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A Big Stick, an Equally Big Carrot

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POLI-220- Chinese Foreign Policy

What will be the systemic consequences of China's rise?

There is much speculation within the international community regarding China's newfound assertiveness and the potential threat it could pose to the current balance of powers. Since scholars suspect China will reach its demographic potential within in the next twenty years, policy experts are tasked with the urgent question of the systemic consequences of China's rise. Few dispute that China is in fact rising—a rise that many officials and state leaders believe to be inevitable. Indeed, this paper will not debate claims on whether China is or isn't rising—there are too many political, economic, and social measures that clearly favor the rising China argument to regress into that discussion. However, the consequences of China's rise remain uncertain and at the forefront of international debate. While many countries and experts fall into the slippery slope of “crystal ball” guessing games regarding China's assertiveness, it is nonetheless important to analyze the systemic consequences of China's rise as a means of offering more focused and detailed policy recommendations for the future. In order to understand the implications of China's rise and the potential impact these might have on the political landscape, it is necessary to answer three questions: what does china's rise look like? What is China's trajectory and does this constitute a threat? And finally, what policies best respond to these realities?

In this paper I will argue that China's rise in power is guided by a policy I call “building a bigger stick and a bigger carrot.” This twofold policy seeks to increase

both hard and soft power, which combined creates a system of incentives while also deterring actors through military might. By understanding Chinese current foreign policy strategy as it relates to Beijing's global rise, we can better evaluate whether China will use its position to pursue a policy of global domination or, alternatively, assume its position as a "good institutional citizen" within the liberal international system. Policy recommendations will be aimed at guiding China to assume the latter position and I argue that strengthening Western-central international institutions can accomplish this best.

Much of the concern regarding Chinese assertiveness stems from China's growing ability to project power. The past couple decades have witnessed a steady increase in Chinese hard and soft power—perhaps both intentionally and unintentionally. The result is what I would call a "building a bigger stick and a bigger carrot" foreign policy. To this point, China is not only building up its tangible military and economic power but also strengthening its soft power appeal by growing its capacity to influence others. The "building a bigger stick and a bigger carrot" approach positions China at the center of strategic alliances held together by a program of incentives and deterrence. By examining the ways in which China pursues a "building a bigger stick and bigger carrot" plan, policy makers can better tailor a foreign policy strategy that incorporates and responds to Chinese hard and soft power realities.

In the last two decades China embarked on a conspicuous program of military modernization. Military modernization should not come as a surprise or as a threat necessarily—"China is still decades away from challenging U.S. military's

preeminence...[and has] significant shortcomings in command and control, air defense, logistics, and communications”¹. China recognizes that its current military lacks the sufficient strength and sophistication to fight a major war outside of China’s coasts and, thus, has dedicated itself to building a military capable of defending its core interests.

China’s growth in military currently appears benign as long as it remains within the framework of defending core interests; however, there is much concern and anxiety among policy officials and analysts who worry that a military buildup might pose a more bellicose threat in the future. These are not unreasonable concerns for a few reasons. First, the most conspicuous indication of Chinese military modernization is its 2008 defense budget of \$61 billion. The U.S. Defense Department believes Chinese military spending to be even higher than this estimate since in 2007 the Chinese reported a budget \$52 billion, whereas the Defense Department estimated a spending range between \$97 and \$139 billion². Beijing’s increased spending funded “a large, increasingly capable submarine fleet, and air force stocked with Russian warplanes, and technical strides which have improved China’s ballistic missile arsenal”³. China recently announced its commitment to

¹ Jayshree Bajoria, “China’s Military Power,” *Council on Foreign Relations*, 4 February 2009, <http://www.cfr.org/china/chinas-military-power/p18459> 1.

² Jayshree Bajoria, “Countering China’s Military Modernization,” *Council on Foreign Relations*, 4 February 2009, <http://www.cfr.org/china/countering-chinas-military-modernization/p9052> 1.

³ Ibid.

deploy an aircraft carrier force in a move to build its “blue water” navy capacities⁴. China is currently the only veto power on the Security Council without an aircraft carrier, and thus this measure to modernize the navy may simply be “a symbol of China’s great-power status”⁵. However, many U.S. officials remain suspicious of China’s intentions and believe China’s motivation to modernize its navy is more complicated than a power-play with fellow Security Council countries.

