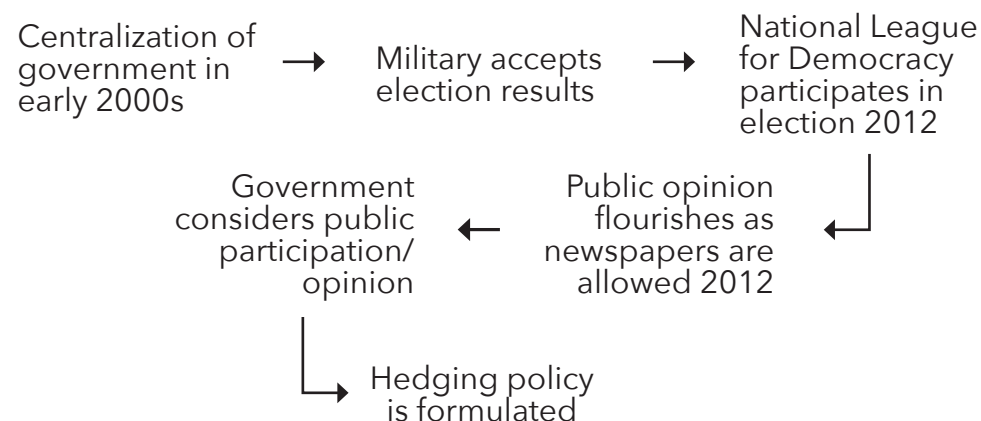
Research Methodology and Variables of Analysis

The dependent variable in my hypothesis is hedging, while the independent variable is change in regime type. The cause mechanism or the connection between both variables is the increase in political participation within Myanmar. This paper uses a case study analysis in which the political participation in Myanmar will be examined through a comparative study across time. First, this paper examines public participation in Myanmar's foreign policy attitudes towards China and the U.S. under an authoritarian regime. Then, it compares public participation and the relevance of public opinion in foreign policy toward the two regional powers after the democratic reforms in 2013. Through this case study analysis, public participation will be studied in relation to the changes that Myanmar underwent in the past few years.

Some political scientists believe that a case study analysis is not as efficient as conducting a large-N analysis, or employing other quantitative methods that account for multiple variables and in doing so gain a more well-rounded understanding of the case. One example of this kind of analysis was conducted by Chen, mentioned above, who tested a multitude of economic and political variables that demonstrated their impact on the attitudes of Southeast Asian nations towards the MSRI.¹⁵ While this method allows for a more complete understanding of the impact of several variables, these kinds of studies do not necessarily delve deep into every factor that may affect the formation of foreign policy. Instead, large-N analyses or other quantitative approaches tend to thoroughly investigate the causal mechanism

and its impact on the dependent variable. Moreover, case studies allow for better control of variables and omit less-relevant factors that negatively affect the way that countries are studied.

Another criticism from political scientists about case studies is that a single probably correct case does not necessarily indicate that a broader theory is applicable *en masse*. However, tests that are applied to case studies have a strong correlation and can best test predictions on political actors. At the same time, testing explanations for the relationship between the independent variable and dependent variable allows scholars to explain why the relationship holds, as opposed to whether the relationship holds as in large-N studies.¹⁶ Hence, the Myanmar case study allows for the further understanding of the impact of growing political participation, as created by regime change, on hedging. Since this paper argues that Myanmar's recent democratic reforms increased the importance of political participation in determining foreign policy, the connection between democratization, public opinion, and foreign policy must be fleshed out. According to Figure 1 (featured on the next page), the causal mechanism is broken down into six steps. These steps flow from the time Myanmar was an authoritarian regime to its slow transition that incorporated democratic changes such as the participation of the National League for Democracy (NLD) and liberalization of the media that would enable the increase in public opinion. The transition into a hybrid democracy does not occur until 2015, but the two key reforms in 2012 were the catalyst for more public participation and, thus, the government's consideration of public opinion. These democratic changes in Myanmar launched the adoption of its hedging policy during its important transition period. The regime change that then occurred would solidify the hedging policy taken by Myanmar as public participation and the electoral process numbers increased in its democratic index.

Figure 1: Mapping Out the Causal Mechanism

Regime Transformation in Myanmar

Myanmar's strictly authoritarian regime held power for approximately 22 years beginning in 1988. Under the State Law and Order Restoration Council's (SLORC) dictatorship, which was controlled by the military, Myanmar was supposed to begin its slow transition into a more democratic regime starting in 1990. However, evidence suggests that the win by the NLD that same year went against the military interest, which resulted in a continuation of the military dictatorship.¹⁷ In the 1990 election, the NLD won 60 percent of the vote and 81 percent of the seats in the legislature. The goal of the NLD was to revive an old constitution – a move that would cause ethnic tension and prosecute military leaders.¹⁸

During the time that the SLORC was in power, its relationship to China rapidly grew and began to develop a close strategic relationship with China. Bilateral relations between Beijing and the SLORC flourished economically and strategically. During the 1990s, border trade between China and Myanmar increased, whereas the latter exported timber, agricultural products, minerals, and livestock, and the former invested heavily in Myanmar's infrastructure.¹⁹ With regard to infrastructure development,

China invested heavily in Myanmar's military capabilities, which included military equipment, training, and modernization facilities. In particular, China invested \$1.2 billion in 1990 in the country's weapons and military equipment, which was supplemented by \$400 million in supplies in 1994.²⁰ The closeness of the relationship between China and Myanmar proves that the SLORC's interest were central to its aligning foreign policy. In other words, the SLORC's need for military equipment to maintain its role in Myanmar pushed the country to cooperate with China. Although the military held power for more than two decades, its rule during Myanmar's authoritarian years centralized the country and government institutions. The SLORC changed its brand and transitioned into the State Peace and Development Council (SPDC) in 1997, but the military dictatorship's core mission remained. During the early 2000s, the Burmese military successfully implemented ceasefire-capitalism, in which government rebels received assistance in exchange for better management of weaponry.²¹ The government's goal for a united country could only be achieved through the cessation of ethnic tension and, more importantly, the incorporation of democratic reforms. During the early 2000s, public opinion and participation manifested itself in different ways. In

2004, the National Convention, created for leaders to discuss a roadmap towards democracy, led to the successful signing of a ceasefire by leaders of almost all ethnic minority groups in the country.²² With a more stable authoritarian regime and centralized government, Myanmar began its process of democratization led by Prime Minister General Khin Nyut.

While General Khin Nyut was removed from his leadership position and replaced by Senior General Than Shwe, Myanmar's bid for democratic reforms nevertheless continued in the following year, which resulted in the drafting of a constitution. The new constitution established a multiparty system, changed the capital city to Naypyidaw, allotted strong executive powers to the president while maintaining a cabinet full of military leaders, created a House of Representatives that would be proportionate to population, placed more accountability pressure on judges, and gave the military powers during crises and restored democracy once the emergency was over.²³ After the 2007 National Convention, groups within the autonomous regions approved a very similar form of the already-drafted constitution.²⁴ That same year the country experienced mass rallies in support of the National Convention that had prompted the constitutional referendum in 2008. Public opinion and participation directly influenced the adoption and approval of the new constitution through demonstrations and the exercise of voting power in favor of the drafted document.

Prior to 2010, when the military accepted the results of the election, China and Myanmar maintained a stable political and economic relationship. While the military regime did make several political decisions that surprised Beijing, Myanmar still maintained an aligned policy with Beijing. In fact, given Myanmar's reliance on Chinese investment and military weapons, China started focusing its investment ventures on infrastructural development such as gas and oil pipelines.²⁵ Because the military's

interests were being met, Myanmar kept a strong alignment with China in what could be regarded as an evolved version of the ties from the SLORC era. By 2010, Myanmar's political climate took a shift towards further democratization. Despite this, the Union Solidarity and Development Party, backed by the SPDC, won the most votes in 2010. Democratic reforms such as legalization of political protests and trade unions occurred, while restrictions on media and the Internet were discarded, political prisoners were pardoned, and civil society groups became more relevant.²⁶ By 2012, the National League for Democracy ran in the elections and won 43 seats in the legislature, which allowed Daw Aung San Suu Kyi to take a leading role in politics. That same year, the government gave the green light to private newspapers, enabling greater freedom of speech within the country. These changes served as the basis for a larger democratization in Myanmar's politics. As illustrated by Table 1, Myanmar's democracy index in terms of electoral process and political participation skyrocketed since the reforms, leading to the establishment of a hybrid regime in 2015. In November 2015, the NLD won the elections by a landslide. Led by President Htin Kyaw the party won 60.3 percent of seats in the House of Nationalities and 58 percent of the seats in the House of Representatives. Although Myanmar does not rank highly in its democratic index, the elections of 2015 were a testament to the increasing democratization taking place within the country. The military did not widely interfere in this election, and a civil government was able to take control of the country.

Myanmar's Formation of a Hedging Policy vis-à-vis China and the U.S.

The democratic changes occurring in Myanmar also initiated a transition in its foreign policy, spearheaded by public participation and attendant opinion. By 2011, with their newly acquired civil liberties, the Burmese

people demonstrated their distaste toward Chinese exploitation of Myanmar. In particular, civilians in the country began to protest Chinese investment projects. In January of that year, media giants, such as Eleven Media Group, started to highlight the threat of Chinese domination in the country and criticized the government's overdependence on China.²⁷ The Myistone hydropower project demonstration, located in northern Kachin State, is an example of how public opinion and participation affected Myanmar's attitude towards Chinese investment. Beginning in 2009, the investment project drew criticism from the public, as it would be built on sacred land for the Burmese, would have environmental and social repercussions such as displacement of ethnic minority groups, and finally would unevenly benefit China (who would receive 90% of the electricity produced for decades).²⁸ Reports from the local media about the Myistone hydropower project led to an anti-China campaign and protests across the country. This in turn led to an escalation of public outrage and military conflict within the Kachin region, culminating with activists pushing the dam project to suspension.²⁹

In addition to protests against the Myistone project, the Letpadaung Copper Mine project faced significant resistance from Burmese citizens, which led to an extensive suspension of the project. Daw Aung San Suu Kyi led an investigation of the contract of the copper mine project that would then lead to significant revisions in the contract's stipulations (as approved by the Myanmar Investment Commission). The original terms of the contract largely benefited Wanbao Mining by allotting it 51% of the profit, whereas the Burmese government would only receive 4% of the total profit. After imposed revisions, the government of Myanmar became the largest profit recipient of the project, with an allotment of 51% of total profit while Wangbao Mining's profit share was reduced to 30%.³⁰ Although this investment venture has not been completely suspended like

the hydropower project, the copper mine continues to attract protests and anti-Chinese sentiment among the public.³¹

