

China's Internal Fragility and International Risks

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I am a China scholar who has been visiting China since 1971. I had a very unusual opportunity to serve in government during the Clinton Administration and help shape history instead of just studying it as I had been doing as an academic. I went to Washington in 1997 very worried about the very real possibility of war between China and the United States. Just the previous year, in 1996, China and America had clashed in an eye ball-to-eye ball confrontation over the island of Taiwan that Beijing claims is part of China, but which has ruled itself independently since 1949. So, in 1996 the Chinese launched massive military exercises, including missile tests outside of Taiwan's ports, to show their anger that the United States had permitted Taiwan president Li Ding-Hui, to visit the United States and make a speech at his alma mater, Cornell, which in Chinese eyes signified that we recognized Taiwan as a sovereign country. We sent two aircraft carrier battle groups to the region to demonstrate our resolve against the Chinese exercises and Beijing backed down. But what would happen the next time? Crises escalation has a life of its own. War can result even if no one wants it to happen.

As I worked in government to try to improve U.S.-China relations and prevent military conflict between China and the United States, I was struck by how preoccupied China's leaders seem to be with their own domestic politics and how insecure they seemed. Now, of course, this was the Clinton administration so I was getting a heavy dose of American domestic politics related to China as well. You will remember the accusation that the White House had taken campaign contributions from China and had given away our nuclear and satellite secrets to China. But in China there's so much more at stake for its politicians than for ours. Chinese politicians have to worry not just about losing the next election but the survival of communist party rule and, of course, if the party falls then all of these leaders and their families would lose everything.

When I tell my American friends that I'm writing a book on Chinese domestic politics and foreign policy called *China: Fragile Superpower* they generally say to me, "What do you mean fragile?" But when I tell my Chinese friends I'm writing a book called *China: Fragile Superpower* every single one of them has come back and said to me, "What do you mean superpower?" Not one of them has questioned the idea that China is fragile. This fragility came through most clearly to me in a very dramatic experience I had when I was in government. One evening in May 1999, I received a phone call on my way home from the State Department. It was the Operation Center telling me that a U.S. plane had bombed the Chinese embassy in Belgrade. It was flying as part of a NATO mission in Yugoslavia. Well, of course, I assumed that this was collateral damage, a stray fragment that had struck the embassy, but then I found out that in fact we had actually targeted that building, mistakenly believing that it was a Yugoslav

military facility. We had struck it with three bombs, killed three journalists and injured twenty others. Well, my first instinct was to have us apologize profusely from the president on down because I knew that if we didn't show how very sorry we were that the accident would haunt the relationship between the United States and China forever. The Chinese would never let us forget that we hadn't apologized adequately just as they have never let the Japanese forget that they have not apologized adequately for their brutality during their occupation of China during World War II. So, we had President Clinton try to call right away but President Jiang wouldn't take the call. Secretary of State Albright went to the Chinese embassy that night to apologize and we had President Clinton apologize on television. The President signed the condolence book from the Chinese embassy. We tried to send an envoy to China right away but the Chinese said, "don't come now." We tried to send our ambassador to the airport to be there when the plane with the victims' remains returned from Belgrade. The Chinese said, "no, don't come." Finally, Jiang Zemin took President Clinton's call and he apologized again. We paid compensation for the losses of the victims and the building. But all our efforts were in vain. Soon protestors were swarming into the streets of Beijing and attacking the U.S. embassy as well as in other cities where we have consulates. What happened is that the Communist party told everybody through the official media that the Americans had bombed the Chinese embassy in Belgrade and that it was a brazen and intentional act. They also provided buses so that the demonstrators and students could go from their universities to the embassy and to the consulates. The police allowed the students to throw bricks, stones and Molotov cocktails at our missions, but they did not allow them to enter.

So, what was this all about? What was going on here? In my book I try to allow the reader to put yourself in the shoes of Jiang Zemin and the current leader, Hu Jintao, because you can never get Madeleine Albright always told me this, "You can never get anywhere diplomatically unless you can put yourself in the shoes of the person sitting across the table from you." So, what was going on here in May 1999? Well, first of all the timing was very unfortunate. The bombing incident occurred in May 1999. Less than a month before Jiang Zemin had woken up one morning in April to find 10,000 members of the spiritual sect called the Falun Gong, sitting peacefully, surrounding Zhongnanhai, the compound where China's leaders work and live, to demand that they be recognized as a legitimate group. So, without warning this organization had been able to organize this sit-in using e-mail and cell phones, organized this protest right outside Jiang Zemin's door steps. Needless to say, he was extremely alarmed and I have been told by several insiders that the night of the Belgrade bombing Jiang Zemin stayed up late writing a memo, not about how to handle the Belgrade bombing, but how to crush the Falun Gong and I speculate that in his mind these two threats blur together in a paranoid fashion.

