1. Introduction

China is sometimes called a “fragile superpower”\(^1\) due to certain unstable internal factors in contrast to its hard-line external policies. Varied are the approaches and analytic conclusions of the degree to which China’s external policies are affected by its internal factors.\(^2\) The factors currently most influential on China’s external behavior are generally considered the expansion of its economic and trade relations, and interpersonal exchanges. In other words, this theory holds that given the increasingly complex interdependence between China and other countries, China is becoming less able to threaten the use of force or engage in diplomacy backed by the threat by force. Then there is the doctrine of a democratic peace, which holds that stable democratic states do not engage in war from the standpoint of imposing a country’s political system on another. This leads to the conclusion that the United States cannot completely eliminate the risk of conflict with China, which is under a one-party dictatorship by the Chinese Communist Party, or the CCP, and that there will be greater security as China becomes more democratic. We can also point out based on the scapegoat theory of China exhibiting hard-line reactions externally in order to distract public attention from its unstable domestic factors and enhance its own political power base, that China may adopt hard-line external measures should it face a state of serious confusion, in considering the social unrest stemming from the people’s dissatisfaction with disparities in income and widespread corruption.

The novelty of M. Taylor Fravel’s argument that regime insecurity is forcing China to take a step forward toward compromise in the border disputes with neighboring countries lies

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2 One argument asserts that, unlike the period of the Cold War when there were limited changes in security policy due to the bipolar international order, the post-Cold War period sees “domestic drivers” changing the foreign and security policies of not only China, but also other East Asian countries and areas as well. Satu P. Limaye and Yasuhiro Matsuda, “Preface,” Satu P. Limaye and Yasuhiro Matsuda eds., *Domestic Determinants and Security Policy-Making in East Asia*, The National Institute for Defense Studies and Asia-Pacific Center for Security Studies, Honolulu, 2002, pp. v-vi.
in its different interpretation of the scapegoat theory. However, Japan is often reminded of China’s hard-line attitude regarding the Taiwan issue and Japan’s “historical issue.” Fravel’s argument is therefore difficult to accept. In Japan, one considers China’s hard-line attitude toward Japan as a byproduct of the state employing nationalism to distract public attention away from its declining legitimacy of power, as well as domestic social unrest over the decay of its socialism. Arguments over China’s internal affairs and external behavior are therefore somewhat confusing.

If economic development is the primary policy goal, is a linear conclusion really correct, holding that China’s external behavior will become more cooperative? What are the internal issues facing China? How are such domestic factors affecting the country’s external policies? Are unstable domestic factors forcing China to behave more cooperatively or more hard-line and uncompromisingly? What structural and process factors must be combined to make China prone to become cooperative or uncompromising? This paper intends to identify the domestic political factors affecting China’s external behavior and characterize their effects, particularly in terms of security, and organize the arguments underlying China’s internal factors and external behavior. In that regard, the author will consider China’s behavior towards neighboring countries with which it has experienced territorial conflicts, as well as conflicts with Taiwan, the United States, and Japan.

2. Domestic political determinants

(1) Structural factors of internal affairs: The reality of China being a vast land and a multiethnic, divided country

China’s domestic politics face certain hard-to-change structural factors. Of these, the most important is the reality of the country being a vast and varied land, and a multiethnic, divided country. China extends over a vast territory and despite repeated relocations of the populace over the centuries, the traditional living areas of the Han nation and other ethnic groups had been physically separated geographically by mountain ranges, rivers, deserts, and other natural obstacles in most cases. Although its vast land mass can be utilized strategic depth, defending it imposes a huge cost. Social diversity and the difficulty in balanced development can be unstable domestic factors. It is extremely difficult to manage a state inhabited by a diverse population totaling as many as 1.3 billion people living in a land roughly equivalent in area to Europe.

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China recognizes itself as a multiethnic state and the CCP has considered introducing ethnic autonomy and establishing a federal state. Upon establishing its modern state, however, the CCP rejected the concept of ethnic autonomy, adopted a policy of being a “unified multiethnic state,” positioned its ethnic minority regions within the framework of a single-system country, and began frequently declaring that the races living within its governed territory are “Chinese nation” (Zhonghua minzu) as a unified body. Precisely because of its immediately preceding history of having been trampled upon by imperialistic powers as a fragmented state, the major precondition of contemporary China in its state management is maintaining Chinese unity, which has historically been called dayitong (“unified domain”).

The fact that the country is indeed a multiethnic state is threatening China’s national integration. The majority Han Chinese (totaling about 91% of the population) reportedly dominates China, along with its 55 ethnic minority groups. China has designated certain regions for these ethnic minority groups and grants them limited autonomy. This system is called “national regional autonomy.” The autonomous regions of these ethnic minorities are important to China both in terms of state unification and external strategy. These regions account for as much as about 64% of China’s total territory. In regions where national regional autonomy is implemented, China allows education in ethnic languages, appropriately changes senior officers’ orders and instructions that do not match local realities, and takes such incentive measures as the exemption of locals from following such orders.4 For example, ethnic minorities are exempt from China’s “one-child policy” except in certain cases, and granted incentives in sending their children to college.

Although granted these incentives, however, most ethnic minority regions suffer from a lack of infrastructure. Due to the spread of the market economy, the economic disparities between these regions and the coastal Han regions have widened even more. To address these problems, the central government is granting more financial assistance to ethnic minority regions that lack sufficient infrastructure. Another policy being implemented is “great strategy of Western China development,” intended to maintain social stability and balanced development among the regions.