Taken together, these two examples demonstrate the influence that public opinion and participation have had on Myanmar's foreign policy towards China. The two projects show increasing anti-China sentiment within Myanmar. Hesitation over Chinese investment projects exemplifies the changing nature of Myanmar's foreign policy towards China. The country no longer remains in lock-step with China in the way that it has in the past; instead, the country now questions and re-negotiates investment deals as public opinion and participation have significantly increased over time. As public outcry over Chinese foreign investment projects and increasing anti-China sentiment are taking place in Myanmar, the country has begun to hedge away from China. Some may argue that not all Chinese investment projects have faced public scrutiny or suspension, thus Myanmar may not necessarily be engaged in hedging. However, this argument fails to consider the impact of public opinion and participation on negotiations. The radical changes in negotiation over key projects impacted Myanmar-Chinese relations as they became progressively chillier, since the Burmese government formerly did not have motivation to renegotiate or suspend projects solely on the basis of public anger. In fact, China would not be as concerned over the changing regime in Myanmar if the country's attitude toward its investment projects was not also experiencing a change. Over the course of 2009 and 2012, Myanmar's self-initiated interactions with the U.S. further demonstrated Myanmar's hedging-based foreign policy. The country sought to establish better relations with the U.S. as the U.S. pursued its "pivot to Asia" strategy during the Obama administration. It even resumed talks with the U.S. regarding a \$170 million program that sought to increase American involvement in the Burmese economy, society, and politics in 2012.³² More importantly, Myanmar made efforts to democratize and peacefully

transfer power to the NLD in elections, without disruption from the military. The United States, under the Obama administration, also sought to further cooperate with Myanmar in the form of joint-military trainings and exercises. However, the largest catalyst for Myanmar's hedging policy was the election of the NLD to office. The democratic reforms made it possible for Myanmar citizens to elect a new president and civic government party that would then change the course of the country's foreign policy. In comparison to the SPDC, which had created closer ties with China even with a longstanding policy of neutrality and non-alignment, the NLD has taken careful steps to redirect the country back to its original neutral foreign policy. After winning the elections, the NLD announced it would maintain a stance of non-alignment or independence as part of its foreign policy. Additionally, Aung San Suu Kyi, the foreign minister, and *D Wave*, which is a political journal that reflects the NLD view, emphasized the importance of Myanmar partaking in the international stage.³³ In fact, the interactions during the state visits by the president and foreign minister demonstrate the NLD's commitment to neutrality and multilateralism while forging amicable relations with different states. With regard to the regional powers, Myanmar has acknowledged the BRI and the Bangladesh-China-India-Myanmar Economic Corridor, which are essential to help the Southeast Asian nation's economy.³⁴ However, the NLD has maintained its consultation with the U.S. regarding sanctions for furthering democracy, some of which were renegotiated to remove barriers to trade and business within Myanmar.³⁵ Despite strained relations between the U.S. and Myanmar in recent years given the Rohingya crisis, the U.S. still understands the strategic importance of Myanmar, with President Htin Kyaw having attended U.S.-Thai joint military exercises in February 2018. This demonstrates that Myanmar has room to fully realize its hedging policy, with the U.S. upholding its role as the strategic insurer and a rising China in the backdrop. The increase in Myanmar's

political participation has led the country to change course on its foreign policy towards regional powers in which a hedging policy has been adopted. Myanmar's adoption of a hedging policy that has increasingly pushed away China has concerned the Chinese Communist Party, as Myanmar is a potentially key player in China's BRI. In order to counteract the changing nature of Myanmar's foreign policy, China has a new strategy to tackle growing anti-China sentiment within Myanmar. The Chinese government has sought to build a relationship with the NLD through state visits, which have culminated in mutual support and discussion on further cooperation.³⁶ For example, in August 2016, when Daw Aung San Suu Kyi was welcomed by Chinese President Xi Jinping, she acknowledged both the BRI and the Bangladesh-China-India-Myanmar Economic Corridor.

The position that the Communist Party has held towards the NLD has proven successful in preserving the historical relations between Myanmar and China. At the same time, China launched a campaign to change the perspective of the Burmese people and defuse anti-Chinese sentiment. China has engaged in public diplomacy through the media by inviting Myanmar's high-profile media delegations as a way of changing public perception of China and using cultural similarities, such as Buddhist themed television shows, to promote a friendlier image of China.³⁷ As part of its strategy, Beijing also mandates state-owned enterprises to engage in social responsibility programs and invest in local infrastructure such as building schools, medical centers, and roads. In doing so, China can reduce the instances of public dismay towards Chinese investment projects. This strategy may play an important role in shaping domestic politics over time, and the next Burmese election in 2020 may be able to capture this effect.

Conclusion

As the U.S. and China competed for influence within the Asia-Pacific region during the Obama Administration, smaller states engaged in hedging as a way of adapting to the environment created by the two regional powers. Although the influences on hedging have been a topic of contention among political scientists, the literature has not further explored the importance of regime type on hedging. As a way of better understanding the impetus behind hedging, this paper paid special attention to the case of Myanmar's changing regime as a way of demonstrating how the shift from an authoritarian regime to a hybrid regime has changed Myanmar's foreign policy towards China. The move from alignment to hedging between regional powers reflected the growing influence of public opinion as the regime type changed over time. Specifically, given the democratic reforms that took place in the country, the citizens of Myanmar have been able to voice their disapproval of some Chinese infrastructure projects pursued by the Burmese government. This reaction has pushed the government towards a foreign policy that is centered around hedging rather than alignment. This study thus suggests that hedging in Southeast Asia may be based on regime type. However, future scholarship may need to analyze the regime type factor in other Southeast Asia nations. One way in which future work can build upon this research is by further exploration of democratic regimes within Southeast Asia, and how public opinion as well as participation may be able affect the degree to which these countries can hedge between the regional powers.

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China's Policymaking Toward North Korea

Shan Wu

Introduction

Despite the strained relationship between China and the Democratic People's Republic of Korea (DPRK, aka North Korea), China has consistently promoted an "action for action" approach in addressing the North Korean nuclear issue. Considering its economic interests, China was reluctant to sanction North Korea economically, although it condemned the nuclear weapons program. As North Korea continues to test nuclear weapons, signals from Beijing suggest an ambivalent commitment to the alliance to influence North Korea's behavior, which indicates China's unique political influence over North Korea.

Moving forward, given China's more active foreign policy approach under the leadership of Xi Jinping, the country will be less likely to adopt an engagement policy toward North Korea than it was under Hu Jintao. However, it will be in China's interest to keep its alliance relationship with North Korea for strategic reasons.

China's policy toward North Korea since the Global Financial Crisis of 2009-10 evolved amid complex disruption in its external environment and domestic politics. To help sustain economic growth during the Global Financial Crisis (GFC), China increased emphasis on developing its Northeast region, which could be achieved partly by deepening economic cooperation with North Korea. Furthermore, the 2012 U.S. Rebalance to Asia policy made it a security

imperative for China to maintain peace and stability on the Korean Peninsula. However, Kim Jong Un prioritized nuclear weapons development to preserve his regime, which indicated the limits to China's influence on North Korea. As a result, China has approached the objectives of stability and economic development more actively under Xi Jinping, and publicly shown disapproval of North Korea, which catalyzed the deterioration of the relationship.

China's foreign policy toward North Korea has been pragmatic; China has consistently sought a balance among the major stakeholders regarding the Korean Peninsula. Although China and North Korea have a longstanding official alliance that brings a unique element of alliance politics into their relationship,¹ "global security imperatives" remain primary considerations in China's regional decisions.² Despite its more active foreign policy approach under Xi Jinping, China's foreign policy approach is largely consistent in serving the objective of stability and economic development. On the nuclear issue, China has promoted an "action for action" approach balancing security concerns of all stakeholders.^{3,4} As tensions escalate on the Korean Peninsula and the U.S.-South Korea alliance agreed on deploying the Terminal High Altitude Area Defense (THAAD) system in the South, China has pursued a counterbalance by aligning with Russia.⁵ On economic cooperation, despite an uncooperative North Korea, China's successful implementation of economic and infrastructure projects in Northeast China near the North Korean border shows its more active policy approach under Xi. On forces driving China's North Korean policy-making, local governments, such as the northeast province of Jilin, have had important influence based on local development considerations. Compared to local governments, counter-intuitively, the International Liaison Department of China with the mandate of managing the relationship with North Korean Communist Party, seems to have had limited input in this policy process after 2015, although exchanges might not have been publicized.⁶

Sino – North Korea Relations Before Xi

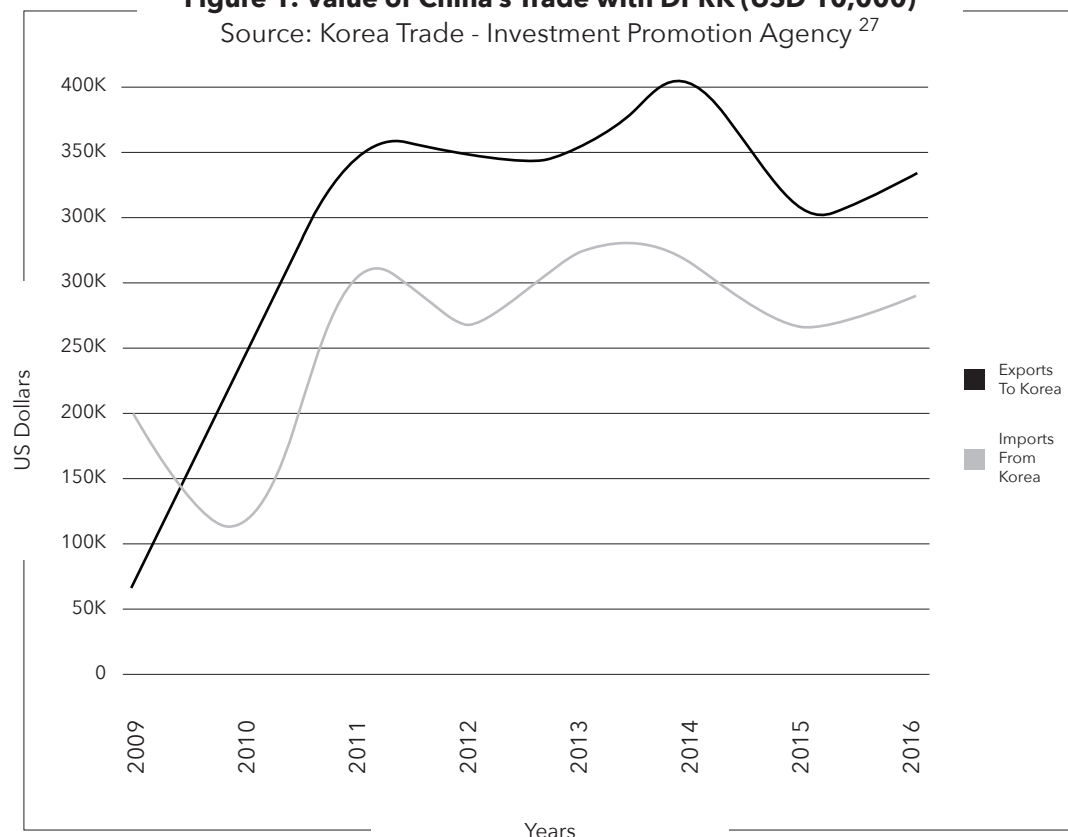
China and North Korea have an alliance relationship under their 1961 Treaty of Friendship, Co-operation and Mutual Assistance, and previous leaders from both countries have agreed on strengthening it further.⁷ The treaty obligates both parties to provide military assistance for each other when one party is subject to armed attack and it will stay in effect until 2021, if not renewed.⁸ On the security front, China condemned North Korea after its nuclear tests in 2006 and 2009, but relations improved after China's shift to an engagement policy.⁹ On the political front, Sino-North Korea relations appeared to be close and special. China's then-President Hu traveled to Northeast China to meet with Kim Jong Il and his successor Kim Jong Un in 2010.¹⁰ In December 2011, President Hu and all the Politburo Standing Committee members, including Xi Jinping, expressed condolences upon the death of Kim Jong Il at the Embassy of the DPRK in China.¹¹

During Kim Jong Un's elevation to Supreme Leader, Hu Jintao offered timely recognition and support.^{12,13} Hu and Kim Jong Un reaffirmed their position on strengthening bilateral ties.¹⁴ On the economic front, Hu met with Jang Song Taek in 2012 to press for a favorable environment for Chinese investment, while Jang visited China to secure more investment in the Rajin-Sonbong Special Economic Zone (SEZ).¹⁵ Despite the existence of various issues, Sino-North Korean economic cooperation was set to deepen in 2013, before security issues intervened.¹⁶ Jang was the Chief of the Worker's Party of Korea (WPK) Central Administrative Department and National Defense Commission Vice-chairman who controlled the economic apparatus and had important influence over North Korea's China policy.¹⁷ Thus, the Sino-North Korea relationship was primarily amicable before Xi, although differences existed.