As China increases its military might, it is important to consider Beijing’s predisposition for defense and no-first-attack policy. While “building a big stick” may be important for deterrence, it is equally important for China to “build a big carrot” in order to create incentives that persuade states to act in ways favorable to China. References to American soft power often speak to forms of cultural capital—perhaps the ubiquity of McDonalds or the proliferation and appeal of Hollywood. This is a somewhat narrow definition of soft power— one that doesn’t resemble China’s type of growing soft power. As a definition, soft power “refers to a nation winning influence abroad by persuasion and appeal rather than by threats or

⁴ James Holmes, “Blue Water Dreams,” *Foreign Policy*, 27 June 2011, http://www.foreignpolicy.com/articles/2011/06/27/blue_water_dreams 1.

⁵ Abraham M. Denmark, Andrew S. Erickson, Gabriel Collins, “Should We Be Afraid of China’s New Aircraft Carrier?”, *Foreign Policy*, 27 June 2011. http://www.foreignpolicy.com/articles/2011/06/27/should_we_be_afraid_of_chinas_new_aircraft_carrier 2.

military force”⁶. This can include “a country’s culture, political values, foreign policies, and economic attraction”⁷.

China’s most powerful and growing form of soft power is its relationships with African, Latin American, and Middle Eastern countries. These relationships build on political and economic cooperation and entanglement that emphasize “mutual interests” through development, resource sharing, and technical support. Unlike the Western or American model, China’s soft power appeal stems from its “no string attached” approach that doesn’t believe that political or military reform are necessary compliments to development. Beijing’s acceptance of many paths to development poses a stark contrast to American engagement and diplomacy. The conspicuous influx of Chinese doctors, Chinese construction managers, and Chinese teachers in foreign countries manifests the broad influence and reach of Chinese soft power. Whether consciously or subconsciously, these forms of engagement engender a greater fascination with Chinese culture and further promulgate Chinese influence abroad.

China’s increase in hard and soft power is undeniable and China’s rise can be defined best as a program aimed at “building a bigger stick and a bigger carrot.” Before examining the systemic consequences of this rise, it is important to first evaluate whether this hyper-stick and carrot approach could prove powerful

⁶ Ester Pan, “China’s Soft Power Initiative,” *Council on Foreign Relations*, 18 May 2006. <http://www.cfr.org/china/chinas-soft-power-initiative/p10715> 1.

⁷ Drew Thompson, “China’s Soft Power in Africa: From the ‘Beijing Consensus’ to Health Diplomacy,” *The Jamestown Foundation*, 13 October, 2005, http://csis.org/files/media/csis/pubs/051013_china_soft_pwr.pdf 2.

enough to pose a systemic threat. This analysis is necessary since there are limits to both China's hard and soft power that could restrict China from posing an existential challenge. In the case of soft power, many policy officials question how far Chinese "soft" influence can extend if Beijing remains an undemocratic power. First, China's domestic disorder best exposes its undemocratic policies, and allied-countries "see that China suffers from endemic corruption, internal dissent and repressive governance"⁸. Second, Beijing's policy of "see no evil," which allows China to turn a blind eye to partner countries' troubles of political unrest and tyranny, greatly tarnishes Beijing's soft power. And finally, security-related measurements continue to define much of China's contemporary influence, which emphasizes the ceilings to China's soft power unless it adopts democratic principles⁹. In regards to hard power, Chinese capabilities remain equally limited. Currently China's military modernization proves more symbolic than threatening—Beijing's simplistic capacities lack a real ability to defend. That China acquires one aircraft carrier means little to the United States since it poses no current threat to the United States' sophisticated blue water navy. Because of China's unsustainable practices and tangible limits to its soft and hard power, China's rise may not have systemic consequences. However, this paper will proceed by evaluating the possibility of China's rise having systemic ramifications.

The consequences of Beijing's "building a bigger stick and a bigger carrot" policy will be dependent on the weight given to this two-pronged policy. Beijing

⁸ Ester Pan, "China's Soft Power Initiative," *Council on Foreign Relations*, 18 May 2006. <http://www.cfr.org/china/chinas-soft-power-initiative/p10715> 3.

⁹ Ibid 4.

now has the choice of pursuing a “big stick” policy, a “big carrot” strategy, or some combination of both. Regardless of which direction China heads, what remains true for all scenarios is the dramatic impact each will have on the global community and international order. I offer my speculations regarding the consequences of the most extreme directions of China’s rise and then suggest the best policies for the United States to pursue in order to prevent such materializations.