This “great strategy of Western China development” designed to help eliminate interregional disparities is in some cases more advantageous to the Han Chinese living in such localities than to the ethnic minorities. Moreover, local environmental destruction is reportedly becoming increasingly serious. In the Xinjiang Uygur Autonomous Region where an abundance of oil is produced, profits do not necessarily go to the locals, and consequently...

the inhabitants of that autonomous region are reportedly very dissatisfied.\textsuperscript{5} The ethnic issue cannot therefore be reduced to an issue of mere economic disparity. Rather, since the Han Chinese maintains an economic advantage, this issue may only become worse. It is also pointed out that focus on pursuing a market economy has resulted in a basic ethnic policy line of respecting ethnic cultures tending to become an empty shell.\textsuperscript{6} In other words, the ethnic minority issue is a structural one that cannot be resolved by simply implementing measures to combat economic disparities and poverty.

There are also many members of certain major minority groups have no “Chinese identity” and strongly oppose governance by the Chinese government. The CCP had dealt gently with ethnic minorities before the revolution. Once the People’s Republic of China was established, however, the party gradually became oppressive, culminating in the disappearance of the ethnic minority policy altogether at the time of the Great Cultural Revolution. China repressed opposing minority groups by force, producing numerous victims numbering in the millions. As a result, relations between the Han-dominated central government and the ethnic minorities have already become very complicated. Correcting such a situation will require a prolonged effort.

The Tibetan, Uighur, Mongolian, and Korean races are groups that have a particularly serious influence on China’s national integration. Such groups once had their own countries or have established a government in exile beyond the border. Moreover, some regions have a smoldering spirit of “secessionism.” In these regions, the central government’s crackdown on secessionists is prone to lead to a human rights issue that will become an international one. Resistance in such a desperate situation may assume the form of social upheaval or acts of terrorism.

The fact that China is a divided state is another serious structural factor. For China, unification with Taiwan is one of the three major national goals and a long-felt national wish as well. Since being ceded to Japan in 1895, Taiwan has had no diplomatic relations with mainland China for more than a century, except in recent years. The democratization that progressed in the 1990s under the Lee Teng-hui administration gave greater political power to inhabitants of the “province” of Taiwan, the majority of which refuse to submit to political unification with China. Taiwan now sees Taiwanese identity on the rise, with those inhabitants favoring unification with China forming an absolute minority.\textsuperscript{7}

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\textsuperscript{7} A public opinion poll commissioned to private agencies by the Taiwanese authorities concerning public
China has been late in responding to these changes. At the beginning of the 1990s, China engaged in repeated indirect contact with Taiwanese authorities through political negotiations, and achieved certain results. Since Lee Teng-hui’s visit to the United States in 1995, however, China began threatening by the military means against Taiwan seeking autonomy, which came to refuse negotiations for unification. Now that such a threat is clearly counterproductive, China is shifting the weight of its policy from forcefully seeking unification to inhibiting Taiwan’s efforts to achieve independence.  

Unlike Hong Kong and Macao, which were formerly European colonies and whose return to China became a reality through negotiations with the UK and Portugal, Taiwan has its own separate territory, with a distinct people, its own military and judicial jurisdiction, and has held three presidential elections, with most of its inhabitants recognizing themselves as a “sovereign nation.” The disparity in GDP per capita is so great that Taiwan’s rate is nearly 20 times that of China’s. Consequently, it can be said that peaceful unification between China and Taiwan would be impossible unless the Taiwanese themselves decide to sacrifice their far more successful “state” for the sake of unification with China. Thus, the Taiwan issue poses another long-term challenge and a structural issue to China that will be difficult to resolve.

(2) The process factors of internal affairs: Interrelations between politics, economics, and society

1) The principle of putting economic development first

The next issue we will consider is the process factors of internal affairs. These are factors that can change due to China’s options. Of those, conformity to the national policy of economic development is the greatest factor in China’s process of formulating external policies. No one will probably oppose that. The Chinese leaders have presented a doctrine of “strategic opportunity,” which holds that the period until about 2020 is China’s last de facto chance to achieve high growth. To continue high economic growth in the meantime, China is proceeding with omnidirectional cooperative diplomacy under the slogan of “a harmonious world.” In the field of internal affairs, Chinese leaders have also been maintaining the view of unification, independence, and maintaining the status quo showed that, as of December 2006, 38.6% of respondents favor decisions being made while maintaining the status quo, 17.5% support independence while maintaining the status quo, 16.9% support maintaining the status quo permanently, 12.5% support unification while maintaining the status quo, 6.1% support a declaration of independence as soon as possible, and only 2.2% support unification as soon as possible. For details, visit the website of the Mainland Affairs Council, Executive Yuan, Taiwan available at <http://www.mac.gov.tw/>.

that many domestic issues will be settled naturally, provided that the country continues its economic development. This is precisely what Deng Xiaoping declared in saying, “Development is the overriding principle.” [Fazhan shi yingdaoli] The external dependence of the Chinese economy exceeds 60%, so that rational thinking suggests that China can no longer afford to confront other countries if it wishes to maintain economic growth.

By maintaining steady economic development and proceeding with cooperative diplomatic policies, China has succeeded in establishing good relations with such major advanced countries as the United States and the European Union (EU) nations. Its frequent exchanges with the leaders of major advanced nations will help visually improve China’s international status to its people who are just recognizing their status as a great power, and thereby further justify the CCP’s rule of the country. Thus, China is working to maintain its regime and domestic stability, while facing the difficult task of resolving the risk of domestic social unrest, and proceeding with its external relations and economic development, which are arguably the best in modern times. In that regard, this means the schema whereby domestic instability induces cooperative external behavior holds true.

In fact, since introducing its reform and opening-up policies, China has virtually avoided any major military conflict with another country. A possible exception could be considered its inconspicuous actions over the isolated Spratly Islands. Actual threats of military force were limited to military exercises directed against Taiwan as conducted in 1995-96 and 1999. One can safely say that just as China is intensifying its unification efforts through the international community, the threshold to actually resorting to force is rising.