A Strained China – North Korea Relationship

The Sino-North Korea relationship began to deteriorate after North Korea's third nuclear test in 2013. Early in Kim Jong Un's rule, he sent congratulatory letters to Xi on special occasions and sought to strengthen traditional ties with China, whereas China emphasized a stable relationship more than traditional ties.¹⁸ Bilateral trade has been seen as a barometer of the political relationship, and the two had a positive correlation since 1999.¹⁹ Figure 1 shows, however, that Sino-North Korean trade values began to decrease in 2013, and North Korean imports from China decreased more rapidly than its exports in recent years. Furthermore, although Sino-North Korean trade over the past decade has grown, it does not appear to have increased China's political influence over North Korea.²⁰

As seen in exchanges between Xi and Kim, the nuclear issue has strained the bilateral relationship. Soon after North Korea's third nuclear test, China voted for the United Nations Security Council sanction on North Korea and publicly stated that China has a "normal state relationship" with North Korea.^{21, 22} When Kim sent Choe Ryong-hae to Beijing in May 2013 to improve the relationship, China tried but failed to persuade North Korea to denuclearize.^{23, 24} During the visit of Xi's envoy Liu Yunshan to North Korea in 2015, Liu again emphasized peace and stability in the region, but failed to change North Korea's behavior. Open-source research suggests that high-level exchanges have been very limited since 2015 as bilateral relations worsened. To make matters worse, in 2014 Xi visited South Korea before visiting North Korea, which led North Korea to protest by firing short-range rocket missiles before the trip.^{25, 26}

Figure 1: Value of China's Trade with DPRK (USD 10,000)Source: Korea Trade - Investment Promotion Agency²⁷

Factors Impacting Worsened Sino-North Korea Relations

A series of complex external events and domestic politics have led to the strained Sino-North Korea relationship. The outbreak of the Global Financial Crisis originating in the U.S. formed a challenge and an opportunity for China, and had an important impact on its policy-making.^{28, 29} To avoid a recession, the Chinese government increased its focus on domestic demand to generate economic growth, particularly infrastructure investment.³⁰ A promising source of economic growth is the industrial “rust belt” in Northeast China, which shares a border with North Korea.³¹ While China needs to use its relationship with North Korea to succeed in developing its northeastern region, the Kim Jong Un regime desperately needs China’s cooperation and support to ameliorate financial problems and stabilize its regime.³² In 2009, the Chinese government

approved a strategy for Jilin province to link its Yanbian prefecture on North Korea’s border to Changchun through an infrastructure development scheme known as the Changchun Jilin Tumen or Chang-Ji-Tu project aimed at expanding cross-border economic and trade cooperation between Jilin and North Korea.^{33, 34}

The North Korean Rajin port could be particularly important for generating economic growth in landlocked Jilin province, as Rajin is the northernmost ice-free port in Northeast Asia.³⁵ Furthermore, the abundance of mineral resources in North Korea, such as coal, iron ore, and crude magnesite, could benefit Northeast China through trade, since the cost of these items could be greatly reduced with the improvement of transportation infrastructure.³⁶ China has been trying to pursue deepened economic cooperation with North Korea under the Tumen River Area Development Project

since 1991 with only limited success.³⁷ While the world economy was recovering slowly from the GFC, China under Xi aspired to exploit this opportunity to generate economic growth. While economic cooperation with North Korea proceeded slowly under the previous administrations,³⁸ China under Xi adopted a more active approach. With a “Chinese Dream” slogan and a “Community of Shared Future” vision, Xi promulgated the Belt and Road Initiative (BRI) to minimize financial risks through increased policy coordination and connectivity.³⁹ Meanwhile, the Jilin provincial government succeeded in incorporating the Changchun Jilin Development Demonstration Zone into the BRI to open up to the Northeast Asian region. Under the BRI, Northeast China improved its connectivity with North Korea and potentially with Russian Vladivostok by opening a high-speed railway line from Changchun to Hunchun in 2015.⁴⁰

The U.S. “Pivot to Asia” strategy and North Korea’s domestic power struggle have, to a large extent, led to Kim’s insistence on

developing a nuclear weapons capability to preserve his regime amidst concern that the U.S. may try to isolate and stifle it. Under its rebalancing strategy, the U.S. has strengthened its military alliance with South Korea.⁴¹ Japan’s conservative Liberal Democratic Party leader Shinzo Abe has led efforts to revise Japan’s Constitution to enable Japan’s self-defense force to defend an ally under attack.⁴² Domestically, Kim Jong Un needed to address a potential coup planned by Jang and consolidate power, which indirectly led to the deterioration of Sino-North Korea relations.⁴³ Jang had developed a good relationship with China over years of cooperation in the special economic zones (SEZs), the border area, and in the protection of Kim Jong Nam.⁴⁴

After Kim executed Jang in December 2013,⁴⁵ Sino-DPRK relations worsened further, and Japanese sources indicate that China made contingency plans for a crisis involving North Korea in early 2014 due to its lack of faith in Kim.⁴⁶

Figure 2: Chang-Ji-Tu Development Zone in Jilin Province

Source: Thompson, p. 32



Despite changes in North Korea's policies, China's policy goals largely continued to be those aimed at promoting stability and economic cooperation. At the same time, however, China's more internationally proactive approach under Xi further strained the relationship. China seems to be more active in shaping external circumstances and contributing to global governance than before. A Chinese diplomat speaking at the International Institute for Strategic Studies stated that China would not allow anyone to destabilize Asia,⁴⁷ suggesting a more assertive diplomatic approach. In this respect, Xi's personal opinions and convictions play an important role, as he envisions a China that is strong and revered abroad.⁴⁸ Particularly when the U.S. implemented a "Pivot to Asia" policy that mentioned the use of military and economic tools to "shape the contours of China's rise" amid the formation of a series of activities in China's periphery that it could consider as the U.S. containment policy toward it, China might have an incentive to minimize the impact of possible instability caused by the North Korean nuclear weapon program on its economic development.⁴⁹

However, although China adopted a series of unprecedentedly strict measures to pressure North Korea, such as banning coal imports from North Korea and joining the UNSC sanctions on North Korea,^{50, 51} it tightened economic sanctions primarily due to stability and economic considerations. While some observers argue that North Korea's regime stability and possible U.S. military actions are major factors in China's North Korea policy-making,⁵² China's trade surplus with North Korea, as shown in Figure 1, highlights the significance of China's commercial interests in North Korea, an important consideration in China's policy processes. Moreover, given that the Chinese enterprises investing in North Korea are mainly local SOEs, China's economic relations with North Korea might be driven by local commercial interests of the Northeast provinces of China rather than by political mandate.⁵³ Meanwhile,

China signaled to North Korea an ambiguous commitment to the alliance and to the assistance of North Korea if it is under attack, and the possibility of abandonment, to better influence its policy.⁵⁴ According to political scientist and international relations scholar Glenn Snyder, a strategy of weak or ambiguous commitment could help increase the bargaining power over one's ally, as the threat of nonsupport will be more credible and gain more influence over the ally's behavior than otherwise.⁵⁵

Future Trends in China's North Korea Policy

China's policy objectives and stances regarding North Korea have remained largely the same throughout the Hu and Xi administrations, and at the time of writing it seems unlikely that China will dramatically alter its North Korea policy in the foreseeable future. Given the active foreign policy approach of Xi Jinping, China will probably continue to pursue economic development in Northeast China and to build demonstration zones to pilot economic development in the Northeast Asian region. To maintain a stable external environment, China is likely to continue to promote the peaceful resolution of the North Korean nuclear issue. As China seeks to play a bigger role in regional affairs and global governance, it is unlikely to emphasize strengthening its traditional friendship with North Korea. Moreover, Chinese public opinion regarding North Korea continues to sour amid North Korean nuclear tests,⁵⁶ although the influence of public opinion on China's foreign policy-making is debatable.

After consolidating power, Kim might have an incentive to repair ties with China and thereby improve the bilateral relationship.⁵⁷ Kim's congratulatory letter before the Chinese 19th Party Congress and the increase in North Korean imports from China recently could be early signs of his desire to improve the relationship.⁵⁸ However, considering that leaders in both countries tend

to be more nationalistic, consensus might be more difficult to reach than before. But for strategic reasons, China might choose to sustain the alliance relationship after 2021 and suggest some revisions to avoid being entrapped. If North Korea continues to destabilize the region, China could keep emphasizing a "normal state relationship" to influence North Korea's behavior and enhance its own security. As many signs indicate, in a contingency, China might consider using military force to maintain external and domestic stability. According to scholars Michael Swaine and Ashley Tellis, China has a history of using force to influence, control, or pacify its strategic periphery, although it tends to refrain from using force unnecessarily.⁵⁹ Notably, the 2015 Chinese military strategy prescribes an active defense posture that requires the Chinese armed forces to defend and stabilize areas along China's periphery.⁶⁰ Furthermore, a U.S. Institute of Peace report notes that China has made contingency plans that involve sending Chinese troops into North Korea to deal with the North Korean nuclear issue.⁶¹

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China's New Wenchang Spacecraft Launch Site: National Security and Commercial Factors in Infrastructure Development

John Walsh

Introduction

Wenchang Spacecraft Launch Site (文昌航天发射场, WSLC) is China's newest and largest spacecraft launch complex. The 10.6 square kilometer facility includes two launch pads and vertical assembly buildings as well as supporting fuel, telemetry, and administrative infrastructure.¹ It was commissioned by the State Council and the Central Military Commission in 2007, built between 2009 and 2014, and first used for launch in June 2016. As with all of China's launch centers, it is operated by the China Satellite Launch and Tracking Control General (CLTC), a civilian entity in practice, but run by the General Armaments Department (GAD) of the People's Liberation Army (PLA), reorganized in 2016 as the Equipment Development Department of the Central Military Commission.² However, China Aerospace Science and Technology Corporation (CASC), a massive state-owned firm, provides the actual launch services,

and elements of both the project development and the related launch services generate significant commercial opportunities. As such, the facility is a site of both national security and commercial interest.

The qualitative advantages of WSLC over China's other three launch facilities give it a major role in the ambitious plans for China's space program. Proximity to the equator is ideal for space launch: the added velocity of the Earth's rotation can reduce fuel costs, increase carrying capacity of rockets, and/or improve the orbital velocity - and therefore life expectancy - of satellites. WSLC is located on Hainan Island, China's southernmost point, only 19 degrees north of the equator, which CASC estimates enables a 10-15 percent increase in carrying capacity or a two-year increase to satellite life expectancy.³ China's other launch centers are inland, in remote and mountainous areas: Jiuquan is in Inner Mongolia, Taiyuan in Shanxi, and Xichang in Sichuan.⁴ Rockets arrive at these sites by rail, which constrains their circumference to 3.5 meters, due to limits imposed by tunnel width and railway gauge.⁵ WSLC, on the other hand, is on the coast, 10 kilometers from the port of Wenchang, and accompanying the construction of WSLC are a pair of specially-built cargo vessels capable of carrying larger launch vehicle components from their point of manufacture in Tianjin.⁶ A third geographic advantage is safety. Rockets typically launch to the east, and to the east of Xichang and the other launch sites lie villages, into which Long March rockets have crashed several times.^{7,8,9} To the east of Wenchang lie a thousand kilometers of ocean. The WSLC is therefore a major improvement over China's previous launch infrastructure.

The Chinese government, military, and scientific communities have long known about the geographic advantages of a space launch center on Hainan Island. China's space launch facilities, however, are considered critical strategic infrastructure and the paramount consideration has been security from attack. As the WSLC was built

only a few hundred meters from the shore of the South China Sea, a region of intense security competition, it therefore marks a dramatic break from previous patterns of critical infrastructure planning. The new prioritization of efficiency and openness over security and secrecy in the construction of the WSLC may signal a broader shift in the way China's bureaucracy assesses threats and opportunities.

Site History

The Chinese Communist Party established its space program during the Great Leap Forward, and it matured during the intense paranoia of the Cultural Revolution. As the Soviet Union grew openly hostile, and as the United States warily observed China's growing nuclear weapons capability, Mao Zedong conceived of and partially executed a plan to reconstruct all key strategic industries in the mountainous interior.¹⁰ In this context, space launch facilities, within which weapons development programs heavily influenced even civilian functions, had no place on the vulnerable coast.¹¹

As Cold War tensions eased, however, the advantages of a Hainan Island site received more attention. Hainan's northwest has hosted a suborbital sounding rocket launch site since 1988, and the provincial government has lobbied for a larger satellite and manned spacecraft facility since the 1990s.¹² Joint military and civilian authorities carried out site assessments from 2002, and local authorities conducted a formal groundbreaking ceremony in 2009.¹³

The launch site itself was planned and constructed by the General Armaments Department (GAD) of the PLA, an entity reorganized in 2016 as the Equipment Development Department of the Central Military Commission.¹⁴ The GAD is not a transparent organization, and neither the original plans for WSLC nor its initial cost estimates are publicly available. The People's Daily announcement of the

groundbreaking ceremony gave 2013 as the scheduled date of completion.¹⁵ In a 2008 meeting, the mayor of Wenchang stated that the launch facility would require 1,200 hectares of land and displace 6,000 people.¹⁶ The provincial party secretary confirmed the 2013 scheduled completion date and gave rough details of the planned components of the facility: "A command center, a rocket launch site, rocket assembly plant, and RMB 7 billion (USD 985 million) space theme park."¹⁷ While these initial comments suggest the scope of initial expectations, the only solid data point by which to measure the project's progress is the expected completion date.

Those initial expectations missed the mark by one year. Construction of the launch pads and vehicle assembly buildings was not completed until 2014 and the site did not conduct a launch until 2016.¹⁸ There is no clear explanation for the one-year delay, but as WSLC is designed to launch much larger rockets than China's other launch sites, it seems likely that the GAD was marginally over-optimistic about its ability to overcome the engineering challenges on schedule. The delay in the maiden launch, which was initially scheduled for 2014, matches a separate delay in the development of the Long March-5 rocket.¹⁹ The Long March-5 is produced by the China Academy of Launch Vehicle Technology (CALT), a subsidiary of CASC that was not directly involved in the construction of WSLC. It is therefore accurate to say that the project of developing the WSLC itself proceeded with remarkable success.

