


On the Significance of China's “Characteristics”

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By Ron Huisken

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I. Introduction

China is an ancient and accomplished nation with an essentially unbroken tradition of authoritarian governance. China's contemporary governance arrangements, which include a fondness for qualifying an objective or commitment with the words 'with Chinese characteristics', have both deliberate and inadvertent consequences that should be an important consideration in the policy settings other states adopt toward this huge country.

Ron Huisken is an Adjunct Associate Professor with the Strategic & Defence Studies Centre, ANU. He has a background in research and government and secured his qualification from the University of Western Australia, the Royal Stockholm University and the Australian National University. His publications include *Introducing China: The world's oldest major power charts its next comeback* (ANU E-Press, 2010).

II. Policy Forum by Ron Huisken

On the Significance of China's "Characteristics" [1]

In 2014 an internal Chinese Communist Party paper fell into the hands of a local journalist, Gao Yu, who shared it with selected international agencies. The paper, called Document no.9, called for an intense struggle to counter a range of 'subversive ideas' deemed to be gaining some traction in China, namely constitutional democracy, press freedom, an independent judiciary and universal human rights. These propositions constitute a thumbnail sketch of the system of governance that we in the West take very seriously and go to a lot of trouble to protect. Earlier this year (2015), Gao Yu was sentenced to 7 years jail for revealing state secrets (but intends to appeal). [2]

When Barak Obama or Tony Abbot or Angela Merkel come home from an international commitment like an APEC or G20 meeting, they more or less seamlessly get on with their domestic chores. There will be speeches to give, press conferences to conduct, parliamentary business to deal with, cabinet meetings to chair and so on. As politicians, they appreciate the importance of being seen, regularly, to be doing their job. Equally, the public and the media expect these leaders to be available more or less routinely and to be across whatever issues are engaging their attention.

Things are rather different in China. When senior leaders return from overseas they seem simply to disappear into Zhongnanhai, their secluded compound near the Forbidden City in Beijing. There appears to be neither an instinct on the part of the leaders nor an expectation on the part of the public and the media for the leaders to get about and be seen. Public speeches and, especially, press

conferences are rare (the Premier gives one press conference each year, answering only questions submitted in advance), the National People's Congress (or parliament) is not an institution that generates much in the way of on-going business, and meetings of the Politburo are utterly private. The current President, Xi Jinping, is proving to be somewhat of an exception, particularly in engaging ordinary citizens, but the contrast remains vivid and it is far from clear that this will be a deep and enduring change in leadership practice.

Clearly, the relationship between the governors and the governed is very different in China from that anywhere in the West. In China, the governing elite seem to exist as a species utterly separate from the citizens. One understandable and potentially legitimate response is to say, so what? That, surely, is the business of the Chinese. China's citizens are not in open revolt. There is no large-scale, violent suppression of dissent going on. Moreover, they are a talented people who have been in the business of governance for a long time. That should be enough for any state to do whatever business it wishes with China and to take overtures from Beijing – be they of a security, economic, political or cultural nature – at face value.

Equally, however, such an attitude might be naïve and short-sighted. Sovereignty and culture combine to make international relationships endlessly fascinating but difficult to manage. Even states that share ethnicity, language, traditions and institutions often find it hard to fully understand each other's behaviour. Today's China is an authoritarian one-party state that inherited a 2000-year tradition of governance by an emperor with absolute power over 'all under heaven'. China is certainly among the oldest civilisations on the planet but, as far as we know, its people have never even been asked what they think of the form of governance that we and so many others have found the most attractive.

The contention here is that it is prudent to look more closely at the significance of the starkly different ways that China goes about conducting its affairs, and at the possible implications for the collective challenge of keeping our broader region dependably stable and peaceful.

The China we have to expect

Within a decade or so, China will surpass the US and become the largest single economy in the world. How much larger than the US it will eventually become is anyone's guess: a Goldman Sachs forecast suggests that 50% larger by 2050 is probable. What this makes clear is that all the ways in which China has newly intruded on our consciousness over the past several decades will become steadily more apparent for decades to come. Chinese corporations will be the largest and most ubiquitous across an expanding range of products and services, and able to make proposals we can't refuse. China's demand for our exports and its competitiveness in meeting our demand for imports will become crucial to our economic prospects and therefore first-order political business in Canberra. The same will be true of how and where Chinese corporations, not to mention individual Chinese with surplus capital – a cohort that could in time run into the hundreds of millions – elect to invest their funds. The big seminal projects that will shape the scope and direction of our region's economic future – in exploration for resources, transport, infrastructure, telecommunications and so on – can all be expected to have significant, often dominant Chinese involvement. And any big-picture proposals that a regional leader might consider launching – whether on the political, economic, security or cultural front – will have to give careful attention to how it might be received in Beijing.