At the same time, the principle of putting economic development first is also forcing China to intensify its uncompromising response to acquiring resources indispensable for its economic development. One cannot ignore the possibility of growing tensions in regions such as the East China Sea where China is seeking to acquire natural resources. This means that the active line of economic development may provoke in China “resource nationalism,” and thereby heighten tensions in its external relations. Unless policy-making is unified within China, two policy trends, on is cooperation and the other is hard-line stance, may be seen at the same time. In other words, if policy-making and implementation within China are coordinated at a higher level, China’s external behavior should become more consistent.

2) Social unrest due to widening economic disparities

Top priority placed on economic development is quickly turning Chinese society around and resulting in urgent public demands calling for political change. The decay or democratization of an autocratic regime may occur when its economic policy fails, and also
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while economic development is under way. In other words, rapid economic growth may become the cradle of a regime crisis for authoritarian governments. This means that human society is vulnerable to change, and quick development may even lead to social unrest. Whether social unrest threatens political stability is the central concern of Chinese leaders. As a result, it is highly risky to take external measures that may promote social unrest.

Jin Xin, the author of *A Report on Issues in China*, a much-talked about book that exposed serious social issues in China, cited such social and security issues in China as those of the family register, employment, gap between rich and poor, and epidemics such as AIDS. Regarding the issue of the family register, China has conventionally divided its citizens into those with family registers in rural areas and those with family registers in cities, thereby controlling the fluidity in population between rural areas and cities. Along with the progress made in the market economy, however, many people are moving from rural areas into the cities. This exodus of population from rural areas is estimated at 150 million, with the explosive rise in urban population aggravating the problems related to employment and security. Concerning the issue of employment, China is said to have reached a peak in its population of continuously unemployed since 1995. China’s labor force totals as many as 52 million people per year, but the central government can offer only 40 million jobs, and this severe situation is projected to continue for the next two decades. Particularly notable is the quick rise in unemployed university graduates, resulting in a situation likely to cause social unease. With regard to the issue of a widening gap between rich and poor, the Gini coefficient (a measure of inequality in distribution of income and wealth) of China has reached a critical line of 0.4, thus already making China the least equal country in the world in terms of distribution of wealth. However, an equal distribution of wealth may cause resentment among those with vested interests, and entail difficulties for reforms toward redistribution.

The issue of the spread of AIDS is apparently a potentially serious problem, as evident from the fact that in the wake of public disturbance over the severe outbreak of acute respiratory syndrome (SARS) one year after Jin Xin’s book was published, the Chinese government hid cases of the disease and was criticized from both at home and abroad.

The government headed by Hu Jintao understands the dangers of such social unrest. Having presented such slogans as “great strategy of Western China development,” “scientific outlook on development,” “harmonious society,” (hexie shehui) and “building a new socialist countryside,” all of which are intended to promote balanced development, the government is taking various related measures to reduce the gap between rich and poor, and alleviate social unease. However, should such measures fail and cause social upheaval, political insecurity may be the immediate result.

The current decade is witnessing China undergoing frequent incidents of what the Chinese call “collective and abrupt incidents,” (quinti xing shijian) riots, or social upheaval. Collective and abrupt incidents include stalking, acts of restraint, intimidation, and other forms of harassment, appeals, illegal meetings, renewals, demonstrations, arson, charges directed at supervisory organs and other entities, and strikes in workplaces, schools, and markets. Zhou Yongkang, director of China’s Public Security Department, announced in July 2005 that 58,000 protest activities involving more than 100 participants each occurred in 2003, and then increased to 74,000 incidents in 2004, involving more than 3.8 million protesters.  

Li Jingtian, deputy head of the CCP Central Committee’s Organization Department, explains, “China’s reforms and modernization are reaching a very important point where the people’s average annual income is 1,000 to 3,000 dollars. This period is the golden period of development and the period when contradictions burst out as well. Consequently, constant reforms and development may cause such contradictions to surface even more. (snip) Some executives in the smallest units have low capabilities, and thus are unable to address these contradictions. This has been combined with other causes to cause a series of collective and abrupt incidents.” Very few measures have thus far been devised to combat such frequent collective and abrupt incidents.

Collective and abrupt incidents are characterized by: 1) a focus on a group’s profits, 2) a high degree of confrontation, 3) the interrelations between several collective and abrupt incidents, 4) a high degree of organization. However, it has been clarified that collective and abrupt incidents do not necessarily have direct significance in being “anti-party,

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anti-government.”  Why not? Because the fact that collective and abrupt incidents clearly express the people’s difficulties to the party and government means that the masses have faith in government being somewhat able to meet their requirements.

The dissatisfied masses are fragmented. Should they become unified as a common driving force under a single goal and target the government, China’s political stability will collapse immediately and thus adversely affect economic development. It is often pointed out that anti-Japanese demonstrations stem from underlying social unrest. If demonstrators have “a goal that will not be apparently opposed by government authorities,” then a mass movement may result. “The May Fourth Movement” of 1919, marking the origin of the Chinese revolution, stemmed from resistance to Japan’s “Twenty-One Demands” and promptly developed into an anti-governmental movement. The anti-Japanese demonstrations at the 2004 Asian Cup soccer games (where the car of a Japanese diplomat was destroyed) and those in April 2005 showed that governmental control is becoming more difficult to maintain. In fact, this is made clear by the fact that many of the protesters arrested and detained at the anti-Japan demonstrations in April 2005 were not students aspiring to become part of the elitist class, but migrant workers, the unemployed, and other member of the socially disadvantaged.