That success is especially noteworthy given the serious challenges to be overcome. WSLC required the relocation of 6,000 people, as mentioned, from fertile, beachfront land in a prime tourist destination. The project also involved public safety considerations. At the time the project was commissioned by the CMC and State Council, China's Long March rockets used hydrazine and dinitrogen tetroxide propellant, both extremely hazardous chemicals

that could have threatened the 115,000 residents of Wenchang County if accidentally released.²⁰ The safety record of Xichang Satellite Launch Center presumably weighed heavily on the Wenchang municipal authorities: remote as that center was, a 1996 rocket crash killed anywhere from six – as officially reported by Chinese authorities – to 200-500 people.²¹

Nonetheless, bureaucratic entities at both the local and national levels worked together to allay concerns. The Wenchang party chief promised residents, when the relocation was announced in 2007, a detailed plan for the provision of adequate medical care and education, and asserted that relocated residents would find employment in the construction and operation of associated tourism infrastructure.²² Even more impressive is the fact that CALT redesigned the Long March rocket itself to alleviate safety concerns: new iterations, such as the flagship heavy-lift Long March-5, use liquid hydrogen and oxygen for propellant, which produce only water vapor when accidentally released.²³ CALT also stresses engineering changes that theoretically reduce the likelihood of crashes.²⁴ Above all, the coastal position of WSLC has already demonstrated its value for safety: when the second Long March-5 rocket malfunctioned six minutes into flight, it was already well over the expanse of the Philippine Sea.²⁵ What this record of acknowledging and engaging with the daunting challenges suggests is that the Chinese bureaucracy had extraordinary unity of purpose in advancing the WSLC.

Motivations for Bureaucratic Unity

What accounts for this extraordinary coherence in a complex bureaucracy of competing actors? The project proposal, as first considered by the bureaucracy, threatened massive local impact and potential exposure of the local population to environmental and public safety dangers. Because of its critical

strategic value, the GAD may have simply spared no political or fiscal effort to carry out the project but, as previously noted, China's national security bureaucracy has historically opposed coastal siting of sensitive facilities. Any change in that attitude cannot be explained purely in terms of reduced security concerns after the Cold War. Although China's relations with Russia improved after the dissolution of the Soviet Union, the 1990s also marked a shift in how Chinese leaders and strategists thought about warfare: since 1993, China's leaders have determined that future conflicts will feature the threat of precision-strike attacks against high-value assets from the maritime direction, and that victory will be decided by dominance in the information domain.²⁶ As countless scholars and PLA officers have argued since, that is precisely the type of conflict in which space launch capability is both most valuable and most threatened if situated on the vulnerable littoral.²⁷

The most compelling explanation is that, for every actor involved, the WSLC offers significant ancillary opportunities for profit. At the time the project was approved, the city of Wenchang expected to benefit through 20 hotels, real estate, and tourism projects, as well as road, rail, and port infrastructure development.²⁸ At the provincial level, the 2006 Hainan Provincial People's Government Advisory Council and Scientific Advisory Committee extensively discussed the key role of the WSLC in Hainan's tourism and infrastructure development plans.²⁹ Bureaucratic actors at the municipal and provincial levels had strong commercial motivations to facilitate the GAD's project despite public safety concerns.

This profit-seeking motive in bureaucratic decision-making extends to the national security bureaucracy that ultimately planned, funded, and executed the project. It is most evident in considering the role of CASC, the primary contractor for China's space program. CASC is a massive bureaucratic entity: it combines political clout as a successful, indispensable

state-owned enterprise (and employer of 140,000 people) with strong personal and commercial connections throughout the PLA.³⁰ Although CLTC manages WSLC, CASC is the developer and manufacturer of the new heavy-lift Long March-5 rockets that the WSLC is designed to launch, and therefore likely had influence on both the decision to build the facility and its technical specifications.

WSLC offers CASC two primary commercial opportunities. First, through its subsidiary China Great Wall Industry Corporation (CGWIC), CASC plans to rent launch services out to international clients. CGWIC describes CLTC as a subcontractor for these services.³¹ CASC profited from the other launch sites, but with WSLC's geographic advantage and higher capacity, the commercial opportunities are far greater. Second, from 2007 to 2016 CASC was deeply involved through a complex series of subsidiary companies in financing and executing development projects in the area around WSLC, including housing, schools, hospitals, roads, and commercial zones.³² While the scale of the initial investment is not publicly recorded, in 2016 the municipal government of Wenchang bought out CASC's stake for RMB 1.6 billion (USD 241 million).³³ CASC, as a bureaucratic entity with significant influence over the direction of China's space program, stood to benefit financially from the successful execution of the WSLC project. Within the national security bureaucracy, commercial incentive was likely sufficient to overcome concerns over the site's vulnerability.

This explanation of bureaucratic motivation for supporting the WSLC suggests that in modern China projects that marry strategic significance with commercial opportunities at multiple levels will enjoy the most comprehensive bureaucratic backing. That pattern may also be visible in, for example, China's rapidly-expanding Unmanned Aerial Vehicle (UAV) industry, where influential state-owned defense conglomerates are investing in cheaply-financed

factories that produce UAVs for the PLA, for export, as well as for the civilian consumer market.³⁴ In a country with powerful, diverse and competing bureaucratic actors, projects such as the WSLC that supplement security interests with commercial motives flourish.

About the Author

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China's Nuclear Forces: Modernization Initiatives and Policy Options

Rachel Xian

Introduction

Although China's nuclear force policies have remained relatively stable since the Mao era, the country's rapid economic, military, and technological advancements have permitted new nuclear force modernization initiatives to thrive and drive Chinese strategic deterrence. Simultaneous with "assertive China" perceptions, these force modernization initiatives and ongoing nuclear policy debates have been interpreted as evidence of an increasingly offense-oriented Chinese nuclear state. While the regional security environment and global power dynamics are constantly changing, China now finds itself in a strategic window of opportunity to rejuvenate itself and retake the helm of Asian leadership. This paper will analyze three of China's recent nuclear force modernization initiatives – multiple independently targetable reentry vehicles (MIRVs), hypersonic glide vehicles (HGVs), and a nuclear triad – and future participation in nuclear arms control agreements, concluding with policy recommendations.

Since China's first nuclear test in 1964, much has remained constant in its nuclear

doctrine, which encompasses four principles: self-defense, minimum nuclear deterrence, counter-nuclear coercion, and limited deterrence.¹ These principles result in a set of nuclear policies that prioritize "no first use" (NFU) and a lean and effective (*jinggan you xiao*, 精干有效) force as a credible nuclear deterrent force (*zhanlue weishe zuoyong*, 战略威慑作用).^{2,3} In other words, China seeks a minimum deterrent for a survivable second-strike capability.⁴ "Lean" refers to a quantitatively small arsenal, while "effective" refers to the capability and credibility of a nuclear deterrent force. Together, lean and effective implies a nuclear force able to penetrate missile defenses, survive a first strike, and retaliate with timeliness, precision, flexibility, and strength.⁵ Other aspects of China's nuclear policy include: not using or threatening to use nuclear weapons against non-nuclear countries or in nuclear-weapon-free zones;^{6,7} never entering into a nuclear arms race with any country;⁸ de-mating warheads from missiles in peacetime,⁹ and ultimately achieving a nuclear-weapon-free world, including complete prohibition and destruction of nuclear weapons.¹⁰

While this broad doctrine has remained relatively constant from Mao Zedong to Xi Jinping, there is an increased emphasis on assured retaliation rather than on the mere risk of a second strike.¹¹ In other words, not only must adversaries fear the risk of second strike retaliation, they must also know that China will absolutely survive a nuclear attack and retain sufficient capabilities to retaliate and inflict unacceptable damage.¹² There are debates within Chinese academic and military circles about modifying NFU and launch-on-warning (LOW) policies. These debates have not shifted official policy, but they have shifted observers' confidence in China's nuclear pledges.¹³ While nuclear policy remains fixed, China's nuclear strategic capabilities have undergone rapid development. Completed developments include increasing numbers of road-mobile

intercontinental ballistic missiles (ICBMs) and intermediate-range ballistic missiles (IRBMs) including the DF-31AG and DF-26, nuclear powered ballistic missile submarines (SSBNs) such as the Type 094 Jin Class submarine with JL-2 submarine-launched ballistic missiles, (SLBMs), and silo-based ICBMs fitted with MIRV systems including the DF-5B, DF-5C.^{14,15} Ongoing force modernization includes MIRVed mobile ICBMs (DF-31AG, DF-41, JL-2, JL-3), hypersonic glide vehicles (HGV), and the reintroduction of strategic bombers, which would provide China with a nuclear triad.^{16,17,18}

Finally, China's nuclear forces have also undergone institutional changes as a result of the 2015 People's Liberation Army bureaucratic reform.¹⁹ The PLA Second Artillery Corps, was renamed the PLA Rocket Force (PLARF) and elevated to the status of a service branch (*junzhong*, 军种) equal to the PLA Army, Navy, and Air Force.²⁰ Former Second Artillery commanders have also gained institutionalized seats in the Central Military Commission (CMC), and been appointed to command posts of the new Strategic Support Force.^{21,22} Thus, while Chinese nuclear policy and doctrine has remained stable, capability development and institutional reform have proceeded rapidly under President Xi.

Methodology and Definitions

Prior to analyzing MIRVs, HGVs, and a nuclear triad, it is important to define the concepts of strategic stability and deterrence. From its most narrow sense, Cold War strategic stability comprises two concepts: absence of incentives to use nuclear weapons first (crisis stability); and absence of incentives to build up a nuclear force (arms control stability).²³ Certain Chinese scholars and decision-makers have rejected applying the narrow definition of strategic stability to U.S.-China nuclear relations as

the asymmetrical, multi-polar context is different from the Cold War.²⁴ However, recent U.S.-China strategic dialogues have shown a willingness to accept strategic stability between China and the United States.²⁵ In the post-Cold War era, strategic stability has been loosely used to denote a global security environment free of armed conflict, characterized by peaceful and harmonious relations.²⁶ This analysis will focus on the narrow crisis and arms race stability definition of strategic stability when assessing force modernization initiatives, while wider regional stability will be subsumed into each initiative's political considerations.

The concept of deterrence differs between China and its Western counterparts. Generally, the Chinese concept of strategic deterrence is more similar to Thomas Schelling's coercion,²⁷ encompassing both compelling the enemy to submit and preventing hostile enemy action.²⁸ Moreover, China's deterrence conception includes both political and military objectives.²⁹ However, for the purposes of evaluating each initiative's deterrence, this paper will focus on Schelling's deterrence conception, while acknowledging compellence and political objectives in political considerations.

Force Modernization Initiatives

This section will evaluate MIRVs, HGVs, and nuclear triad developments in terms of "lean and effective (small arsenal, precision, missile defense (MD) penetration, retaliation, second-strike capability)," strategic stability, deterrence, and political considerations (e.g. China's other political goals, and regional stability).

Multiple Independently Targetable Reentry Vehicle, MIRV

MIRVs are ballistic missile payloads that carry multiple nuclear warheads, each

independently targetable – thereby differentiating MIRVs from multiple reentry vehicles (MRVs).³⁰ Several types of Chinese ballistic missiles are currently MIRVed or being developed for MIRV capability. More established MIRVed missiles are silo-based (DF-5B and 5C), while newer MIRVed missiles are road-mobile and sea-launched (DF-31AG, DF-41, JL-2).³¹

MIRVs can be considered both aligned with and contradictory to the "leanness" of China's nuclear arsenal. On one hand, by simply adding warheads to existing missiles, MIRVing mitigates the costs of producing additional ballistic missiles, contributing to economic and missile leanness. However, as more of China's strategic missile force becomes MIRVed, China's ability to expand its warhead arsenal increases significantly. MIRVing all of China's ballistic missiles – potentially expanding arsenal size in the process – would run contrary to the "lean" policy.