China has become the most important trading partner for nearly every country in greater Asia, as well as a strong source of direct investment for many. And all of these magnitudes will grow dramatically in the decades to come. China's political influence has developed every bit as quickly as its economic credentials, not only with its individual trading partners but also in the key multilateral

bodies involved in managing global economic affairs – WTO, IMF, World Bank, G8, G20 and so on. And China's aspirations – or at least the aspirations of the CCP – have steadily expanded along the way. A state as large, old and famous as China is not inclined to modesty. It has become steadily more clear that China is not interested in simply lifting the material well-being of its people and enjoying the power and influence naturally associated with generating economic magnitudes that weigh heavily in the political calculus of other countries. China aspires to have a defining influence on the regional and even global scene. It sees this as resuming the position and influence it had during the Han, Tang and Ming/Qing dynasties, however uncertain contemporary Chinese may now be about how it felt to be the hegemon or about how these periods of pre-eminence emerged and were sustained.

China has invested lavishly in its military and related capabilities (especially its space program). The importance of the military in the genesis of the People's Republic is seen in the fact that, even today, the most consequential official post is chairman of the Central Military Commission rather than President or General Secretary of the Communist Party.^[3] China has also gradually exposed foreign and security policy settings aimed at re-shaping the existing order in East Asia to support its longer term aspirations. Similarly, China has set out to remind the world – notably through a global network of Confucius Institutes created at great speed- that it is a massive and ancient civilisation that has in the past shaped the trajectory of the human race and is poised to do so again in the 21st century and beyond.

All of this means that, even in distant places like Australia, every facet of people's lives will be under constant and intensifying pressure to evolve in ways sympathetic to the Chinese way of doing things. And this will be an inescapable process – gradual, often imperceptible, essentially voluntary, but ultimately inescapable. It is not in itself an alarming prospect but it will not always be consistent with local preferences.

Of course, none of this is certain. More than 30 years of breakneck growth has resulted, inevitably, in a great deal of social, economic and even political stress that could push China off its trajectory if not managed well. The imperatives of on-going economic reform are likely to clash ever more strongly with instincts to preserve reliable political control. And there are questions whether a system anything like the Chinese one can climb to the cutting edge across a wide range of endeavours and start breaking new ground. But for everyone in East Asia the primary question has been, and remains, whether to position themselves for a China that remains at least broadly successful and displaces massive strategic weight or a China that stumbles badly and falls short of becoming the primary influence on regional affairs. It would be folly, in my view, to bet on the latter.^[4]

Too much of a good thing?

States in China's position – especially the position we expect China to be in by mid-century and beyond – often face the temptation to simplify their lives and suppress opposition to their preferred course of action, simply because that option exists for them. States in China's position have also typically developed a national hubris that, in polite circles, is called a sense of exceptionalism. Moreover, in China's case, much of the historical record would suggest that China has been a serial offender in allowing its sense of superiority to become such an alienating force that it has been a key to explaining the extravagant cycles that have characterised its fortunes as a state. China's neighbours, now including Australia, may again find its sense of exceptionalism difficult to bear.

As was the case in the past, the governance of China at the present time is relatively free of what experts call internal checks and balances on the power and ambition of the state. This can make engagement with China singularly challenging and even hazardous. It also has ramifications that

extend to the international arena. The relative absence of checks and balances within China means that other states are more likely to be attracted to forming precautionary external coalitions which, in turn, will colour China's security perceptions. All things considered, too much China looks more like a distinct possibility than a remote contingency.

Chinese Exceptionalism

China's particular version of exceptionalism is based on a spectacular and turbulent history of imperial rule that reaches back some 2500 years. Emperors were divinely endorsed and granted absolute power. There were extended periods of glittering pre-eminence, especially under the Han, Tang, and Ming/Qing dynasties, when imperial expansion, trade, technology, culture and language flourished synergistically. The other pre-eminent states we are familiar with –America, the UK and so on –have all had one stint at the top. China is arguably the top seed for its fourth appearance. Today's China has abandoned the imperial system but it remains an authoritarian one-party state.

The constitution of the People's Republic of China declares that the Communist Party of China is the only permissible custodian of political power. This is the source of a profound conundrum for the rest of the world in thinking about how to engage with China, as well as for China itself. An entity that is the only permissible government must project itself as the best imaginable government. Inevitably, this transitions into the *belief* that it is the best imaginable government.

There is a strong echo of Confucianism here, that most enduring of Chinese political philosophers who is once again solidly in vogue. Confucius is identified with the thesis that acceptance of hierarchy and maximising one's contribution within the hierarchy was the key to a society functioning harmoniously and achieving its full potential. The hierarchy culminated in an all-powerful leader. Confucius had a lot to say about the qualities the leader needed to exhibit to allow the entire system to function smoothly and effectively but he did not question the need for such a leader. Importantly in the present context, Confucianism supports the CCP's contention that a hierarchical structure with an all-powerful and self-disciplining head can deliver the best imaginable governance.