It's also important to point out that less than a month after the Belgrade bombing would be a very important date--June 4, 1999. I'm sure many of you in this room realize the significance of June 4, 1999, it would be the tenth anniversary of the crackdown of pro-democracy student demonstrators in Beijing's Tiananmen Square. In fact, these democracy protests in 1989 had occurred in 132 cities throughout China and almost toppled the regime before the military violently suppressed the demonstrations. So, Jiang Zemin and his colleagues were very worried that on the 10th anniversary there would be more demonstrations. This is a tradition in China, that anniversaries spark collective action of this sort, and when the Belgrade embassy bombing occurred they thought well, the students are planning to demonstrate on June 4, they just might move up those protests by a few weeks and they're going to accuse us of being so weak and feckless that we would allow this humiliating event of having the Americans bomb our embassy. They would accuse us of being weak and ineffective leaders. So, to make sure that the students didn't march to Tiananmen or to the leadership compound, they provided the buses to deflect the

protest away from themselves and onto the American embassy and our consulates. What did this mean? This meant that the Chinese leaders were willing to risk a confrontation with a much more powerful United States, to protect themselves from domestic attack. So, based on this dramatic experience and a lot of other experiences that were in the same mode, I started to see a pattern of insecure leadership in China. To us on the outside, China's leaders look like giants because this country has been so successful economically, politically, militarily, technologically, but I believe that in their own minds they feel like scared children, struggling to stay on top of a society that has been roiled by economic change that's been introduced since the end of 1978 and all of this insecurity drives their policy choices, international as well as domestic.

What I would like to focus on today is why are China's leaders so insecure if the country is so successful why are they so worried? Well, we have to go back again to Tiananmen 1989. In that year and in these protests throughout China the regime was really shaken to its roots, not just by the fact that you had student pro-democracy protests in all of these many cities in China but also because the leadership split over how to deal with the protests. If the military had refused to step in and quash the demonstrations then the Chinese regime might have followed the Soviet Union into the dustbin of history. So, this Tiananmen close call is very much in the minds of today's leaders. Let's also remember that just about the same time, Communist governments in the Soviet Union and Eastern Europe started to fall—the Berlin Wall fell in the same year as Tiananmen. That also leads the Chinese leaders to believe that their own days in power are likely to be numbered, and to want to prolong their life span, their political life span, as much as they can.

China's leaders of today also know that they lack the stature, prestige and personal following of Mao Zedong and Deng Xiaoping the great founders of the People's Republic, the members of long march generation who preceded them. People like Jiang Zemin and today's leader Hu Jintao are basically colorless technocrats and organization men without much charisma. They also recognize that two and a half decades of market reform and opening China to the world have turned Chinese society upside down and created latent political challenges to Communist rule. We all know the basic facts about China's dramatic economic growth that this economy has been growing at about 10 percent a year for 25 years. It is well on its way to becoming the largest economy in the world—once again. China's economy was the largest economy in the world for two thousand years, this is what economic historians tell us until the end of the 19th century when the United States overtook it. People's incomes also have increased dramatically at about eight percent per year and this is actually the statistic that is unprecedented in world history—no country has had personal income increase at that rate for as long as China has. Of course, it remains a very poor country. China's per capita income is still only \$1500 a year compared with the American per capita income of about \$40,000 a year.

All of this growth and all of this transformation of the Chinese economy means that the Party can no longer keep track of the population much less control it. Over 100 million farmer have left the countryside for the city in a migration of historic proportion. Three-quarters of the work force now work outside the state sector where there is very little political supervision. Thirty million people traveled abroad in 2005.

People also have access to so much more information than they used to have and I think this is very important. I have a whole chapter in my book on the changes in the media and the Internet and how that is changing China. So, 132 million people, including more than 90 percent of the college-educated population, access information through the Internet. There are all these tabloid commercial newspapers now in China that, although censored, are pushing the limits of that censorship all the time in order to compete for audiences and, therefore, the Party can no longer

keep people from knowing what is going on outside of China or in other parts of the country for that matter.

The leadership is particularly worried about the widening gap between rich and poor, income and equality. In America we worry a lot because our wealth gap is larger than it's been in more than 100 years but China's is worst. China's Gini Coefficient which is the internationally recognized measure of inequality with zero being perfect equality is between .46 and .49, America's is .41. The reason China's leaders think that this inequality is potentially politically explosive is because people widely believe that those wealthy folks got their money, not through diligence and ingenuity and hard work, but through official corruption.