Yet MIRVed missiles also support a more effective and credible nuclear deterrent force predicated off unacceptable assured retaliation. As they are independently targetable, MIRVs have precision and target flexibility advantages over MRVs and single-warhead missiles. Additionally, multiple independently targetable vehicles are more likely to penetrate ballistic missile defenses (BMD); the multiplicity of warheads and target destinations raises the probability of failed interceptions after the boost/post-boost phase. In terms of inflicting unacceptable damage to enemy targets in nuclear retaliation, MIRVs are also highly effective. Not only will their sheer number ensure reserve-mated, launch-ready nuclear weapons for follow-on strikes,³² but their independently targetable and warhead-to-missile ratio also endow them with hard-target-kill capability.³³

Whereas single-warhead missiles may only credibly target civilian populations. MIRVed warheads have the flexibility to target hardened military infrastructure, such

as launch silos or command and control centers (counterforce). Still, despite their quantity advantage, MIRVs' second-strike capability is dependent upon missile location and mobility. The current primacy of silo-based MIRVed missiles increases the risk that, after mating warhead to missile in first-class readiness, an adversary's earth-penetrating weapons can destroy multiple fix-based warheads at once if the silo location is discovered. Alternatively, road-mobile and sea-launched MIRVed missiles are more survivable either traveling underwater or in the "underground Great Wall" – a vast network of underground tunnels for China's nuclear forces.³⁴ These considerations make MIRVed SSBNs the most survivable missile platform, but their slow speed may affect retaliation capability and credibility. Overall, if mobile missiles are prioritized, and the total arsenal does not significantly expand, MIRVs can be both lean and highly effective components of nuclear deterrence.

Nevertheless, MIRVs encounter serious issues under strategic stability analysis. During counterforce targeting, each MIRV-possessing country has a high incentive to strike first, taking advantage of the favorable exchange ratio (one MIRVed missile can destroy several enemy targets at once).³⁵ If Country A possesses MIRVed missiles, both Countries A and B are incentivized to strike first. Country B will want to mitigate the multiple targeting from Country A's MIRVed missiles, while Country A will likely adopt a "use it or lose it" strategy.³⁶ If both countries have MIRVed missiles, they face dual first-strike incentives to take out the other's threatening MIRVs and "use it or lose it."

Therefore, the extent of crisis instability further depends on the respective nuclear adversary. Against the United States, China is not incentivized to strike first in regular conditions, as the United States has de-MIRVed its missiles as a requirement of the 2010 Nuclear Posture Review.³⁷ However, possessing MIRVed missiles does necessitate a higher alertness to a

U.S. defensive, pre-emptive strike (without a no first use pledge), as, in crisis, the United States would be incentivized to destroy China's MIRVs if it judges that they would imminently destroy American targets. For the Chinese, crises in India or Russia face different circumstances. Both nuclear countries possess or are developing MIRVed missiles and, although India has adopted a NFU policy similar to China's, both countries would face the dual incentive to pre-emptively strike or LOW to destroy China's MIRVs before China's MIRVs can destroy India's arsenal.^{38, 39} Of course, though China resolutely maintains its NFU pledge, the possibility still remains that the pledge may waver under crisis given MIRVs' dual-incentive to LOW or strike first. Finally, fix-based or silo-based MIRVed missiles degrade crisis stability even further; if an adversary calculates that it can take out China's MIRVs first, then more silo-based or fix-based MIRVs will leave China more vulnerable to a nuclear attack.

Arms race stability is again country-dependent for Chinese policy. When facing the United States and Russia, neither nuclear great power is immediately incentivized to increase their nuclear arsenal, given the massive asymmetries and China's NFU pledge. Still, an arms race with the United States and Russia may occur in non-warhead domains, including conventional strike systems and MD systems, as stronger American and Russian military systems necessitate a stronger, deadlier and more defensible nuclear arsenal from China. However, when facing a nuclear power like India, which seeks nuclear parity with China to a certain extent, both the technological and quantitative advancements of a MIRVed Chinese nuclear arsenal may spur development in India's size or technology. Factoring in China's desire to retain asymmetry and Pakistan's tensions with India, MIRVs may incite a regional arms race and incentivize China to renege on its "lean" policy.

China's preventive strategy of deterrence is defined as "military conduct ... to compel

the enemy to... refrain from taking hostile actions or escalating the hostility."⁴⁰ As described, whether MIRVs can compel the adversary to refrain from hostile action or escalation depends on the relevant actor and type of MIRVed missile. MIRVs' deterrent effect is primarily contingent upon missile type and location. MIRVs may partially enhance deterrence if both sides pledge to NFU, but this deterrence is limited by the crisis instability effect of first-strike incentives. On the other hand, concealed survivable MIRVs definitively enhance deterrence, aiding in the prevention of hostile action as the enemy will be less confident in targeting missile locations, thereby warier of receiving devastating MIRVed second strikes.

Although China's nuclear arsenal is miniscule compared to that of the United States and Russia, MIRVing missiles without indicating the maintenance of arsenal size or cutting other strategic technologies to maintain overall nuclear power brings China's deterrence, arsenal leanness, and future full disarmament goals into question. It suggests a shift away from China's lean policy and low arsenal size, but also creates international suspicion of China's NFU and LOW policies due to the clear first-strike incentive between MIRVed forces.

Nevertheless, deterrence may be bolstered if MIRVed missiles are concealed, hardened, and mobile – signaling a more credible assured retaliation – thereby contributing to regional stability. Furthermore, because the regional nuclear country least amicable to China, India, retains an NFU pledge, even silo-based/fix-based MIRVed missiles may contribute to stability by signaling mutually assured retaliation, with a political safeguard against the first-strike incentive.

Pertaining to China's international image and soft power, the overall perception of a high-tech, militarily strong China may yield widespread perceptions of a more capable and powerful country with great national rejuvenation goals – part and parcel of

Xi Jinping's "China Dream." In turn, this solidified perception of technological competency may promote China's competency in, and international support of, other ambitious projects like the Belt and Road Initiative (BRI) and the Asian Infrastructure Investment Bank (AIIB). Conversely, China's MIRV development may heighten outsider's threat and hostility perception, and undermine China's publicized intent to lead regional peace and stability.

Hypersonic Glide Vehicles, HGV

Compared to the other force modernization initiatives, little is known about China's HGV development, other than a brief glimpse of the WU-14 (or DF-ZF) prototype during a CCTV special on the JF-12 hypersonic wind tunnel.⁴¹ HGVs in general are missile payload delivery vehicles, which reach speeds between Mach 5 and Mach 10 and travel along an unconventional missile trajectory at low elevations.⁴² Recent reports suggest HGVs will be added to IRBMs first, with potential anti-ship purposes, and later to ICBMs.⁴³ Some in the defense community view HGV development as game-changing, impacting missile defense development and crisis decision-making.

HGV development does not inherently imply the expansion of China's nuclear arsenal. Further, HGVs do not deliver multiple warheads like MIRVs or MRVs; yet they still enhance arsenal effectiveness given their unique characteristics. For the most part, HGV development aligns with China's lean nuclear arsenal policy.

HGV development aligns even more with an "effective" Chinese nuclear arsenal. HGVs, though similar in speed to most ballistic missiles, are still valued for their agility and unprecedented maneuverability.⁴⁴ Installing HGVs on existing ballistic missiles would further diversify China's nuclear arsenal. It would also seriously threaten ballistic missile defense systems including the recently deployed Terminal High Altitude Area Defense (THAAD) and

Aegis. Ballistic missile trajectories follow a predictable boost, mid-course, and terminal phase. The glide trajectory of HGVs at low elevations would likely confound most defense systems, more credibly ensuring assured retaliation.⁴⁵ HGVs may also penetrate layered defense if used for anti-ship purposes, jeopardizing aircraft carrier strike groups and other surface warships in the Western Pacific.⁴⁶ HGVs also improve retaliation prospects, as their dual-capable or ambiguous payload provides greater targeting and usage flexibility. Given their precision, maneuverability, and speed, HGVs are ideal for strikes on mobile targets that can rapidly reposition themselves, and for other time-sensitive retaliations.⁴⁷ Like MIRVs, HGVs' second-strike capability depends on what type and location of missiles they are added to. Again, fix-based, silo-based missiles would be less survivable, while road-mobile missiles are more so, and sea-launched missiles provide the best first-strike survivability. HGVs largely bolster China's lean and effective nuclear policy.

Nonetheless, in crisis and arms race stability, these vehicles possess several drawbacks, mostly due to their ambiguity. In crisis stability, two types of ambiguity increase the likelihood of a nuclear first strike on China. First, warhead ambiguity – that a nuclear warhead is indistinguishable from a conventional warhead – could compel receiving states to assume the worst given an incoming HGV and LOW or pre-emptively launch a nuclear attack.⁴⁸ This scenario is especially relevant to U.S. responses to a HGV attack from China, as its defensive, first-strike policy option is more susceptible to action on a misread HGV attack. Moreover, although India holds NFU, a misread of nuclear HGV payload during high-stakes crises may still increase incentives to abandon NFU and strike first, or launch nuclear retaliation to a conventional attack.

The second crisis stability issue is destination ambiguity – that is, ambiguity about

where the HGV is heading due to its unpredictable glide trajectory.⁴⁹ Miscalculations may include assuming an incoming HGV is destined for a high-value target and, thus, necessitate a pre-emptive nuclear strike (relevant to the U.S. case). Another possibility is that neighboring states (relevant to India, Pakistan, and North Korea) may believe they are under attack. Both of these ambiguities are compounded by the shortened decision-making time because of HGV's speed and trajectory.⁵⁰

While HGVs do not contribute to a traditional quantitative arms race as blatantly as MIRVs, they do contribute to technological arms racing, in a manner similar to the way that the United States' conventional prompt global strike (CPGS) capabilities and THAAD deployment drive China's nuclear development. Thus, even if China's HGV can penetrate current missile defense systems, that vulnerability may impel countries like the United States to develop more sophisticated, assured-retaliation-challenging missile defense systems.

Whether HGVs will assist or diminish China's ability to compel its enemies from hostile action is contingent upon how well adversaries will be able to read the HGVs more ambiguous payload. As HGVs can penetrate currently deployed missile defense systems, this may contribute to deterrence by enhancing China's credibility of assured retaliation. Yet there is a notable risk in employing HGVs without payload or target clarification. In crisis decision making, if left fully ambiguous, adversaries may choose to pre-emptively strike HGV, missile, or command control locations; thus, HGVs would increase the likelihood of hostile action. Ultimately, HGVs may compel adversaries both not to attack, and to attack based on whether they can determine what sort of payload the HGV is carrying.

Even more than MIRVs, HGVs paint China as a technologically advanced and powerful country. Their development may increase foreign direct investment in the Chinese

defense industry and inspire greater confidence in China's technological policies. However, HGVs are more regionally destabilizing than MIRVs in their warhead and destination ambiguity, usability, and speed. They are also capable of challenging the stable naval asymmetry between U.S. aircraft carrier strike groups and Chinese naval capabilities in the Pacific. While a more symmetrical, bipolar dynamic in the South China Sea or East China Sea may enhance stability in times of peace, crisis management becomes more volatile and high-stakes as both countries increase their capabilities to suppress the other. Yet these same dual capabilities and unique maneuverability retain outsider confidence in China's nuclear policy constancy; China's HGV does not discredit China's own NFU, lean and effective, and disarmament policies.

Nuclear Triad

Although China already possesses the minimum level of a nuclear triad (land-based ballistic missiles, SSBNs, and strategic bombers), its air-based weapons platforms require substantial development to constitute a credible deterrent force in their own right.^{51,52} Though facing challenges, China's sea-based deterrent has indeed become credible through increased range, mobility, stealth, and lethality.^{53, 54} Conversely, only in 2016 did the Pentagon first recognize a role for Chinese bombers in nuclear deterrence. China's aircraft focus in nuclear delivery tests of the 1960s and 1970s dissipated over the last four decades, to return only recently as a potential, or at most auxiliary, nuclear delivery system.⁵⁵ A credible full triad, surpassing the minimum of merely possessing land, sea, and air-based nuclear forces, may be in China's future, but investment will depend on deterrence efficacy and other factors.

First, building up both sea-based and air-based bombers – especially after so many years of neglecting bombers – on top of the formidable land-based force may be interpreted as moving away from a lean

or minimally deterring force. Simultaneous MIRVing of both land and sea-based missiles may further question leanness. In addition, from an economically lean perspective, strategic bomber development, maintenance, and personnel costs are infamously high, challenging the budgetary leanness of China's nuclear arsenal.⁵⁶

Nonetheless, improving bombers and SSBNs would increase the effectiveness of China's assured retaliation policy in many respects. A more capable SSBN and bomber force gives the CMC more flexibility in nuclear retaliation. SSBNs have a very survivable second-strike capability, enhancing the credibility of assured retaliation. Further, strategic bombers can operate 24/7 with aerial refueling, expanding deployment flexibility and first-strike survivability for nuclear retaliation. Additionally, more methods of nuclear payload delivery increase missile defense penetration capability. However, the triad's contribution to effective deterrence still stems from first-strike survivability. Quieter, more control-command-communications (C3) integrated SSBNs would significantly enhance survivability and retaliation credibility.⁵⁷ Although bombers are not as inherently survivable, they can be hidden with refueling aircraft at fortified safe points to endure a first strike, and readily deploy for retaliation.