This is probably the basic point of divergence with the political philosophy that animates the Western world. For democracies, the starting point is that governments are necessary but they are also dangerously powerful and need to have a sufficiency of checks and balances to *preclude* the emergence of an all-powerful leader, be it an individual or a group. Democracies attach more importance to ensuring that the people remain the ultimate source of political power (or, at least, to precluding dictatorship) and do not pretend that the governance that emanates from these contradictory impulses is likely to be ideal. It is simply preferred to the risk of a single individual or group becoming powerful enough to impose their views on everyone else. The instruments employed to accomplish the objective of a sufficiency of governance, albeit untidy and inefficient, while retaining basic individual freedoms include: a separation of powers, especially an independent judiciary, not least to ensure that all the key players –the executive, parliament, media and the public have both equal access and equal exposure to the law; a parliament with powers to make it a compulsory partner for the executive in devising and implementing policies; a free press, to make it as difficult as possible to keep anything secret; and, of course, the ultimate sanction of periodic elections to cleanse, refresh and re-legitimise the political elite.

[To begin to think, somewhat crudely and superficially, about what the absence of internal checks and balances really means, let's take three recent examples of China's experiences in the foreign policy arena:

1. Between mid-2014 and mid-2015, China implemented a carefully pre-planned program of

constructing artificial islands in the South China Sea capable of supporting sea and air operations and their associated personnel. There was no prior warning, nor any indication in the preceding years that such planning had been undertaken. The program attracted strong protests and/or criticism from littoral and other states, including the US. In China, no one in the media, academe or the National People's Congress expressed surprise at the lack of notice, or was in any way curious or concerned that the government had a reassuring grasp of the benefits and risks associated with the policy settings it was pursuing.

2. During 2015, Beijing announced its intent to invest USD40 billion in Pakistan to build a new branch of the 'Silk Road'. In China, no one in the media, academe or the National People's Congress questioned whether this was a sensible use of public funds, given the severity of Pakistan's internal security problems.
3. In recent years, China developed particularly close relations with both Myanmar and Sri Lanka, including major long-term investments. In both countries, political changes led to a sharp cooling in relations with China, placing a major question mark over the long-term investments. In China, no one in the media, academe or the National People's Congress queried the Government on whether it had reviewed and drawn lessons from these experiences.]

Transparency

China has been on the roller-coaster of 'reform and opening up' for over 30 years. The pace of transformation has been frantic, with every economic indicator including pollution going through the roof and with China surpassing every record for speed and or endurance set by the US and Japan during their economic miracles. Furthermore, China's furious re-emergence as a major power coincided almost perfectly with the age of the Internet and cyberspace, a technological development with transformative effects globally on the economic, social, political, and (probably) military fronts that will probably exceed those of the industrial revolution. In all of this, however, China's political leadership has been unwavering in its commitment to contain public discussion within the tight boundaries deemed by the State to be safe.

The empowering effects of information are beyond dispute. The Government of China regulates the public's acquisition of information with meticulous care, and the formal dissemination of information by government is minimised. Western democracies rely heavily on transparency and its corollaries, exposure and accountability, to combat the abuse of power, including corruption, and to expose incompetence. The acknowledged aspiration is that everything should be open and public unless there are compelling reasons for confidentiality. This approach appears to be quite alien to China which starts from the position that information should be withheld unless there are compelling reasons to make it public. Thus we find that the inner workings of the peak bodies of the state, such as the Politburo and its cluster of policy development 'Leading Groups', are utterly opaque to the citizens of China. The senior leadership seems almost hermetically sealed off from the rest of the nation.

Issues are contested in China but the process is discreet and meticulously regulated to preclude any sense of the trajectory of government business being frustrated or push off track. Anyone in China seeking to tell the leadership publicly that it has got, or is getting, something very wrong must defy the deterrent of severe penalties. And they must also get around the dearth of means of publicising their case or establishing contact with the leadership of any kind. This is hardly a comforting reality.

Censorship in China is comprehensive and continuous. The State seeks to deploy capabilities so that any phenomenon – be it an individual, an event or an issue – that shows signs of catching on, of becoming a rallying point in either the real or the virtual world can both be detected quickly and

reliably quashed. The key agency is the Central Propaganda Department. Its responsibilities included daily guidance on what the media cannot cover plus advice on how to approach issues that can be covered; warning, suspending or jailing editors; monitoring and, as necessary, guiding academic writing (given that the Department is also a primary source of funds for the social sciences, it has considerable clout in this regard); monitoring social media for signs of unusual connectivity that could spell trouble; ensuring that no books or pamphlets with prohibited content are printed and circulated; block the public's access to information on topics and events that could challenge the authorised account of these issues - including the mammoth task of ensuring that this is also true of the Internet. More recently, the Department has been tasked to become the State's opinion polling agency.