3) Deteriorating legitimacy of rule and delayed governmental reforms

Only the government can alleviate the socioeconomic contradictions caused by reform and opening-up policies. In China, however, the eye-catching economic reforms stand in stark contrast with stagnant political reforms, as evidenced by the ongoing one-party dictatorship of the CCP. The fundamental reason for China’s current regime remaining undemocratic is that the political regime is a socialist one based on Marxism-Leninism. In China, the checks and balances based on a division of three powers, home rule, existence of opposition parties with substance, and mechanism of government change through free elections, and other aspects of “democracy by procedure” had been despised as nothing but form and criticized as “bourgeois,” at least until the end of the 1970s. Whether China can abandon such socialistic ideology and its one-party dictatorship, take steps forward toward democratic political reforms, ensure a new kind of legitimacy, and build a “strong leadership” will prove its greatest challenges in the future.

A less deteriorated dictatorship may lead to liberalization or democratization due to a

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minor cause. Political scientist Samuel P. Huntington says that the legitimacy of power can be divided into “ruler legitimacy” and “system legitimacy.” “Ruler legitimacy” depends on “performance,” while “system legitimacy” depends on the “procedures” for choosing rulers. Should the ruler’s performance weaken and the rules for a change of leadership be incorporated into the system, then the system will not necessarily become unstable regardless of whether authoritarian or democratic. However, many authoritarian regimes are unable or unwilling to separate the two kinds of legitimacy. In other words, nonconfidence in the rulers usually leads directly to nonconfidence in the regime.\(^{18}\)

Huntington lists as other factors of democratization a country’s economic development, economic crisis, religious changes (the impact of Christianity on democratization), external pressure in promoting democratization, and the “snowballing effect” (whereby successful democratization in one country influences and promotes democratization in another country).\(^{19}\) China of the post-Deng Xiaoping period is already subject to all the factors of democratization above, except for its insignificant religious changes.

Here, one must not be misled to believe, however, that democratization occurs if the “causes” above exist. It is rather that the “causes” above have the causal effect of leading “political leaders” to make decisions geared toward democratization.\(^{20}\) Putting it in the strongest terms, one could even say, There are hardly any preconditions for the emergence of democratization. In other words, even if any other “cause” is missing and the political leaders truly seek democracy, democratization may succeed. Conversely, as is evident from the example of Singapore where many “causes” apparently exist, democratization may not occur unless the political leaders seek democracy.\(^{21}\)

The first reason why China’s faces a difficult path to democratization is the negative image of democratization among the leadership and elite class. China’s greatest concern over democratization is “confusion” as reflected in a wide-ranging consensus among China’s political elite and intellectuals that “democratization means confusion.” That thought is well expressed in the mobilization of the masses during the Great Cultural Revolution, which was a symbolic period of confusion and hailed as “a great democracy” (da minzhu). As described earlier, China faces the risk of social unrest that is ready to explode. One can easily imagine that giving the socially disadvantaged and dissatisfied masses the right to participate in politics and exercise freedom of speech would probably result in uncontrollable confusion.

\(^{18}\) Huntington, The Third Wave: Democratization in the Late Twentieth Century, pp.48-51.
\(^{19}\) Huntington, The Third Wave: Democratization in the Late Twentieth Century, pp. 72-106.
\(^{21}\) Huntington, The Third Wave: Democratization in the Late Twentieth Century, pp.106-108.
The second reason is that the middle stratum and intellectual stratum still have confidence to the CCP. That is to say there is no reliable political power other than the CCP. According to a public opinion poll conducted in China, an evaluation of middle stratum respondents with regard to the CCP showed that 78.1% “have confidence” in the party, while 44.3% of intellectual stratum responding to the poll agreed that “it has high governance capability,” 36.3% said it was “all right,” and 7.4% considered the party to have “low governance capability.” The problem is that only 30.7% of the middle stratum respondents to this poll regarding the CCP answered yes to the question: “Does the Party represent the fundamental interests of a wide range of people?” Moreover, only 35.4% responded with “Good” regarding the nature of the Party. After all, it is strictly prohibited to organize any political party outside the CCP. These survey findings can be interpreted to mean that the middle stratum and intellectual stratum—the main driving force behind China—do not consider the CCP the best option, but believe there is no alternative.

The third reason is corruption among party and government officials. The survey above found that “the state and social management stratum” (or officials), meaning the political elite, rank at the top among the ten major social strata of Chinese society. Another survey showed only 13% (ranking eighth) of respondents agreed that the “officials” “deserve high incomes,” while 72.6% felt that the “officials” were “people earning high incomes most easily.” This means that the masses in China have a sense of unfairness about the current distribution of profits and are directing their dissatisfaction toward party and government officials. Checking and controlling corruption among party and government officials entails nothing but democratic supervision. It follows that, precisely for that reason, the corrupt elite do not call for democratization.

As previously described, China is a multiethnic state facing serious issues concerning national integration in connection with Hong Kong, Macao, and Taiwan. This is the fourth reason why the leadership is hesitant to take steps toward democratization. China has been promoting unification to address its social reality in “state unification under an incomplete national integration” not by changing the state’s system of governance to something more decentralized, but by forcing its society to comply with state unification. As China’s market

22 Duan Ruicong, “Seiji Syakai Ishiki,” (A Political Awareness of Society) in Ryosei Kokubun ed., Chugoku no Touchi Nouryoku: Seiji, Keizai, Gaikou no Sougorenkan Bunseki, (China’s Governance Capability: An Analysis of the Interrelations between Politics, Economics, and Diplomacy) p.39. It should be noted, however, that the respondents may have refrained from criticizing the authorities in such a public opinion poll in China, given the restrictions on freedom of speech.
economy progresses, the country will see less economic disparity with Hong Kong and Macao along the coastal region of mainland China on the one hand, and with a separate Taiwan on the other, and will subsequently experience some progress toward unification. Still, the economic disparities within China will continue growing, resulting in social instability. Unless China democratizes itself, its relations with Hong Kong will remain unstable, and it will forfeit the chance to resolve the Taiwan issue. Should China become democratic with its society incompletely formed, however, the ethnic minority regions might make various demands, thus fragmenting the state or fueling nationalism, which would only provoke an independent-minded Taiwan to take a hard-line stance. China is clearly a state where there are serious contradictions in the makeup of its society and efforts at state unification, and unless economic development and democratization progress steadily, the country may become fragmented or lose all hope for unification.