Since the United States first coined its land, sea, air nuclear force as the "triad," it has been assumed that three loci of nuclear forces increase strategic stability, particularly crisis stability, due to more credible retaliation prospects from survivability.⁵⁸ However, the original Cold War context was one of mutually assured destruction (MAD) rather than assured retaliation; it followed that the threshold for survivability and post-strike reserve forces was higher to ensure MAD than to ensure assured retaliation. Thus, in the current U.S.-China, Russia-China, China-India context, a nuclear triad's advantage for crisis stability is less marked, though still positively impactful.

Yet the crisis stability benefits are not equally distributed across the triad. As discussed earlier, modernized SSBNs' mobility and concealment decrease the adversary's incentive to strike first more than a fixed-point bomber fleet. In fact, the fixed-base bomber safe points (similar to silo-based MIRVs), combined with first and second-strike bomber purposes, may increase pre-emptive strike considerations and China's NFU pledge during crises. Plus, strategic bombers also suffer from the warhead and destination ambiguity problems of HGV. As aircraft are used more frequently in provocative maneuvers and showmanship, there could be even greater potential for miscalculation during a crisis. Developing a nuclear triad is less beneficial to crisis stability due to the lowered threshold of assured retaliation than MAD, and both strengthens and weakens crisis stability depending on the platform. Sea-based platforms strengthen via second strike capability and retaliation credibility; air-based platforms weaken given warhead/target ambiguities and offensive perception of first and second-strike vehicles.

On arms race stability, China's SSBN and strategic bomber development are unlikely to incite a parallel arms race with a major nuclear power like the United States or Russia, given both countries' vast asymmetrical advantages to China in these platforms. However, a full-fledged Chinese nuclear triad may incite "new triad" arms racing (i.e. improved missile defense and counterforce capabilities, along with nuclear forces).⁵⁹ India and Pakistan may be acutely anxious about more capable Chinese SSBNs and bombers, despite already possessing triad capabilities, due to China's recent opening of a naval base in Djibouti and India's geographic proximity to China. Therefore, bolstering China's nuclear triad may, like the other force modernization initiatives, prompt parallel arms racing in India and Pakistan, diminishing strategic stability.

Similar to strategic stability, a fully realized nuclear triad may either bolster or hinder

China's ability to compel adversaries from hostile action depending on the specific capability. A hidden, mobile, and MIRV upgraded SSBN fleet will enhance China's preventive deterrence, as adversaries may fear retaliation from unknown locations. Conversely, strategic bombers alone may not enhance China's credible deterrence based on the outsider assessment of their age and the secondary nature of nuclear missions.⁶⁰ High-profile strategic bombers may effectively provide signal capability and assured retaliation during peacetime, but this same visibility creates more opportunities for crisis encounters and misinterpreted intentions. Simply put, strengthening the nuclear triad as a whole would increase deterrence, but this effect may be similarly achieved if only SSBNs are prioritized.

Overall, a developed nuclear triad would not immediately suggest that China is straying from its longstanding nuclear policies, other than perhaps disarmament and leanness. However, strategic bombers specifically may bring into question China's NFU and defensive nuclear posture, due to bombers' offensive, first-strike capabilities. Moreover, while bombers contribute more to signaling and posturing than the SSBNs, their likely usage in conflict zone overflights (e.g. China's posturing H-6K flight over the hotly contested and unstable Scarborough Shoal) may further destabilize the South and East China Seas and the Taiwan Strait during crises. Though the Chinese jet in the 2001 EP-3 incident, when a U.S. jet and a Chinese jet collided mid-air over Hainan Island, was conventional, the use of dual-capable strategic bombers in similarly tense interactions could precipitate another incident in the region.⁶¹ If China's military spending remains at 1-2% of projected GDP level, it may be more cost effective to prioritize SSBN investment than the high-cost, low-deterrence-effect strategic bombers.⁶²

Participation in Nuclear Arms Control Negotiations

Finally, by assessing the costs and benefits of Chinese participation in nuclear arms control negotiations, it becomes apparent that participation in such negotiations would result in two primary costs to China. First, negotiations will likely call for China to become more transparent about its arsenal size, which, due to the massive arsenal asymmetry between China and the two nuclear great powers (the United States and Russia), would severely compromise China's assured retaliation and credible deterrence strategies. Arsenal transparency would compromise the "certainty of uncertainty" and, therefore, negate China's fundamental deterrence strategy.⁶³ Second, negotiations may limit China's nuclear development if the United States, Russia, and other countries involved determine China's forces to be excessive.⁶⁴

Despite these costs, participation in nuclear arms control negotiations would yield several benefits. First, in line with China's expanding United Nations peacekeeping role, international economic philanthropy, and pro-climate and green energy leadership, accepting nuclear disarmament negotiations may further solidify China's newfound credibility as a responsible global power. Such a reputation would enhance China's soft power and increase outside trust in the peaceful intentions of China's initiatives. Nuclear disarmament negotiations may also begin reversing the newly assertive "China threat" perception, generating a more cooperative environment for China's ongoing rejuvenation efforts. Second, if multilateral negotiations are successfully premised on the reduction of American and Russian arsenals and capabilities, China will have successfully used its international presence to bargain for a safer strategic environment. Finally, participating in multilateral nuclear arms control negotiations would likely enhance China's nuclear policy legitimacy; China will have followed through on its key nuclear policy of global disarmament.

Conclusion

Each of the nuclear force modernization initiatives analyzed here has advantages and disadvantages in terms of China's nuclear doctrine and policy. MIRVs, if concealed, mobile, and not expansionary to China's nuclear arsenal, can effectively penetrate MD, survive a first-strike, and signal assured retaliation. However, mutually MIRVed countries like India and China must trust each other's NFU policies to mitigate the dual first-strike incentives. HGVs improve China's lean and effective nuclear development even more, displaying disruptive capability to penetrate missile defenses and strengthen assured retaliation. Yet their dual-capability ambiguity, speed, and maneuverability all increase the possibilities of nuclear attack if the adversary anticipates a "worst-case scenario" and trusts its pre-emptive capability in time-sensitive crises. Finally, a full-fledged nuclear triad may increase deterrence efficacy through first-strike survivability only by a small amount relative to other initiatives, like SSBNs or mobile MIRVed missiles. However, developing SSBNs over strategic bombers is more stabilizing, cost-effective, and consistent with Chinese nuclear policy than the dual-capable, posturing bombers.

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Responses to Insurgency Within Afghanistan: The U.S. and China

Daniel Rice

Introduction

Modern foreign involvement in Afghanistan is a complex interplay of interests among large national players. The two largest global powers, China and the U.S., have engaged Afghanistan throughout modern history, but this paper focuses on the period since 2001. It outlines the role of the United States in Afghanistan since then, as well as recent U.S. policy changes and strategic goals within Afghanistan. Next, it examines the regional implications of the growing interdependence between China and Pakistan. Then, it describes China and Afghanistan's relationship and the strategic role of Afghanistan in China's larger ambitions. Finally, it draws the interests of all these actors together and makes the case that there may be opportunities for China to partner with the United States to provide security for China's growing portfolio of economic assets in Afghanistan.

The War in Afghanistan and U.S. Policy since 2001

The September 11 terrorist attacks brought the U.S. military into Afghanistan in full force. On September 18, 2001, President George W. Bush signed a joint resolution authorizing the use of force in pursuing any party responsible for the 9/11 attacks.¹

The order led to swift retaliatory measures against the Taliban and Al-Qaeda but lacked a clear objective to stabilize the country post-invasion. After the Taliban retreat from Jalalabad on November 14, 2001, a transitional administration was established by the UN, in which member states were to contribute peacekeeping forces, provide aid, and promote stability.² The objective was to establish a government outside of Taliban rule, and the U.S. decided to undertake a "nation building" process to establish a strong, democratic Afghan central government in furtherance of this objective. This government was expected to remain under the security of the U.S. army until 2014, when security responsibility would return to the Afghan government.³ As U.S. forces are still in Afghanistan today, this original timeline clearly did not hold.

On December 9, 2001 the Taliban appeared to have collapsed, but the Al-Qaeda forces fled and hid in the countryside. In 2005, Afghan President Harmid Karzai and U.S. President George W. Bush issued a declaration that allowed the U.S. ground forces to use Afghan military facilities to pursue terrorism within the region, and to train and equip Afghan security forces for the impending security transition.⁴ The years 2006-2008 brought a resurgence in violence with Afghanistan, with skyrocketing detonations of Improvised Explosive Devices and suicide bombings calling into question the stability of the government that had been established by UN Resolution 1378. This necessitated a re-evaluation of the situation by the Obama administration, which decided to increase the number of troops in Afghanistan by 17,000 in 2009 and called for the implementation of a "New American Strategy". This new multifaceted strategy brought Pakistan back into the picture and declared that Al-Qaeda safe havens in Pakistan needed to be destroyed in order to inhibit further resurgence of the terrorist groups. Furthermore, the Obama strategy drew a direct connection between U.S. success in Afghanistan and stability in Pakistan.⁵ This multifaceted strategy still

holds weight in current American policy and may be the key to creating stability within the area.

By mid-2009, it was clear that achieving Afghan stability would require active rebuilding of Afghan infrastructure and the provision of security forces. On December 1, 2009, Obama declared another troop surge into Afghanistan amounting to 30,000 additional troops with the goal of increasing the capability of U.S. forces to provide training for Afghan security forces. The U.S. also reaffirmed its plan to stick to its timetable for troop withdrawal in 2014.⁶ In a political maneuver, the Taliban petitioned to construct an office in Qatar and to hold diplomatic talks in 2012 to try and establish peace in Afghanistan, but the talks were suspended among accusations of various soldier misdeeds including the burning of Qurans and the killings of several innocent Afghan villagers. Regardless of the Taliban's attempt, the timetable for the turnover of security to Afghan troops was completed in 2013 and the withdrawal of American troops completed in 2014.⁷ This left a vacuum of power and created even greater instability within Afghanistan.

The Trump administration considered the withdrawal of troops and turnover of security premature, and this has been reflected in current U.S. policy. On August 21, 2017, President Trump announced that his Afghanistan policy will be based on "conditions on the ground" and an open-ended commitment of troops to Afghanistan, starting with 4,000 troops.⁸ The Congressional Research Service indicated that President Trump's commitment of additional troops appears to signal a strategy to pressure Pakistan into denying safe havens for Afghan militants, indicating a military power play by the United States.⁹

Despite the military efforts of the United States, Afghanistan "faces a continuing threat from as many as 20 insurgent and terrorist networks present or operating in the Afghanistan-Pakistan region, including

the Taliban, the Haqqani Network, Islamic State-Khorasan, and al-Qaeda, in what is the highest concentration of extremist and terrorist groups in the world."¹⁰ It is possible that the task of "nation building" and providing security to Afghanistan is too large an objective for the United States to accomplish unilaterally. Therefore, it may be necessary for the United States to focus on using its military might first to quell the terrorist threats and then to resume nation building. Alternatively, the United States could focus on military objectives and seek additional outside help to simultaneously create infrastructure and eradicate the terrorist threat. This help could be sought from China.

Afghanistan remains a vital concern and major strategic interest of the United States. President Trump described his strategy in Afghanistan as "Attacking our enemies; obliterating ISIS; crushing Al Qaeda; preventing the Taliban from taking over the country, and stopping mass terror attacks against Americans before they emerge."¹¹ Instead of focusing on so many goals, it may be possible to invoke a new system to deal with this continuing terrorist threat, and create a stronger coalition of the parties who have been involved since the original outbreak of fundamentalist Islam in Afghanistan during the Soviet-Afghan war. Those parties are the United States, Pakistan, and China.