The CCP's dread of transparency is reflected also in how it seeks to deal with events that would, if set out in any detail and widely circulated, reflect badly on the regime. The default response is containing the spread of knowledge about the event. But if the event is deemed to have sufficient potential to shape attitudes toward the CCP, the State routinely deploys capacities to ensure that blame is diverted and the Party's reputation remains untarnished. It would appear that a perpetual government must not only declare itself to be the best available but also develops zero tolerance of visible or acknowledged mistakes. The CCP already has an unblemished record of wisdom and accomplishment stretching back nearly 70 years. The most significant exception was a Party retrospective on the Mao years in 1981 which Deng Xiaoping summarised, perhaps to give himself some room for new policies, in the judgement that Mao had been right 70% of the time.

In a context of past and on-going infallibility, Orwellian outcomes become inescapable, as when the Foreign Ministry found itself rationalising the pre-emptive and frantic construction of artificial islands in the South China Sea in 2014-15, in part, as means for China to become an even better neighbour to the other littoral states (who also claim some or all of these features).

The Dimensions of the State

All of this suggests that the dimensions of the State in China are likely to be truly formidable, although hard data on personnel or funding is difficult to find. The CCP, uncertain about where a significant challenge to its authority might come from, aspires to know everything as soon as it happens and to be able to deploy countermeasures promptly if events are deemed to be threatening.

In the aftermath of Tiananmen Square in June 1989, many thought that traditional propaganda had been overtaken as a useful tool of political control making the Central Propaganda Department something of a fossil. Not so Deng Xiaoping. Not only did he tip the political scales decisively in favour of crushing the protest movement, he reaffirmed the critical importance of training public thought to remain within boundaries the State deemed acceptable, pointing out that it would take years to change the thinking of the leaders of the protest movement. Not only was the Department given a new lease of life, its status within the Party hierarchy was elevated.

In responding to the challenge of meeting the Party's expectations for 'Thought Work' in the age of the Internet, email and the mobile phone, the Department gradually assumed massive proportions. The scale of this aspiration in a nation of 1.3 billion people, and in the midst of an unfolding information revolution, has never, it seems, caused the State to despair or to relent in its determination to confine the thinking of the citizens of China within bounds the State is comfortable with. The preferred term is to 'harmonise' public views with those of the State.

Apart from 'thought work' being re-energised by Deng Xiaoping in 1989, we know that the successful hosting of the Olympic Games in 2008 was regarded as so vital that it led to a further large precautionary growth in the State's capacities for surveillance and control. One estimate

suggested that there may be one 'propaganda' official for every 100 citizens. This translates into an almost incomprehensible 13 million, but it is broadly supported by an acknowledgement by a very senior official that the budget for internal surveillance and control exceeds the share of GDP set aside for the armed forces (which conservative estimates put at around 2%). Further, it is believed that this formidable capacity was broadly sustained after the Games as the regimes of Hu Jintao (in its later years) and Xi Jinping (since 2012) judged that circumstances warranted tighter controls.

In Defence of Socialism (with Chinese characteristics)

China's communist leaders, including the present team, have been uncharacteristically candid in declaring that democratic government, internal checks and balances via the separation of powers and notions like 'universal' human rights have no place in China. Moreover, China's government makes clear this is in no way just an example of offence being deemed the best form of defence. Beijing contests the view that China must be assessed against criteria such as the inalienable rights of individuals and the robustness of its democratic practices, including the rule of law and an independent judiciary. These criteria simply echo a dominant (but not absolute) strand of development in the 'western' world that has enjoyed hegemonic weight in recent centuries. But what of a community like China, that has wrestled with these questions for millennia, enduring chaos and civil war for at least a quarter of the past 2500 years, and which has evolved its own, distinctive model for good governance, one that places collective or communal endeavours and outcomes ahead of everything else? By the standards that the CCP insists it should be judged – internal stability, additional hundreds of millions of Chinese with ample food, decent housing, good educational possibilities for their children – China is, once again, in a 'golden age'.

Occasionally, these contentions are prefaced by the Delphic pronouncement that China has always regarded itself as a civilisation and for that reason is somewhat removed from a debate on the norms, conventions and rules that pre-occupy the nation-states of the world. For the most part, however, China wants to see its distinctive model accepted and endorsed as a legitimate and credible alternative, with the CCP as essentially the contemporary custodian of this tradition. Beijing is happy to see China's package of state capitalism plus authoritarian government informed by Confucianism and socialism portrayed as the Beijing consensus, a package fully competitive with the better known Washington consensus comprising liberal democracy, a market economy, the rights of the individual and the rule of law.