4) Nationalism and irredentism

Should the CCP fail to step up its legitimacy of governance by introducing a democratic procedure through democratization, it will have no option but to use other methods of justifying its political power. In addition to achieving economic growth, a mobilization of nationalism may remain one of the options. To compensate for stagnant political reforms since China introduced other reform and opening-up policies, it has been mobilizing a greater sense of nationalism. Such an easy mobilization of nationalism may bring about yet unknown failure, and nationalism will surely become a target of supervision. The fact that China is a state where political reforms make no progress and a lack of responsible politics has failed to introduce democracy suggests that it will continue to depend on a mobilization of nationalism.

China lagged behind in modernization at the end of the Qing Dynasty and was trampled upon by imperialist powers, and consequently was not considered the leading power in its region. China has also ingrained in its people the fact that the CCP freed the Chinese people

25 Intellectuals, in contrast, are working to find new opportunities for democratization. Previously avoided academic studies, translations, and documents that highly recognized Western democratic governments are now being published as something natural. Village-level autonomous elections have also been promoted, along with less restrictions on freedom of speech, except for open criticism of the CCP. Although such short-term changes are minor, perhaps public debate in China about democracy will occur in the not-too-distant future. For more information, refer to the following:


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from oppression by the imperialist powers, and thereby allowed them to rise. However, the reform and opening-up policies launched in 1978 crushed the pride of the Chinese. The 1960s to 1970s represented a period of high economic growth for East Asian capitalist economies, as well as for many nations in the West. It was not until China opened its doors that the Chinese realized the extremely belated nature of their country.

Many intellectuals consequently began searching their souls regarding the serious issues and problems facing the country. It was against this background that books and documents severely criticizing Chinese culture and the Yellow River civilization, and exposing serious socioeconomic situations were published and widely read in the 1980s. The masses became infected with a state of anomy, and the worship of money soon spread. Thus, China of the 1980s came face-to-face with a serious crisis in justifying socialism. Given the country’s reform and opening-up policies, the coastal regions underwent industrialization and people could relocate, as many began moving in search of a better life. The working population in different areas of China became concentrated in the cities, and those able to go abroad flowed out of the country, legally or not. Moreover, the growing disparities between rich and poor forced a people accustomed to their socialist regime to face serious inflation. The Tiananmen Square Incident of June 1989 apparently stemmed from such social unrest.

The CCP tried to overcome this “crisis of legitimacy” by reinforcing its role as the guardian of nationalism (called “patriotism” in China) in the 1990s. Attempts to make up for the weaker legitimacy of socialism through nationalism were further stepped up by “patriotic education campaigns” launched under Jiang Zemin’s leadership in 1994-95. Against this background, the year 1996 saw such exclusionist books as The China That Can

27 Anomy is a state of confusion stemming from sudden social changes due to a loss of authority in traditional norms and a lack of control over the activities of members of society. Anomy is divided into acute anomy arising from an acute crisis, and chronic anomy as seen in contemporary industrial society. The evolution of Chinese society, particularly in urban areas, presumably caused a combination of acute anomy and chronic anomy in the 1980s. A collapse of values can be attributed to the rampant worship of money. Hitoshi Abe and Mitsuru Uchida eds., Gendai Seijigaku Syou Jiten, (A Concise Dictionary of Contemporary Political Science) Tokyo: Yuhikaku Publishing Co., Ltd., 1978, p.4.
28 The CCP attempts to deal with its “weaker legitimacy” of socialism by stressing that it stands as the guardian of nationalism, political stability, and economic development. Moreover, Chinese authorities sometimes admit unofficially the fact that patriotic education campaigns are undertaken to “make up for the vacuum of ideology.” Maria Hsia Chang, Return of the Dragon: China’s Wounded Nationalism, Boulder: Westview Press, 2001, p. 177.
29 Shirk, China: Fragile Superpower, pp. 164-166.
Yasuhiro Matsuda

Say No\textsuperscript{30} becoming popular with the silent backing of the authorities. Also against this background there was widespread criticism of the United States in promoting human rights and democracy for American “hegemonism,” as well as anti-Japan nationalism stirred up by presenting the “historical issue” against Japan on many occasions. The year 1995 saw China beginning to consider “great power diplomacy,” culminating in President Clinton’s 1998 visit to China. In that connection, the result of “great power diplomacy” stressing an equal “partnership” with the United States presumably increased Chinese great power awareness.

In 2008, the long-sought Olympic Games will take place in Beijing, thus heightening national prestige. Moreover, the Chinese economy has continued developing even more steadily since overcoming the Asian economic crisis, and China has also succeeded in joining the World Trade Organization (WTO). Both developments lead us to believe that Chinese nationalism is growing and predict that the tendency of nationalism being mobilized will continue on a long-time basis.

At the same time, it is also true that the anti-American demonstrations of 1999, anti-Japanese demonstrations of 2005, and other excessive displays of nationalism pose the risk of harming China’s image abroad. It has been pointed out that Chinese nationalism became irredentist and gradually more “offensive” during the 1990s.\textsuperscript{31} China intensified its claims to Taiwan, the Senkaku Islands (called the \textit{Diaoyu Islands} by the mainland Chinese and \textit{Diaoyutai} by the Taiwanese), other islands in the South China Sea, and other disputed areas in the 1990s. China made the return of Hong Kong a reality in 1997, and witnessed the reversion of Macao to Chinese authority in 1999.