China and Pakistan's Growing Interdependence

China and Pakistan maintain a close relationship economically and strategically. Geographically these two countries share a small border along China's Xinjiang province, and have comprehensive trade agreements, including a Free Trade Agreement that took effect in July 2007. This agreement effectively ended the implementation of import customs duties, as well as establishing zero-tariff items, and it set basic rules on banking services shared

between the two countries.¹² China is also the world's largest importer of Pakistani goods, with imports of more than 13.6 billion USD in fiscal year 2016.¹³ Further strengthening the economic relationship between China and Pakistan, Pakistan has become a major partner in the Chinese One-Belt-One-Road (OBOR) initiative, China's economic initiative to create a unified economic corridor across Eurasia on the sea and land. This partnership has also manifested itself in the creation of the China-Pakistan Economic Corridor (CPEC), which is the China-Pakistan portion of OBOR. CPEC includes various infrastructure projects within Pakistan that aim to connect the One Belt portion of OBOR to the One Road maritime silk road of the project.¹⁴ As Former Prime Minister of Pakistan Shaukat Aziz said in April 2016, "My own country, Pakistan, is a major recipient of this initiative. Pakistan and China have signed contracts totaling 46 billion dollars, which would be used for building roads, infrastructure, and ports which would have a positive impact on economy of Pakistan."¹⁵ It is clear that the adoption of OBOR by Pakistan will fortify the Pakistani economy as well as place it in a stronger economic position relative to India.

China has chosen Pakistan as the starting point for the "One Road" portion of its initiative for a number of strategic reasons. First, Pakistan and China have long maintained strong economic cooperation. As Pakistan's largest importer, China sees the potential to further expand cooperation with Pakistan and to use its ports as an advantageous link to the Indian Ocean. Second, Pakistan has had stable economic growth in recent years, with GDP growth averaging 4.4 percent from 2013 to 2014.¹⁶ From China's point of view, stability leads to success for OBOR and promises that the resources China allocates to Pakistan's development will yield positive returns. Third, Pakistan offers a counterbalance to the growing U.S.-India coalition. China views Pakistan as a capable partner that has historically hedged against India, and therefore will

be more aligned to China.¹⁷ CPEC also opens a window for Pakistani-Chinese cooperation in naval affairs, which would strategically deny India and the U.S. complete control over the Indian Ocean and Strait of Hormuz.

The scope of CPEC extends from Kashgar to the Pakistani port of Gwadar, a strategically important port for the region.¹⁸ This port allows for the Pakistani and Chinese navies to have access to the Indian Ocean and creates a gate for the Strait of Hormuz. This is vitally important for China, the largest importer of Iranian oil exports, as these shipments pass through the strait.¹⁹ Using the port of Gwadar, Chinese-Pakistani joint naval forces would be able to check the growing blue water navy ambitions of India and increase operational maneuverability.²⁰ During the official announcement of CPEC in 2015, Gwadar was high on Chinese President Xi Jinping's agenda for its strategic importance; in November 2015 it was officially leased for 40 years by a Chinese state-owned entity.²¹ Despite control of the Gwadar port, its location in Balochistan remains a concern for China, as the region has a history of insurgency and terrorist attacks.²² All of these strategic factors justified China's decision to select Pakistan as its primary partner in the beginning of the OBOR initiative. As OBOR moves forward, China's primary concern will be security within Pakistan, as well as within Afghanistan.

China and Afghanistan Linked

China and Afghanistan share a complex relationship. The invasion of Afghanistan by the U.S. and its allies left China in a precarious position. The rapid and precise movement of a massive number of troops into Afghanistan allowed the U.S. and its allies to maintain a level of control over the domestic priorities of the Afghan government. While the West is focused on rebuilding Afghanistan, China has no desire to participate, especially with the terms

set by the West. China's primary security concerns in the region revolve around the potential for conflicts to expand and spill over into Xinjiang, hence its focus on Pakistan.²³ However, China's security concerns have not stopped it from pursuing diplomatic ties with the Afghan government and have actually been the impetus for creating such ties.

China and Afghanistan have maintained high-level diplomatic communication, and China has supported bilateral economic cooperation, providing financial and other types of assistance to the country. In addition to economic agreements, the two governments have agreed to cooperate on combatting terrorism, drug trafficking, and other illegal activities within the region, including Afghan support for China's fight against international crime, terrorism, extremism, and separatism.²⁴ In terms of terrorism, China is particularly concerned about the effect of the madrassas in Afghanistan and on the Afghani-Pakistani border in propagating terrorist activities in Xinjiang. Several Xinjiang fighters took up arms with the Taliban and Al-Qaeda and escaped with those groups during the U.S. led invasion of Afghanistan.²⁵ China fears that these fighters may return home to Xinjiang and incite additional violence within China. It is in China's best interest to help eradicate this threat and to aid in the stabilization of Afghanistan to prevent further militarization of Uighur extremists. As economic projects linked to OBOR continue to move forward, China could exert pressure on Pakistan to cut its support for extremist groups in other parts of the region.

In addition to security concerns, China has an embedded economic interest in Afghanistan, both in overarching strategic goals as well as tangible infrastructure projects. In December 2017 Chinese Foreign Minister Wang Yi stated that China and Pakistan are interested in expanding the China-Pakistan Economic Corridor (CPEC) to include Afghanistan.²⁶ Inclusion of Afghanistan would start with relatively small projects to

increase cooperation between Afghanistan and Pakistan, but would expand to include a potential hydroelectric power plant.²⁷ These projects would eventually include infrastructure in the form of roads and additional railways and envision Afghanistan becoming a connector between the CPEC and the Central China and Western Asia Economic Corridor.²⁸ These strategic goals are not new however—China had a longstanding interest in economic projects in Afghanistan starting with the signing of the Memorandum of Understanding on Economic and Technical Cooperation with the Taliban just days before 9-11.²⁹ In 2007 two Chinese state-owned corporations, the Metallurgical Corporation of China and the Jiangxi Copper Corporation made a \$4.4 billion investment in Afghanistan on the assumption that Afghanistan's mineral assets, valued at \$3 trillion by the Afghan government, would provide fruitful returns. Although not widely publicized, this agreement became the largest foreign direct investment into Afghanistan to date.³⁰

Unfortunately, this investment occurred in the midst of a resurgence of violence in Afghanistan, which put the security of these companies in jeopardy. Afghan protection forces protected the mine sites of the companies, amidst speculation that the Pakistan-controlled Haqqani network, who commonly attacked such sites, was told not to attack. Nevertheless, the presence of American troops ended up providing a kind of security guarantee to the Chinese companies operating in Afghanistan. Pan Qifang, secretary of the board of directors of Jiangxi Copper Corporation, told the Wall Street Journal, 'It is very safe to conduct the project in Afghanistan because the Americans are guarding us.' The Metallurgical Corporation of China has also expressed a desire for U.S. troops to stay as long as possible.³¹ Afghanistan could experience 'spillover' benefits due to the increased economic activity in its neighbor, Pakistan.

A Possible Confluence of Interests?

There is an opportunity for the United States and China acting in their own strategic interests, as well as in line with their current foreign policy in the region, to work together to stop the training of fundamental Islamic extremists in Pakistan. Pakistan has also reached a point where it seems to be unable to contain its terrorist training programs and the effects are spilling over into its domestic security. At this point in time, it may be possible to negotiate with Pakistan if significant security and economic benefits are on the bargaining table. Furthermore, if it is possible to stop or even to reduce the number of madrassas in Afghanistan funded by Pakistan, then the number of the fighters entering Afghanistan would dwindle, allowing for the development of a more stable Afghanistan.

In Afghanistan the U.S. has four primary goals: (1) to provide security assets including military forces, arms, and training to the Afghan government's security forces, (2) to continue to aid the Afghan government while it attempts to stabilize itself, (3) to promote bilateral economic ties with Afghanistan to build an economy that can sustain itself without relying on illicit substances, and (4) to support the development of democratic political processes within the Afghan government.³² These goals focus on achieving a stable and self-sustaining political and military situation, although they necessarily include economic goals as well.

The United States, instead of relying on itself and the NATO allies to provide the economic portion of nation building to Afghanistan, should instead seek the cooperation of China, which has strong tangible economic interests in the area. Bringing China formally into the nation-building process on economic grounds would allow the U.S. to focus its hard power, in the form of the military, on pursuing terrorist organizations and to spend more energy on supporting the political system

of Afghanistan. To further reduce the terrorist threat in Afghanistan, the U.S. should continue to pressure Pakistan to desist in the funding and training of the terrorist organizations.

China would benefit greatly from stability in Afghanistan and Pakistan. Moreover, China has the economic means and ambition to support this cause. Pakistan is a starting point for the OBOR initiative, and China's state-owned companies have made large investments in Afghanistan that seek to exploit the mineral resources in the country. If China were willing to actively pursue the development of the Afghani economic infrastructure as a formal point of Chinese foreign policy, some of the pressure on the U.S. nation-building efforts would be alleviated. The troops supplied by the United States in Afghanistan even appear to have a symbiotic relationship with the Chinese companies operating there, as they have provided protection to Chinese strategic assets.

China also has significant and growing economic influence over Pakistan, made even stronger by the OBOR initiative. Pakistan and China recently signed an agreement to make international trade transactions in their local currencies,³³ a sign that the two countries are becoming more intertwined. Increasing cooperation with Pakistan also aligns with China's strategic interests in balancing the growing U.S.-India relationship. Therefore, China, as it moves forward with the OBOR initiative, is in an increasingly strong position to put pressure on Pakistan to stop funding the madrassas that are training radical Islamic forces.

If the United States increased its military power in Afghanistan, it would reinforce the security presence in Afghanistan, which would further its strategic goals of creating a stable Afghanistan. This would also allow for a situation in which the United States could focus on its nation building interests. China could also take a formal stance on economic development within Afghanistan

and further contribute to development of infrastructure in the country. The increased U.S. troop presence would alleviate Chinese concerns of security in the region. If the U.S. with China's help could put in place the political, economic, and military infrastructure required for Afghanistan to become stable and self-sustaining, then it would also further China's goal of continued security within the region. Furthermore, China stands to benefit economically from developing this type of infrastructure in Afghanistan, as it would integrate with its One Belt One Road initiative.

The U.S. use of military power in Afghanistan also acts to apply pressure to Pakistan to desist its training operations, furthering its other strategic goal of eradicating fundamental Islamic terrorism within Pakistan. At the same time, China may apply positive economic pressure on Pakistan, increasing economic cooperation further while demanding that Pakistan desist in its terrorist training and controlling operations. This also furthers China's own strategic goals of expanding its economic ties with countries along the One Belt One Road lines.

It is clear the U.S. and China share dissimilar, but somewhat complimentary goals in both Pakistan and Afghanistan. Both countries also share a history of fomenting insurgency within Afghanistan, which make them parties to the conditions that emerged in Afghanistan in the aftermath of the Soviet-Afghan War. As both countries fundamentally want to see the development and stability of Afghanistan and Pakistan, they would do best to work together. While the U.S. should provide its military power, China should utilize its economic power to create a situation in which Afghanistan can finally begin the healing process.

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Thoughts on Understanding China: An Interview with SAIS China Studies Professor David M. Lampton

Kyle Schut

[This is the transcription of an interview with Professor David M. Lampton, the George & Sadie Hyman Professor and Director of China Studies at the Johns Hopkins School of Advanced International Studies since 1997. Dr. Lampton plans to step down from his teaching position at SAIS at the end of June 2018. The interview took place on February 28, 2018, in his office on the SAIS campus in Washington, D.C. It has been edited and condensed.]

SAIS China Studies Review (CSR): You have been studying and following China throughout your distinguished career – of the many things you’ve observed about China in that time, which do you see as most significant?

David M. Lampton (DML): The first time I went to China was October 1976 – Mao had died a month before. I think if you’d assembled the whole Western analytic world looking at China then, nobody would have guessed that, 50 years later, China would even be in the quadrant of reality it is in now. So, the first thing to say is that nobody could have conceived, when Mao died, that we’d be talking about the China we’re talking about today.

As to the dimensions of change, when I first went to China, people talked about their “work unit”, or “danwei” – that formed the entire universe of their life, their thinking, their anticipated career, their retirement – the vocabulary tells you about the reality and how they saw themselves. Their vision extended essentially to the fence of their factory or farm. All these years later, it’s remarkable the degree to which Chinese people really do think in global terms now; there’s a clear move from self-reliance to globalization, and the life opportunities people have now reflect this expansion of their conceptual universe.

Also important has been the move away from Mao’s rhetoric that China would only be secure when it was autarkic – an insulated China was his idea of security. Now, in the popular understanding in the PRC, China will only be secure when it has investments around the globe, is the leading economic force in its region, and is building infrastructure all over the world, safeguarded by a military with global reach. So, I would say of all the changes, really the most important is the conceptual move from advocating self-sufficiency to accepting comparative advantage and a global perspective. In fact, China is now vying with the United States to be a steward and developer of globalization. So, I’d say that’s issue one.