Moreover, one obvious and logical approach is to accept that if China's citizens found the conditions to be unbearable one would see a great deal of protest and unrest and correspondingly visible police and para-military operations seeking to preserve control. The apparent absence of any such phenomena could be accepted as adequate proof that the government of China enjoys as much acceptance and legitimacy as its counterparts in, say, Australia or the Republic of Korea.

The CCP was a revolutionary (Socialist) party that had to defeat China's first post-imperial government in a prolonged civil war (1927-49) to seize power. It naturally granted itself the authority and assembled the capacities for internal control it believed it needed to ensure that its monopoly of political authority could not be challenged.

In the early days, it imposed its authority harshly and blatantly. Communist China was a member of the Socialist Bloc during the Cold War, engaged in massive (and disastrous) experiments in Socialist economic theology, engaged in increasingly bitter doctrinal disputes with Moscow (leading to an enduring rift in 1959-60), had little engagement with the non-Socialist world beyond trying to foment political rebellions and insurgencies in much of Southeast Asia, and remained poor and technologically weak.

Largely thanks to one man, all that has changed. Deng Xiaoping became the second, and last, so-called paramount leader in 1978, following the death of Mao Tseteng two years earlier. Deng's essential thesis was that Socialist prescriptions for economic development - the creation and distribution of wealth - clearly did not work and that China should give absolute priority to achieving sustained economic growth by adopting the capitalist market system to allocate resources and linking itself to the international economic system. This was de-regulation on a truly revolutionary scale. One can only marvel at Deng's political skills, not only to sell the initial idea to crusty and unimaginative party elders, but to see it through to the point of irreversibility.

Deng was in no sense indifferent or casual about what might happen to the CCP as China went down this path. The fact that he came out of semi-retirement to ensure that the nascent public rebellion in the late 1980's was extinguished in Tienanmen Square in June 1989 makes that clear. To the contrary, one can infer that his central thesis was that, whatever challenges might confront the CCP in a China that was becoming wealthier and interdependent with the outside world, those challenges would be less ominous than clinging to the status quo.

Today, the CCP is playing a far more sophisticated game and having to make finer judgments. Deng's thesis has delivered the economic goods in spectacular fashion, providing the CCP with a hard core of legitimacy to replace the faded romance of the revolution (entangled and enriched as it was with the defeat of Japan) and the dis-crediting of Socialism as a national ideology. Moreover, as China became more confident about its capacity to generate wealth, the leadership naturally began to think more expansively about where it could take China and further burnish its credentials as the 'ideal' government. These loftier aspirations to see China take its full rightful place among the world's great powers would be imperiled if the regime was constantly engaged in suppressing dissent in conspicuous ways.

The emphasis these days is therefore more than ever on deterrence and pre-emption, with broader general controls minimising the visibility of actions considered to be unavoidable. China has experienced sweeping change over the past three decades but there has been no formal diminution of the authority of the CCP to do whatever it deems necessary to quash unwelcome developments. Neither has the CCP abandoned any of the tools and capacities it employs to regulate its population.

Foreign and Security Policy

Beyond the ramifications of hostility toward the central tenets of liberal democracy, a further important consideration is that the characteristics of governance in China also constitutes a distinct explanatory factor in accounting for its external behaviour, that is, the foreign and security policy settings China elects to follow.^[5] The logic behind this possibility is a variation of the well-established propensity of governments that feel beleaguered domestically to look to the external environment for a focus to divert public interest and attention. That focus might be an external threat or some kind of policy triumph at the expense of an unpopular third party. Authoritarian states, lacking the legitimation that flows from internal checks and balances, including elections, are perhaps more strongly compelled to seek such alternatives to avoid staining their reputations through overt suppression of discontent. In China's case, as mentioned earlier, sustained economic development proved to be an invaluable safety net as earlier national rallying-points - victory in the civil war and building a Socialist China - withered with age. Governments, however, naturally prefer more rather than fewer policy tools.

After the shocks of the late 1980s - the scale and scope of the internal protests and the spectacular collapse globally of the 'Communist bloc' - China's government appears consciously to have elected, through the education system and the mass media, to sharpen nationalist sentiments amongst Chinese citizens in the expectation that it could in the future find ways of 'responding' to these

sentiments. Japan was the easiest target and a particular focus of this endeavour, but the 'century of humiliation' provided a broad and flexible array of injustices inflicted on China by a long list of mostly Western states and which the present leadership could aspire to demonstrate was being avenged or which would not now be contemplated because China was too strong and its leadership too vigilant and determined. In this regard, it suits Beijing's purposes to encourage its citizens to believe that other powers harbour secret aspirations to impede China's development. As this requires no proof, and contesting views can be suppressed, the sense, domestically, that China occupies the moral high ground is assured, but core relationships can be saddled with an adversarial bias.