This administration of leaders are trying to stave off massive unrest by showing that they really care about the have-nots in China, the people who haven't benefited as much from the market reforms and opening. This is a great irony, I think, that the Communist regime really has to start showing that it cares about the poor, they have developed a kind of compassionate communism, if you will. They are pursuing a "harmonious society." I spent last summer in China and watched the 7 o'clock news every night. At least once a week Premier Wen Jiabao was on television out in a poor village with his arm around a poor farmer who had suffered from some natural disaster, or man made disaster, and he was showing his great sympathy. He tears up very effectively, just like a Chinese Bill Clinton, and he is totally credible. But despite this compassionate communism, protests by unemployed workers and hard pressed farmers occur every day. One of the issues that has started to provoke a lot of protests is China's severe environmental problems that I'm sure you're aware of. In the countryside, for example, there have been large demonstrations over the poisoning of the rivers by chemical factories and corrupt local officials who received bribes to approve the placing of those factories right next to the rivers.

So, the Chinese leaders make no secret of their anxieties about the political survival of communist rule. It's in a lot of their party documents and speeches and the term "social stability," is a euphemism that the Chinese communist leaders use to try to convince people that if you didn't have the communist party that the country would fall into civil war and chaos. This term, "social stability," is used with increasing frequency in the official media.

Protests are not the only thing they worry about. If the Party elite stays unified then they can suppress the protests and the regime will survive, but they remember that during Tiananmen the elite did not stay unified. So, they try to hide any evidence of a split in the leadership from the public because if people see that the leaders are divided they may feel that there is an opening for mass action from below. It's becoming harder and harder to hide the normal competition that goes on among leaders from the public, and interestingly China is in the middle of a presidential campaign, too. There will be an important Party congress this fall. Hu Jintao will be chosen to have another term as Party leader and as leader of the country, but they really should select Hu Jintao's successor so that he can be readied over the next five years just as Hu Jintao was readied to succeed Jiang Zemin. So, it's going to be very interesting to see if they're going to be able to get a consensus on one successor to Hu Jintao. I think there's a good chance that they won't be able to do that and that they'll instead promote two or three, which will mean they will be competing for the next five years, which will make things very interesting.

Finally, the military. I think I mentioned that the lessons of Tiananmen that the leaders took away from that traumatic experience are to first of all prevent massive unrest throughout China, prevent the leadership from splitting, and third keep the military loyal, because if the first two don't work out then at least you have the backstop of the military. Well, we see that Hu Jintao

has been spending a tremendous amount of time cultivating the support of the military for the Party but also for himself, personally. That, of course, also helps us understand why China's military has been getting double digit increases in its budget ever since Tiananmen. It's not only, or even primarily, in my view because of international threats or international ambitions, it's as much because of the need to keep the military satisfied, keep them in the barracks and make sure that they stand by the Party if the crunch comes.

Another big worry of China's leaders is intensifying nationalism. The lessons of Chinese history are very relevant here and are definitely in the minds of China's leaders. The previous two dynasties, the Ching Dynasty which fell in 1911, and the Republic of China which was defeated by the Communists in 1949, both fell to national movements in which the different rural and urban groups were fused together by the powerful force of nationalism. In other words, they attacked the government, they tried to bring the government down, not just because of what they had done at home, but also because they were too weak in the face of foreign pressure, foreign aggression. So, the Communist leaders worried that that kind of movement could also turn on them, and we saw that fear very much reflected in May 1999. In the 90s they stirred up this nationalist sentiment a substitute for the belief in Communism. Jiang Zemin did a lot of this, but now it's chickens coming home to roost. We saw, for example, in April 2005 when there were anti-Japanese protests by Chinese students in 25 cities in China because nationalism is focused primarily on Japan. The young people are more anti-Japanese than their parents or grandparents who actually might have had some experience of Japan's occupation of China during World War II.

So, the fears of China's leaders about their survival motivate everything they do. That's my basic argument; it motivates their foreign policy as well as their domestic policy. China's leaders do want the country to rise peacefully. I am confident that they want China to become an important leading country in the world without provoking a war with the United States or with any other country. Their intentions certainly are peaceful and they have been working very hard, and in a very sophisticated manner, to persuade people that they are a responsible power with peaceful intentions and I believe that's the case. But, what I question is whether or not they can actually sustain it domestically in the face of all these protests, in the face of intensified nationalism, in the face of the fact that people in China have so much more information about what politicians in Japan or Taiwan are saying, that they may be unhappy about. We need to be aware of China's fragility when we make our own policies toward China. Everything Americans say and do resonates through China's domestic politics. By keeping in mind how our words and actions resonate inside China, we can help China's leaders act like the responsible power they claim they are instead of being driven into aggressive actions because of their domestic predicament.

My book concludes with a number of suggestions to American policy makers and I'm also quite free with my advice to Chinese policy makers about how we can manage this fragility in a way that doesn't lead to conflict between the two countries.

Thank you very much.

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