If the Beijing Olympics scheduled for the summer of 2008 become a mere opportunity for a wider display of naked Chinese nationalism, then China’s image abroad may even worsen. Hard-line doctrines that may hamper economic development relative to the Taiwan issue and Japan issue are also being asserted by the nationalistic masses. Nationalism has now become a “burden” regarding China’s economic development and security, and yet remains difficult for the authorities to control. Why? Because the demands of the masses are nothing but arguments once asserted and promoted by the government itself, and therefore cannot directly rejected by Chinese authorities.

Mobilized nationalism has therefore become a “double-edged sword” for the state.\textsuperscript{32} Nationalism serves to support the regime and also promotes irrational military adventurism.


\textsuperscript{31}Chang, \textit{Return of the Dragon: China’s Wounded Nationalism}, pp. 221-222.

endorsed by the masses. And such military adventurism may result in a government trying to address external issues pragmatically being criticized as “weak-kneed.” In that sense, when dealing with the “historical issue” or the Taiwan issue, China always risks becoming a slave to the nationalism that it has stirred up. The legitimacy of governance by the CCP not opting for democratization is based on the twin pillars of economic development and nationalism, both of which represent a trade-off relationship.

3. **Combination of domestic factors and its interrelationship with external behavior**

(1) Disputes and compromises with surrounding land powers: Economic interests, nationalism, and domestic stability

Now let us consider the manner in which China’s aforementioned domestic political factors are combined serve to constrain China’s external behavior. The most important issue is whether China’s external behavior entails the use of force or threats by force particularly in terms of security. China has national land borders extending 22,000 kilometers and a continental shoreline spanning 18,000 kilometers. Thirteen countries, including Russia, share national land borders with China. There are also six neighboring countries, including Japan, separated from China by the sea. \(^{33}\)

Since the People’s Republic of China was established, most external use of force and threats by force have been over territorial and sovereignty issues. Except for the Korean War (1950-53), a large-scale international civil war waged in Northeast Asia, along with China’s responses to riots occurring within its ruled territory, these uses of force and threats include the First Taiwan Strait Crisis (1954-55), Second Taiwan Strait Crisis (1958), Sino-Indian Border Dispute (1959-62), Sino-Soviet Border Dispute (1969), a naval battle over the Paracel Islands (*Hoang Sa*) (1974), Sino-Vietnam War (1979), military actions over the Spratly Islands (1988), and Third Taiwan Strait Crisis (1996). China has thus been repeatedly involved in military disputes both with nearby land and maritime powers. These conflicts are escalated and fueled by nationalism, and serve to stir up even more nationalism.

Since the 1950s, China has also been negotiating with the countries concerned to settle its territorial and sovereignty issues. Particularly notable as illustrated in Table 1, China has

\(^{33}\) It is often the case that China counts its neighbors including (the Indian state of) Sikkim, which became part of India. The number of China’s surrounding neighbors therefore varies with the manner in which they are counted.

been working to settle its territorial disputes with most countries that share land borders with it, and made certain compromises with those countries. Hong Kong, Macao, and other colonies were successfully and unconditionally reverted in their entirety from the UK and Portugal in terms of the land. One remaining problem is that China only has an agreement in principle concerning a peaceful settlement with India and Indian-influenced Bhutan. Moreover, the resolution of marine territorial and sovereignty issues have tended to stagnate. Similar trends are seen over the Spratly Islands, where China has territorial issues with Southeast Asian countries, the Senkaku/Diaoyu Islands issue with Japan, and other issues. Conversely, China has consistently tried to maintain that Taiwan is a part of the Chinese nation and repeatedly declared its intention to use of force if necessary, since no peace agreement has been reached. Regarding the Paracel Islands, the country engaged in military actions with the then South Vietnamese government in 1974, and successfully occupied the territory in question.

In view of China’s claims in principle concerning its sovereignty and territories, it considers the principle of “peaceful resolution” presented by Deng Xiaoping as a form of “compromise.” As shown in Table 1, Taiwan is the only country to which China even now does not apply its principle of “peaceful resolution.” The Taiwan issue is the only exception. Territorial and similar issues entail interactions with partners who tend to be uncompromising, and thus no room is allowed for generalizations. But what are the factors that produce different results for the time being as brought about by China’s behavior?

The first conceivable factor is the magnitude of economic interests. With regard to land territories, any agreement reached serves to stabilize the status of security and promote border trade. On the other hand, such territorial issues are related to the declaration of exclusive economic zones (EEZ) extending 200 nautical miles offshore. Marine territories therefore offer greater economic interests and are more difficult to make compromises over than land territories. That apparently is the reason. China has reached agreement with Vietnam in settling the issue of land borders alone, but without any prospects of settling marine territorial issues. Based on the United Nations Convention on the Law of the Sea, China has strengthened its internal laws and is actively developing its marine resources.
Table 1: China’s external behavior regarding its territories and sovereignty

<table>
<thead>
<tr>
<th>Land</th>
<th>China’s approach</th>
<th>Previous military disputes</th>
<th>Marine</th>
</tr>
</thead>
<tbody>
<tr>
<td>India, Bhutan</td>
<td>China insisted on a peaceful settlement, resulting in a certain agreement on the principles of negotiations.</td>
<td>Sino-Indian Border Dispute Conflict over the Spratly Islands</td>
<td>Japan and Taiwan (Senkaku/Diaoyu/Diaoyutai Islands)</td>
</tr>
<tr>
<td></td>
<td>China insists on peaceful settlement, with no agreement reached.</td>
<td>Sino-Japanese War (1894-95)</td>
<td>Taiwan (including Dongsha Qundao)</td>
</tr>
<tr>
<td>China declares its intention to use of force, with no agreement reached.</td>
<td>Civil War between the CCP and KMT, Taiwan Strait Crises</td>
<td>China uses its military power, achieving complete occupation.</td>
<td>Naval battle over Paracel Islands (Hoang Sa)</td>
</tr>
</tbody>
</table>