The CCP's formidable capacities to minimise transparency are likely also to influence the trajectory of international disputes that involve China. The revival of nationalism and the widespread use of computers has exposed China's government to the pressures of public opinion. Beijing often alludes to public pressure to be stern with states that resist China's preferences, both to complicate the assessments foreign governments are making about how China might respond and to register the point that politics in China is every bit as complex as elsewhere. But concerned citizens in China are not well informed about international events.

The media in most countries is biased toward the home nation. But China takes this to extremes. We know that the public in China broadly agrees with the government's contention that China is simply taking back the things - tangible and intangible - stolen from it in the past and that this involves a willingness to confront and intimidate recalcitrant neighbours and their supporters. Just where these concerned Chinese citizens would stand if well-informed contending positions were available to them is anyone's guess. The CCP is resolved that they will not find out. In any dispute, confrontation or crisis involving China, the CCP's determination to protect its infallibility is likely to mean that it will be rigid and unimaginative in finding a peaceful outcome, placing maximum onus on the other party or parties to the dispute to craft a peaceful solution.

Naturally enough, the attitude to transparency by government in respect of its own citizens applies with equal if not greater force in respect of foreigners. The West has come to see transparency - a willingness to share sensitive hard information and even to discuss motives, intentions and assessments - as an acknowledgement of interdependence and as signalling a preparedness to allow foreign interests and concerns to qualify a nation's right to determine its own course in isolation. Transparency in the international arena is therefore regarded as a powerful and indispensable signal of a state's willingness to acknowledge and explore the scope for accommodation and partnership. Again, despite China's rhetorical attachment to 'win-win' outcomes in its dealings with foreign countries, there is little or no trace of willingness to compromise on its attitudes toward transparency.

It is hard to dismiss this phenomenon as a factor in China's conduct of its foreign and security policies, and probably a significant one. The CCP is not so foolish as to create a clear contradiction between its foreign policy rhetoric and what it claims domestically to have accomplished in its dealings with foreign states. But it can strive to create the impression amongst Chinese citizens that China is pressing outward, imposing setbacks on other states and making them more amenable to accommodation on China's terms. That is a prize that the CCP clearly appears to covet.

More generally, the governance arrangements in China - particularly the Party machinery overlaying the familiar network of ministries performing governmental functions - and the prodigious effort made to limit transparency, allows the Party machinery to function without distractions from the public, the media and the Parliament and without direct responsibility for the performance of governmental functions. This means that, as a practical matter, the Government of China is constantly mobilised for and engaged in assessing the CCP/Chinese interest in events and

developments as they unfold, thinking through alternative future possibilities, planning China's response and so on in a deliberate, long-term, strategic manner. Moreover, as the Party holds all the real power, it has the full range of the State's resources – political, diplomatic, economic and military – at its direct disposal.^[6]

We cannot fault China for seeking a competitive edge, especially one that is essentially a product of arrangements designed to preserve the CCP's hold on political power. But China's system of governance may well predispose China to look for opportunities to prevail over foreign governments, and to conduct any dispute with a dangerous sense of certainty that it is in every sense 'correct'.

On Balance - What?

Where is the tipping point in all of this? We pointed out earlier that even states with deep similarities can often get each other's mood, intentions and objectives quite wrong. When the obvious difference between states clearly outweigh the things they share, the scope for confusion and misunderstanding expands dramatically. States maintain diplomatic capacities to develop and sustain skills in 'decoding' the behaviour of others as well as to serve as a shock absorber that keeps the cost of even significant friction within acceptable boundaries. Broadly speaking, the international system regards coping with significant differences between states in the character of their internal governance arrangements as inescapable and essentially normal.

The question to be addressed at this point is whether China's singular internal governance arrangements can or should be regarded as essentially within the parameters of 'normal'?

China's present rulers – the Chinese Communist Party – have been in power since 1949, or nearly 70 years. The first 30 years of communist rule saw major political and ideological instability that came at an immense human cost, repeatedly crushed economic momentum and left China languishing as a poor and backward nation. The ensuing 40 years has seen spectacular economic success, in many ways eclipsing anything seen anywhere in the world in recent centuries. China's current leaders speak confidently of the great rejuvenation of the Chinese nation and make clear that, as has been the case in the past, China is once again positioned amongst the world's pre-eminent states and poised to play its part in shaping our collective destiny.

Despite this spectacular record, however, China's government exhibits a curiously profound sense of insecurity. It remains hyper-sensitive to indications of dissent and sets high standards for what it regards as reassuring compliance, a combination that, unsurprisingly, leaves the government perpetually in doubt about legitimacy and public confidence. This in turn feeds back in a vicious cycle to its attitudes toward dissent and compliance. Given the entrenched dread of transparency and spontaneity, we can only guess at the true dimensions of the state's endeavours to deter, pre-empt and punish dissent but one senses that it is formidably large.

