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China's Transparency Deficit Complicates Beijing's Regional Outreach

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Just four years ago, China was praised across East Asia for its sophisticated and multifaceted outreach efforts throughout the region. Beijing was winning friends for its cooperative multilateral initiatives, development assistance and efforts to showcase Chinese culture. However, by 2009 regional countries were generally much more cautious, and many were unsettled by what looked like increasingly abrasive behavior by Beijing, particularly over territorial disputes. Why did Beijing's charm offensive play such a limited role in allaying regional apprehensions? Much has to do with the deficit of transparency in China's political system, which adds uncertainty and complicates efforts by other states to establish clear and dependable expectations regarding the future of their relationships with the People's Republic of China. Unless the Chinese system becomes more open, substantial challenges will remain for Beijing's efforts to build stable, long-term relationships in East Asia.

Ja Ian Chong, Asia Studies Visiting Fellow at the East-West Center in Washington, explains that “A China with a more transparent political system can help provide the foundations for more stable and sustainable regional cooperation in the Asia-Pacific going forward.”

Translucence May Not Be Enough China's semi-opaqueness is familiar to many both within the PRC and for others who have to work with official and semi-official state institutions. From national-level economic, foreign and security policy down to local municipal and county-level bureaucracy, it can be difficult to understand how Chinese officialdom makes decisions and who calls the shots. Changes can be sudden and unexpected, just as it can seem unclear why apparently outmoded rules and procedures remain in place past their use-by dates. Beijing's more assertive stance regarding foreign policy and longstanding—largely dormant—disputes over the South and East China Seas caught many regional governments off-guard. This element of surprise and not knowing who to turn to in the Chinese political system at these moments is worrisome for neighboring capitals, particularly given China's size and stature.

Domestic actors themselves in China also seem to have limited clarity about policy processes and political developments, and which in turn makes understanding China all the more difficult for those on the outside. On the cusp of the PRC's once-a-decade leadership transition, Chinese officials and bureaucrats can only speculate about the size of the incoming Politburo Standing Committee and who it will include. The real reason behind the two-week disappearance of incoming President Xi Jinping earlier this fall remains a subject of domestic controversy. Many Chinese academics and officials openly praised former Chongqing Party boss Bo Xilai, right until his fall from grace last February. China's foreign ministry seemed surprised by the PLA's vehement opposition to joint US-ROK naval exercises in the Yellow Sea in 2010. Furthermore, there remains no clear answer about what has driven China, since 2008, to become more assertive regarding maritime territorial claims. If those on the inside seem unsure about what is going on in China, it does nothing to help those on the outside.



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encourages Beijing's external partners to second guess its intentions. When problems occur, regional governments find it challenging to ascertain the actual nature of the problem, much less find ways to participate in discussions with their Chinese counterparts to find a solution. Recent and ramped-up overtones regarding maritime disputes could range from poor coordination problems, bureaucratic competition, rising nationalism, the development of a bargaining position, or some effort to establish Chinese regional leadership. Regional governments have to work harder to devise responses to move relations back to a more even keel, given how confusing developments in China can appear. Insufficient information about Chinese policy processes and ways to understand new developments unfortunately create pressures for weaker states to constantly worry about Chinese intentions.

Consequently, China's semi-opaque system undermines Beijing's best diplomatic efforts in Asia. Regional governments appreciated Chinese attempts to bolster economic cooperation, sometimes at China's own expense. Examples include Beijing's inclusion of preferential "early harvest" clauses in free trade agreements and its position as the largest co-contributor to the financial Chiang Mai Initiative, alongside Japan. PRC support for the establishment of multilateral regional institutions for cooperation including the ASEAN+3 framework and China-Japan-Korea trilateral were similarly welcome. Regional states viewed Chinese assistance to less developed Southeast Asian countries as well as its public diplomacy and educational outreach efforts positively. Yet, an inability to grasp the reason behind China's shift toward a more contentious position between 2008 and 2009 vis-a-vis its neighbors and others quickly eroded the goodwill and trust that Beijing had worked so hard to gain.

Impediments to Change Observers, analysts, and policymakers inside China clearly understand the difficulties inherent in their system of governance, hence wide-ranging internal calls for reform. Outgoing premier Wen Jiabao is arguably the highest ranking and most visible advocate for overhauling the Chinese political system. Thoughtful scholars and officials in China, including Communist Party members, make much the same point in speeches and articles that periodically appear in state-controlled media outlets. Such calls have existed since the 1990s, perhaps being clearest in the domestic debates on economic reform leading up to Beijing's accession to the World Trade Organization. In addition, the periodic publication of defense white papers and socioeconomic statistics, along with regularized press conferences do suggest some effort to raise transparency as part of governance reform. However, more can be done.

Movement towards greater transparency in China remains slow. Reasons range from a general sense of conservatism and caution, to resistance by actors within the Chinese system that may gain from manipulating entrenched uncertainties and information asymmetries. There are major concerns that reforms may bring about unforeseen problems, such as large-scale protests, which may be worrisome for a Chinese leadership that feels a need to focus on regime stability. Such issues are present in virtually every governance system, but the complexity of the Chinese political system also ensures that meaningful change may take considerable time to implement.

Encouraging Openness A shift toward greater political transparency carries risks and costs, but the status quo also involves significant challenges for China, especially when it comes to foreign policy. Inadequate openness is likely to continue to hinder Chinese efforts in the region and beyond, and diplomatic outreach may only pay limited dividends. Any determination to allow greater transparency of Chinese foreign and domestic policy-making clearly has to come from within. However, China's regional partners and others may be doing themselves, and Beijing, a favor by persistently encouraging China to take greater and more consistent strides in this direction. A China with a more transparent political system can help provide the foundations for more stable and sustainable regional cooperation in the Asia-Pacific going forward.

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