Note: This paper is based on the outbreak of conflicts as mainly designated in name by China. The reason is not that China has rightful claims. Rather, it is because this paper seeks to analyze China’s external behavior. For example, Japan denies the existence of territorial issues with China, even though those included in this table. Moreover, the islands near the mainland are counted as territorial and sovereignty issues on land. The figures in parentheses denote the dates when border treaties, border agreements, and other written agreements were drafted. Note that the Bach Long Vi Island (called Bailongwei in Chinese), transferred from China to North Vietnam in 1957, was regarded as an exception and therefore excluded. *Taiwan claims territorial rights to the Senkaku Islands, while China asserts that as part of Taiwan and given the fact that Taiwan is part of China, the Senkaku Islands are therefore part of Chinese territory.*
It has been most difficult to compromise over land territories, particularly large disputed areas as that disputed with India (encompassing 125,000 km\(^2\), the largest of all disputed regions). The reason why such compromise is so difficult to establish over Bhutan is presumably due to the issue of whether to recognize the McMahon Line as related to other border issues with India, so that there is a risk of raising a Sino-Indian border issue again. Since the previous era of playing power games with Russia and India—the two land powers sharing the largest borders with China—has virtually ended, one can safely say that China has gradually succeeded in establishing stable relations with its neighbors.

The second factor is the rise of nationalism among the Chinese people. Hong Kong and Macao were former colonies of the UK and Portugal, respectively, and negotiations with both countries have been extremely uncompromising over the principle of not tolerating “illegal occupation” (that is, colonial rule). Moreover, China’s nationalism was once again reinforced through its anti-Japanese war. Once China recognized the Senkaku Islands as a region of dispute with Japan, it has been very difficult for the country to make compromises with Japan.\(^34\) Taiwan had been ceded to Japan after China’s defeat in a war, making it virtually impossible for China to abandon its intention of unification with Taiwan in view of its growing nationalism.

It should be noted that in negotiations over determining land borders, few of China’s compromises in such negotiations were reported, with emphasis only placed on the advantages afforded by the agreements reached. Particularly notable is the fact that Russia is the only country with which China has engaged in a relatively small magnitude of military conflict and subsequently reached total agreement. This is presumably because compromising agreements over territorial issues tend to incite criticism of the government in case of the slightest concession made, even when policy has been reasonably formulated.

The third factor is ensuring national integration and stable security. In stepping up friendly relations with its neighbors and simultaneously establishing its borders, China overlaps its intention to contain the elements seeking for independence and other external ethnic movements aiming to secede from China.\(^35\) Instances of such movements involve central Asian countries, Mongolia, India, and North Korea. China’s ongoing efforts to

\(^34\) Before 1971, no Chinese governments including the Qing Dynasty had ever claimed territorial rights to the Senkaku Islands. Conversely, China had stated in its Renmin Ribao (People’s Daily), the official bulletin of the CCP, and indicated in maps issued by its public organs that the Senkaku Islands were part of Japan’s territory. Yusuke Anami, “Kaikyō wo Meguru Nitt’yu Kankei,” (Sino-Japanese Relations in Terms of the Oceans) Ryoko Ichikawa, Duan Ruicong, Yasuhiro Matsuda eds., Kiro ni Tatsu Nitt’yu Kankei, (Sino-Japanese Relations at a Crossroads: Dialogue with the Past, Exploring the Future) Kyoto: Koyo Shobo, 2007, pp.189-191.

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establish an agreement with India are motivated by its desire to stabilize the Tibet issue. China’s behavior equivalent to the de facto recognition of India’s occupation of Sikkim\textsuperscript{36} is believed intended to force India’s recognition of China’s annexation of Tibet, and thus marginalize the Dalai Lama-led Tibetan government in exile.

(2) Potential disputes with major maritime powers
1) Constraints on behavior towards Taiwan

As discussed before, Taiwan remains the only issue that China has never insisted on seeking a peaceful settlement, but repeatedly claimed its “right” as a sovereign state to use of force against “one region of the country.” This poses the greatest risk in China’s external behavior. Any country is granted the right to defend itself against military invasion. However, China’s use of force against Taiwan would not be self-defense, but definitely change the status quo. It is therefore extremely important for China to address its issues relative to Taiwan. What combination of factors could possibly constrain China’s behavior towards Taiwan?

When the Cairo Conference of 1943 designated that “Manchuria, Formosa, and the Pescadores, shall be restored to the Republic of China,” and they were listed of war objectives for the Allied Nations, Taiwan became, as it were, “a lost territory to be recovered” by the CCP. Since the People’s Republic of China was established in 1949, Taiwan has long been regarded as something to be “liberated,” that is, “something where a revolution should occur.” Since 1979, Taiwan has been a target of “peaceful unification” for China, and a law was established stipulating that China could employ “non-peaceful means” (implying military means) should Taiwan achieve “\textit{de jure} independence.”\textsuperscript{37} The fact that the Taiwanese reject China’s revolution and unification with China is tantamount to a total rejection of the CCP’s legitimacy of rule over China. China does state its intention to reach a “peaceful resolution” over territorial issues with other countries, but this does not apply to Taiwan. Hence, a stark “irredentism” is often emphasized with regard to Taiwan.