The ultimate source of this dilemma, in my view, is the notion of permanence, that the CCP has and will forever retain a monopoly on political power in China. This is the characteristic that necessarily spawns illusions of optimal governance and condones distorting practices to ensure the appearance of government infallibility. It supports – with decisive help from Confucius – the conviction that, in China, leaders can be relied upon to be self-disciplining despite having to be all-powerful, rendering redundant the checks and balances that Western countries deem so important. It results in the government asserting emphatically that placing collective or communal outcomes ahead of everything else (especially the rights of the individual) is fundamental to the ethos of being Chinese and somehow also reinforces the irrelevance of democratic practices in the Chinese context. Furthermore, in the permanent absence of an indisputable claim to legitimacy, China's governments are prone to also look outside the country for policy achievements to help bridge the legitimacy

deficit. In doing so, they understandably take full advantage of the luxurious political space available to the CCP to outmanoeuvre other governments and necessarily also bring to bear their signature policy characteristics of assertiveness, secrecy and infallibility. Taken together, these impulses – together with the actions and reactions of other states – are proving to be a growing test for the various economic, political and military considerations encouraging regional stability and restraint.

To return to the question we are trying to address, I am of the view that, all things considered, China's distinctive ways of going about its business should be regarded as falling outside any normal framework. In light of its strategic weight, its distinctive internal arrangements and the behavioural propensities they give rise to, it would be extremely foolish of other states, Australia included, to regard decoding and assessing China's policies as a diplomatic challenge essentially comparable to that presented by other states. China demands special attention, a more determined national effort to diagnose and understand its behaviour and, as necessary, greater resolve to develop compelling countervailing positions and narratives.

To put the matter in another way, the Western model of governance accepts that power corrupts and insists on institutionalised checks and balances. China, in contrast, insists that the powerful can also be just, effective and selfless, in perpetuity. We can hardly insist that our particular solution to the challenge of stable, effective and just governance is the only one that human ingenuity is capable of devising. But this does not preclude the possibility that China's elite circles are knowingly being self-serving. Although China's recorded political history is uniquely long, it has never experimented with giving the masses a measure of direct responsibility for how the nation is run, let alone who runs it. On the one occasion in recent times that we saw an unmistakable public interest in exploring such a development it ended so badly that the CCP has erased the day from history.

Suffice it to say that the arguments and evidence assembled here suggest that, on balance, other governments are justified in adopting vigilant postures toward China and discounting its official rhetoric that criticism of China's internal governance constitutes unacceptable interference in its internal affairs and is even tantamount to questioning the legitimacy of the Chinese state. China's internal arrangements, in various direct and indirect ways, have important consequences for the vital interests of other states, interests that they have no choice but to protect to the best of their ability.

Conclusions

It should already be clear that these observations are leading towards what policy wonks would call an exquisite dilemma. China is already so strong, particularly in the economic arena, that, with the exception only of the United States, it is more important to every other state than these states are to China. At the same time, the contention here is that the philosophy and practice of governance in China results in propensities to pursue policies prejudicial to the core interests of many states. It matters little that such propensities could be characterised as substantially inadvertent or unconscious: that only compounds the difficulty of dealing with them.

The distinguishing features of the CCP include the instinct to know everything, to confirm that it is compliant with the Party's interests and to stop it if it isn't, plus a zero tolerance of failure. This produces a powerful tension between the CCP's genuine instincts to be responsive to the public's wants and aspirations and its determination to retain a failsafe hedge against the threat of widespread resistance to its rule. The CCP values and seeks public trust and confidence but is also fully prepared (in terms of capability and will) to deter and suppress whatever degree of public resistance it might encounter. This makes it hardly surprising that the government of China has an outlook that is fundamentally adversarial, whether it looks upon its own citizen's or the other members of the international community.

On the international front, these deep concerns about legitimacy incline the government of China to value the domestic rewards of being seen to prevail over other states. This could become a very serious concern. The Asia Pacific region is seeking to manage perhaps the largest shift in strategic weight and influence the world has seen, certainly for several hundred years. And there has been no major conflict with clear winners and losers to signal unambiguously who is in charge. The US, as the existing hegemon, experienced what most observers agreed was a catastrophic depletion of its stock of hard and soft power during the administration of George W. Bush, including the global financial crisis that marked the end of this administration. But this was not enough to, so to speak, clear the decks. China's sustained and all-but-declared campaign since around 2009 to dislodge the US and gain acceptance as its successor has resulted in widespread hesitation and bandwagoning with Washington to strengthen its inclination to remain the pivotal security actor in the region.

No state in the Asia Pacific will casually risk antagonising China. Neither can states readily turn a blind eye to behavioural propensities in China that put their core interests at risk. Furthermore, many states will wish to avoid becoming somehow complicit in protecting the political monopoly of the CCP. And finally, China will make it as difficult as possible for any state to sustain a posture of qualified engagement.