Of course, there’s another big, related change, in the realm of economics – China has moved from 25 percent of the world’s people and 3 percent of its GDP in 1978, when Deng Xiaoping began reforms, to 20 percent of the world’s people and over 17 percent of its GDP now. It surpassed the U.S. by the World Bank’s PPP measure in 2013.¹ All the talk about “when China will pass the United States” has been overtaken by events – that train left the station about four years ago. Because power is relative, the economic change has meant that the balance of power in the world is shifting. How are we going to keep our same influence in the world with a China that is

drastically more relatively powerful than we imagined when Nixon and Kissinger went there in the early 1970s, and when President Carter normalized relations late that decade? I think that is the core foreign policy challenge America faces today.

Politically, there was a big surprise when Mao died – Deng confirmed that Mao’s suspicions during the Cultural Revolution were correct. Mao was afraid that when he died, his successor would ideologically and personally betray him, as Khrushchev had turned on Stalin. So, when Mao died, Deng Xiaoping, the second biggest target of the Cultural Revolution (after Liu Shaoqi), came back and moved the country economically and politically in a much more *liberalizing* direction. You will note that I didn’t say *democratizing*. If you ask, “What did the government seek to control under Mao?” The answer was *everything*. Mao *couldn’t* control everything, but that was his aspiration. Deng’s basic deal with the Chinese people was, “I’m going to control a lot less than Mao as long as you leave the [Chinese Communist] Party the dominant, unchallenged political force in the system.”

So that’s been the deal for the last 40 years. Xi Jinping is now changing the deal – I think a lot of people thought the middle class would be more of a bulwark against the return of such strict authoritarianism than it has thus far proven to be. And Xi is now marrying technology that couldn’t have been imagined in 1976 with authoritarian control. We’re seeing an aspiration for political control unfold that, after Mao, I don’t think we anticipated. Now, there’s going to be a social credit system where everybody gets a “grade” for life. Imaging technology recognizes faces, and Big Data can track your personal life – the capacity of the State to know what you’re doing and monitor that in real time is a capability that they now have and are developing. Xi is going back to a more traditional idea that the prerogatives of the State vis-à-vis society are greater [than that of the individual], and marrying that traditional concept of governance to

modern technology. I don’t think we saw that coming, at least with the rapidity that it has, in fact, developed.

CSR: Now that the government has this extended capability to monitor and track its key concerns, what do you think are the Chinese government’s primary concerns? What kind of things are keeping today’s Chinese leaders awake at night?

DML: It’s perhaps ironic that, at one level, we talk about Xi Jinping as the strongest leader since Mao, but at another he behaves like a leader who is insecure about his grip on power. In many respects, as much as Xi talks about the West’s subversion of China (such as the penetration of political ideas like constitutionalism, human rights, and universal values), what he’s worried about is a kind of “tinderbox” phenomenon within China itself. If I had to guess what Xi is most afraid of: think of Tunisia [at the beginning of the Arab Spring] – i.e., one fruit seller on the corner self immolates and sets off a region-wide push against authoritarianism. I’m convinced that if China has substantial disorder, the spark will be totally unanticipated – it’s going to be something that resonates with people. Mao had a phrase: “a single spark lights a prairie fire.” So, I think Xi stays awake wondering about these “Black Swan” events that could unleash disorder. That builds upon some fundamental tensions in Chinese society, one of which is economic inequality and the other is the lack of procedural fairness.

With respect to “procedural injustice,” I don’t necessarily think that Chinese people are so concerned with absolute inequality – i.e. they’re not generally too concerned with someone having twice as much, for example, as somebody else. What I detect from the Chinese people is that they’re worried that government processes are not procedurally fair. If you’re connected to somebody, you get a better deal than others – we’re not all at the same starting block. I think people could accept ending up in different places if they felt they started

from the same place; what they can't accept is starting from different places structurally speaking. So, I think the absolute inequality combined with this procedural injustice could create the tinderbox.

Finally, there's the related phenomenon of the middle class. The middle class in China is getting to be about twice the size of the United States'. We've always thought middle classes would be, on balance, pushing for more rule of law, procedural fairness, and predictability. And we see Xi Jinping essentially saying, "Thanks very much, but I'm going to be President for life," and it looks like, for a while, he's going to be successful at that. But I can't reconcile what I take to be the innate ways in which a middle class thinks with that kind of governance structure. If you just ask a very simple question like: "What happens if Xi were to suddenly pass away tomorrow, and what's the procedure by which we replace him?" the lack of legitimate procedures is telling. So, I think the middle class and lack of political succession institutions should keep Xi awake. Eventually I think all this will catch up with him and authoritarianism in China. But, eventually could be a long time.

CSR: Has the middle class given Xi their blessing, in your opinion?

DML: The political culture needs to be considered here. The Chinese people have a history of strongman rule. It's not that democracy is somehow impossible in Asia (we know that democracy has arisen in South Korea and Taiwan) but the culture in mainland China seems willing to tolerate a higher degree of authoritarianism than in other places. These issues of inequality, stability of the system, and so forth will eventually catch up with [the government]. The problem is, "eventually" is a cop-out that could mean two weeks from now, two years, two decades – it's indeterminate. But I think Xi is behaving like a leader who is insecure.

CSR: Now that Xi has these newfound responsibilities, what should he be careful

of going forward? What will you be watching as you enter your next phase, and what should casual observers of China be mindful of going forward?

DML: President Xi is definitely going to be concerned with one of those "Black Swan" events mentioned before. I'd be watching for signs among the leadership of willingness to follow Xi down this authoritarian path. My sense is that there are members of the Politburo Standing Committee who are skeptical about this. We saw certain people during the 19th Party Congress not clapping at everything Xi said, so I would be looking for signs of elite friction.

I also would be looking at how society responds to the increasing intrusion of the Chinese Communist Party. For the last forty years, I think it's fair to say that while the Communist Party didn't fade away in importance, it retreated from day-to-day life along many dimensions. Now what we see is the reassertion of the Party in private companies, multinationals, and so on. We see the reimposition on intellectuals of political study groups. We see the Party issuing central documents that tell intellectuals what can and cannot be taught with respect to Western values. So, the second thing I'd look for is signs of dissatisfaction between the Party and society, most notably intellectuals.

The third thing I'll be watching is the societies around China's periphery. How China deals with them is a preview of how it will treat the rest of the world. In 1997, Hong Kong reverted to PRC sovereignty. In the years leading up to the handover, a relatively liberal agreement had been drawn up with the British, since Deng Xiaoping had an interest in making peace with the outside world. If we now see China running roughshod (as I'm afraid we are seeing in Hong Kong, Tibet, and with respect to Taiwan) over those along China's periphery, this is an indicator of China's future approach to the world more broadly. The first bellwether of Chinese foreign policy is going to be

how it deals with its periphery. My sense is that the Chinese leadership is quite confident in its growing power and persuaded that the Americans are going downhill; they believe that now is their moment of strategic opportunity. I am particularly worried about what this portends for a peaceful cross-Taiwan Strait settlement.

As for me personally, I'm impressed that, despite some of what might be called "shortcomings of development," China is beginning to identify a role for itself in helping the world build infrastructure and enhance connectivity. For decades, the United States has gotten out of the infrastructure-building business around the world, whereas the Chinese have a saying: "If you want to be rich, build a road." They believe that you don't wait for demand to clog up all the dusty rutted roads – you build the roads and you get urbanization and factories, and then you fill up those roads that were built beforehand. A lot of people look at ghost cities and underutilized infrastructure with a judgmental eye, but the Chinese believe you stimulate growth by driving infrastructure ahead of your economy.

If you look at what's happened in rural China with high-speed rail, I've found the poorest areas a good example – take Guizhou Province, which I went to twenty years ago when it was just poor, unconnected towns in valleys. Now the railroads run through the mountains, with cities and towns built up all along them. It's only three hours now by train from Guiyang to Guangzhou. So, people in remote areas are suddenly connected. Trade is happening within China, and between China and Southeast Asia. I think the most exciting thing is how China is increasing connectivity. If it can maintain domestic stability and overcome the problems we've discussed above, they've got an approach to development that is promising.

This contrasts with a United States that pulled out of the Trans-Pacific Partnership and that seems to be less receptive to free

trade arrangements. Moreover, the Chinese save 40-50 percent of GDP and plow it back into investment, even if some of that investment is wasted. A country with a vision that believes in infrastructure, that trains engineers like crazy, and that saves that much of its GDP – that country is going to change the world. And so, my overwhelming feeling is that if China can hang together internally, and liberalize somewhat politically, it's going to change the world. As things stand now, its political retrogression under Xi is at odds with the needs of China's stability and with this vision.

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1 Purchasing Power Parity

About SAIS China

The China Studies Review is a publication of SAIS China, which encompasses all of the formal China-related programs at the Johns Hopkins University School of Advanced International Studies (SAIS). It is anchored by the China Studies Program at SAIS in Washington, D.C., which offers multidisciplinary graduate courses on U.S.-China relations, China's foreign policy, domestic politics, leadership, environment, life at the grass roots level, economic development, and Taiwan and cross-strait relations. Students also complete courses related to the wider Asia-Pacific region across the school's more than 20 additional areas of study, taught by leading scholars and practitioners in their field.

SAIS students have several options to pursue coursework in China. The Hopkins-Nanjing Center (HNC) in Nanjing began operations in 1986 and is the longest-running partnership between a Chinese and American university in China. It is jointly administered by Nanjing University and Johns Hopkins SAIS. Students have the option of one- or two-year courses of study in Nanjing, or they can spend one year in Nanjing and continue their studies at SAIS centers in Washington, D.C. or Bologna, Italy. Students must have intermediate to advanced-level proficiency in Chinese prior to beginning study in the certificate or masters' programs at the HNC.

The SAIS-Tsinghua Dual Degree Program in Global Politics and Economics is a cohort-based program begun in 2015, offered by Johns Hopkins SAIS jointly with the International Relations Department at Tsinghua University. Students spend one year at Tsinghua University in Beijing followed by three semesters at SAIS in Washington, D.C. With courses taught in English, this program offers the opportunity for students to gain both a master of arts from Johns Hopkins SAIS and a masters of law from Tsinghua University.

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Clarise L. Brown is a second-year SAIS M.A. student with a concentration in International Law & Organizations. She is a graduate of The George Washington University Elliott School of International Affairs, where she majored in Asian Studies and minored in Chinese Language & Literature. She has 4 years' in-country experience in Mainland China, where she achieved professional proficiency in Mandarin and interned at international firms. Prior to SAIS D.C., she attained a Graduate Certificate in China Studies from the Johns Hopkins-Nanjing Center. Her research focus includes U.S.-China trade relations and foreign investment risks in APAC.

Byeong-jin Jeong

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Byeong-jin Jeong is a rising second-year SAIS M.A. student concentrating in China Studies and International Economics. Prior to enrolling at SAIS, Byeong-jin studied at Georgetown University's Security Studies Program and worked at think tanks in Washington D.C. and Seoul.

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Kyle Schut is a graduating SAIS M.A. student concentrating in the China Studies Program. Before coming to SAIS, Kyle managed healthcare services and worked as a freelance musician. In addition to full-time study at SAIS, Kyle has worked in the U.S. Department of Commerce's Office of China and Mongolia, and interned with APCO Worldwide in Shanghai. After graduating, Kyle hopes to find a career that entails further study of China.

Michael Sutherland

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Michael Sutherland is a current SAIS M.A. student concentrating in China Studies. Prior to enrolling at SAIS, Michael studied Mandarin in Harbin, China on a Boren Scholarship and worked in education consulting in Ningbo, China. In addition to being a full-time M.A. student, Michael is also an intern at the U.S. Department of Commerce researching U.S. - China trade issues.

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Eddy Trang is a graduating SAIS M.A. student with a concentration in Southeast Asia studies. Prior to enrolling at SAIS, Eddy studied in Indonesia with a Critical Language Scholarship and Fulbright-Hayes Fellowship. Upon graduation, he plans to return to Indonesia to work in the development sector.

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Jianyu Yang is a 2016 Johns Hopkins University M.A. graduate with a concentration in communications. Jianyu studied journalism & communication in Macau and specialized in Advertising & Public Relations before coming to Johns Hopkins. She is now pursuing an MBA at JHU Carey Business School.



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