If China decides to pursue a “big stick” policy in the future, it’s motivation would likely stem from the desire to deny U.S. access to Southeast Asian waters, shape geostrategic realities in the region to align with Chinese interests, and compel neighbors to accept Chinese regional hegemony. This type of grand strategy doesn’t necessarily indicate that China will use its “big stick,” but it does suggest a more assertive China willing to showcase its military might through coercive deterrence. The results would be twofold. First, through coercive deterrence China would have the means to “wield a club” of countries that unconditionally support Beijing’s decisions. This would resemble contemporary U.S. alliances and relationships that are built on military needs and protection. This, however, raises the concern that if China’s “club” directly opposed the U.S. “club” that the ramifications would be a Cold War like bloc system, with each club competing for neutral states’ support. The second consequence also resembles the Cold War landscape, an environment where “building the big stick” results in a quasi-arms race. A Chinese increase its military strength would likely compel the United States to do so as well, producing a pattern of action, counteraction, and counter-counteraction. Both country’s need to project power in unconventional ways could result in the weaponization of space. While

these are all speculations, if China decides to use the “big stick” component of its current rise, the systemic consequences are troublingly similar to the Cold War period—an epoch that the international community should not rush to recreate. Thus, U.S. policy towards China’s rise should aim to shape Chinese thinking about its military future by integrating it into the international system that provides its own “club,” therefore reducing the need for China to wield its own club.

An alternative policy would be one that emphasizes China’s “big carrot” strategy. This would proliferate the “Beijing Consensus” and similarly build a coalition of states easily persuaded by China’s soft power politics. As China continues to expand its influence across the global through its “no strings attached policy,” Beijing’s disregard for state political unrest, oppression, and governmental tyranny would likely produce a “dictators club.” China’s engagement in the Middle East, African, and Latin America seemingly “fills the gaps” where the United States has not been willing to involve itself to due ideological disparities. By aligning itself with Ahmadinejad and al-Bashir, China makes a conscious decision to sideswipe the West and create its own alliance of powers. Similar to the consequences of a hard power strategy, the resulting political landscape would likely resemble the Cold War’s unstable bloc system. A soft power approach appears as dismal a consequence as a hard power strategy, and thus U.S policies must harness the productive functions of Chinese soft power in order to dissuade Beijing from building a “dictators’ club” willing to challenge U.S. interest.

These two strategies manifest the most extreme and bleak systemic outcomes of China’s rise. The examples of a “big stick” or “big carrot” approach

assume that a rising China will be interested in global hegemony and countering American influence and power. However, "China's rise can be peaceful, but this outcome is far from guaranteed"¹⁰. It is not too late for contemporary U.S. foreign policy toward Beijing to guide and ensure a benign Chinese rise. First, the United States must accept the fact that China is "building a bigger stick and a bigger carrot"—I see no policy measures that could interrupt Chinese modernization and global reach, and therefore the U.S. must focus its policies around this reality. With this in mind, I defend John Ikenberry's recommendation, which believe that by strengthening Western, liberal institutions, China "can gain full access to and thrive within the system. And if it does, China will rise, but Western order—if managed properly—will live on"¹¹. If the United States attempts to reinvigorate the international order with western, liberal ideals, both China's hard and soft power will find a place within this framework as a good institutional citizen. Beijing's modernizing military could be harnessed for humanitarian purposes, rescue missions, and international security. Likewise, China's soft power pursuits could be incorporated into international development agencies and multilateral institutions, perhaps even with the opportunity to offer its "no strings attached" as a reform model. Through integration into modern system of global governance, China will reap the benefits of policies of goodwill and likely be steered towards a democratic path. If China wishes to resemble the other four veto powers on the Security Council,

¹⁰ Charles Glaser, 2011, "Will china's rise lead to war? Why realism does not mean pessimism", *Foreign Affairs*. 90 (2), 7.

¹¹ G.J. Ikenberry, 2008, "The rise of China and the future of the West: Can the liberal system survive?" *Foreign Affairs*, 87 (1): 1

it must go beyond just building a blue water navy and aircraft carrier, since being a world power means assuming global responsibility and using your big stick and big carrot for international stability.

China is undeniably on the rise—the past decades witnessed a stark increase in China’s tangible military and economic power as well as its global recognition and persuasion. Beijing’s amplification of both hard and soft power projects can be characterized by a policy I refer to as “building a bigger stick and a bigger carrot.” This strategy combines incentives with deterrence in a way that makes partnership with Beijing both strategic and threatening. Since China won’t realistically challenge the United States’ capabilities or influence for another twenty years, U.S. policy officials have time to formulate a strategy that guides China’s hard and soft into a framework of liberal international institutions. The only way to do so will be by strengthening the Western-centered system of international governance. While it may be difficult to persuade Americans experts to lessen the microscope on China, only through focused attention to reviving the Western order will China’s rise be benign, if not beneficial to the international system.

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