Manoeuvring between these various imperatives and constraints has proved a difficult political challenge for many states, including Australia. Australia is typical in the sense that its economic fortunes have become heavily reliant on strong Chinese demand, especially for its mineral and energy resources. On the other hand, while Australia is geographically 'of Asia' and is in every way intensifying its enmeshment with its Asian neighbours, it remains culturally European and regards its longstanding alliance with the United States as fundamental to its security posture. The issues addressed above suggest that guidelines for the development and implementation of Australian policy toward China might go along the following lines:

Australia should be prepared to signal openly that its interest in the comprehensive deepening of relations with China is qualified by concerns that aspects of China's internal governance arrangements preclude a level playing field in its dealings with other states;

Australia must commit the resources needed to carefully identify and clearly articulate the concerns that we have, especially where these concerns extend beyond the important but familiar human rights agenda;

Australia must commit the resources needed to ensure that our politicians and officials can always support any concerns we raise with current factual evidence;

Australia must ensure that this policy setting is seen as a whole of government position, not a policy objective assigned to DFAT and diplomacy alone;

Australia should be correspondingly cautious about endorsing preferences to characterise the quality of current or prospective relations with China in extravagant and/or unqualified language

Beyond the bilateral arena, a major and widely shared concern is the steady drift of the US-China relationship toward animosity and contestation in recent years. This has defied both a strongly interdependent economic relationship and acute political sensitivity to the lessons of history, namely that circumstances like those now prevailing more often than not result in major war. This is the pre-eminent and most urgent policy challenge in the Asia Pacific, and one that is inextricably bound up with the issues addressed in this paper. It is imperative that all states aspire to address it with as much urgency, determination and creativity as they can muster.

III. References and Notes

[1] These observations grew out of a Masters course on China that I developed and taught through 2012 at the Strategic & Defence Studies Centre, ANU. For an outline of the main themes of that course and primary source material see Ron Huiskens, *Introducing China: The world's oldest great power charts its next comeback*, ANU E Press, 2010. Two more recent books that I found particularly useful are Evan Osnos, *Age of Ambition: Chasing Fortune, Truth and Faith in New China*, Farrer, Straus and Giroux, New York, 2014 and Michael Schuman, *Confucius and the World He Created*, Basic Books, 2015. Although fully responsible for the content (and the omissions) of this essay, the author would like to acknowledge several colleagues who shared their thoughts on earlier drafts: Richard Brabbin-Smith, Paul Dibb, Richard Rigby and Leszek Bruszyński

[2] Michael Sheridan, "Beijing to throw blanket of surveillance over 1.3 billion subjects", *The Australian*, 20 April 2015; Scott Murdoch, TV-confession from senior China journo, *The Australian*, 9 May 2015

[3] The speed with which China's current President, Xi Jinping, also became Chairman of the CMC has fuelled speculation that he has become China's most authoritative leader since Mao. See Evan Osnos, Born Red, *The New Yorker*, April 2015.

[4] There is an important body of opinion to the effect that people are exaggerating how far China's development has actually progressed and the formidable difficulties it will have to overcome to have any chance of genuinely catching up. Many of the participants in this discussion also contend that even if China is not frighteningly powerful, its weaknesses, especially domestic fragilities and a sense of insecurity, are a major concern. A reputable American sinologist, David Shambaugh, recently and surprisingly joined this group, writing that the endgame of communist rule in China had begun (See David Shambaugh, "The Coming Chinese Crackup", *Wall Street Journal*, 7 March 2015. To begin to get into this wider debate see, Andrew J. Nathan & Robert S. Ross, *The Great Wall and the Empty Fortress*, W.W. Norton & Company, London & New York 1997; Susan L. Shirk, *China: Fragile Superpower*, Oxford University Press, 2007; John Lee, *Will China Fail?*, Centre for Independent Studies, 2007.

[5] This is hardly an original proposition. Scholars who have explored this question include Ross Terrill, *The New Chinese Empire*, Basic Books, 2004 (especially pp.55-116), and Aaron L. Friedberg, *A Contest for Supremacy: China, America and the struggle for mastery in Asia*, W.W. Norton & Company Ltd, New York, 2011, especially pp.156-181.

[6] Some scholars maintain that a further, related consideration in understanding China's external behaviour is that its bureaucracy - in terms, inter alia, of competencies, ranking, and coordination skills - has not kept up with China's rising status in world affairs or with changes in the nature and priority order of its disputes with other states. A particular theme is the low status and authority of the Ministry of Foreign Affairs. See International Crisis Group, "Stirring Up the South China Sea (1)", Asia Report No. 223, 23 April 2012, especially pp.17-28.

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Nautilus Institute

608 San Miguel Ave., Berkeley, CA 94707-1535 | Phone: (510) 423-0372 | Email:

nautilus@nautilus.org