The greatest determinant of China’s behavior toward Taiwan is the rise of nationalism. The deteriorated legitimacy of governance by the CCP is related to China’s growing nationalism. That is, as China actively pursues a market economy contrary to socialism and its Marxist principles, the CCP is now seeking to justify its rule not based on “current contradictory success,” but according to “its past righteousness.” Consequently, the CCP’s

\textsuperscript{36} On July 6, 2006, the Natu La pass that connects Adong province, the Shigatse (Xigaze) region, and the Tibet Autonomous Region to the Indian state of Sikkim was opened for the first time in 44 years, and thus allowed a resumption of border trade via this Sino-Indian route.

\textsuperscript{37} See, Matsuda. “Taiwan Mondai,” (Taiwan Issue).
contribution to the country during the anti-Japanese wars and similar facts are being stressed, so that the “weak-kneed policy” against the supporters of Taiwan’s independence will necessarily bear risks in domestic politics. With regard to autonomous changes made by Japan, China’s policy towards Japan therefore tends to be monotonous in simply reaffirming its uncompromising principle-oriented stance.

The flip side of the coin opposite the intensity of nationalism is the intensity of leadership. Excessive compromise with Taiwan and a tolerance of its independence might cause the leaders to suffer dishonorable criticism, such as being labeled “today’s Li Hongzhang” (considered a traitorous leader during the late Qing Dynasty when Taiwan was ceded to Japan). The Taiwan issue is serious in that it could become more controversial in a struggle for power within leadership circles if handled inappropriately. Weak leadership would cause the regime to pay a heavier price for the “compromising policy towards Taiwan” in its domestic politics.

Excessive compromise regarding Taiwan might also endanger state unification, and thereby justify hard-line measures more easily and make compromising measures more difficult to implement. The principle of putting economic development first in light of the Taiwan issue will therefore not necessarily completely prevent China from behaving irrationally should it become excessively nationalistic.

2) Factors that constrain behavior towards the United States

Let us now examine China’s behavior toward the United States. China had long viewed the United States as an enemy since the Korean War. In the 1960s, China’s antagonistic strategy toward Russia turned the United States into something to be “won over to its own side.” That became a reality with the Sino-US rapprochement of 1972 and the normalization of diplomatic relations between both countries in 1979. After the honeymoon period of the 1980s, and following the Tiananmen Square Incident, the United States became regarded as the only “hegemonic nation” that might inhibit China’s development, while at the same time being “the greatest economic partner” that could support China’s principle of putting economic development first. China’s ambivalent view of the United States continues into the 21st century. What combination of domestic factors could constrain China’s behavior toward the United States?

Should China’s own principle of putting economic development first remain strong, then its external behavior would be limited to specific trade issues. Conversely, should there be a rise in nationalist fervor, the country’s relations with the United States would become more detrimental. Even though there are no territorial or historical issues between the United States and China, the Taiwan issue represents the greatest obstacle. Ever since the Korean
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War broke out in June 1950, the United States had supported the Taiwanese government both militarily and politically. And even after its diplomatic break with Taiwan in 1979, the United States established the Taiwan Relations Act to continue extending its self-defense support of Taiwan.

The Taiwan issue is very likely to remain the greatest risk in US-Chinese relations, given Taiwan’s robust economic and military power, and perception as an uncontrollable democracy. However, China is implementing another policy of not viewing the Taiwan issue as a security issue, but opting for gentle persuasion to divide the political forces within Taiwan in order to curtail its drive for independence. Even if Taiwan steps up its autonomous behavior, the important issue is whether its nationalism can be controlled. Even if the United States shows signs of supporting Taiwan at such time, the most critical point in China’s behavior toward the United States will be whether it can rein in its nationalism and refrain from threatening behavior. As discussed before, the principle of putting economic development first would be swept away should China attempt to suppress Taiwan’s independence. In the worst-case scenario, China might even resort to military conflict with the United States.  

Last but not least, it should noted that there is one factor less important than the Taiwan issue, but one that cannot be ignored in observing China’s behavior toward the United States. That factor is stagnant political reforms in China. The issue of human rights is one reason that US-Chinese relations became unstable after the Second Tiananmen Square Incident. China has made progress in its liberalization and democratization reforms, and has failed to respond sufficiently to address US concerns and criticisms over its human rights, religious, and ethnic issues, along with other internal affairs. During talks with former US President Carter in June 1987, Deng Xiaoping declared: “If China accepted any such thing as your multi-party government or the separation of the administrative, legislative, and judicial branches of government, it would then surely evolve into a situation of widespread social upheaval.” Jiang Zemin also stated in 1995: “If there is no environment for stable politics and society, everything is out of the question. Even the best plans and policies cannot be implemented.” For the sake of stability, China is obliged to proceed one step at a time with its political reforms.

The United States has dealt with China’s issues regarding human rights and religious freedom more strictly than those in other countries. The US policy of intervention

38 Shirk, China: Fragile Superpower, pp. 2-4.
presupposes that China will not become a democracy, but a power rivaling the United States in the future after further economic development. China’s behavior toward the United States is therefore difficult to understand without its drive to tackle domestic political reforms, human rights issues, and religious issues. In response to US demands for improving the human rights situation in China, the regime can justify itself, or ignore or oppose such demands, at the cost of growing US distrust.\(^{40}\) It is also important to keep in mind that China is not merely ruled by a one-party dictatorship, but stands as the last great socialist power. The major negative factors in China’s relations with the United States are its inability to shed the image of “Communists” conducting domestic politics under a “one-party dictatorship”—something alien to the United States—and its ongoing oppression of those demanding freedom and democracy.

3) Factors constraining behavior toward Japan

Finally we must address issue of China’s behavior toward Japan. Japan was once China’s enemy. After the Sino-US approach and the normalization of Sino-Japanese diplomatic relations, Japan became a partner with whom to contain the Soviet Union. The post-Cold War period saw the country become something to be “won over to its side” and “restrained” in order to downgrade the US presence in this region. Then during the period of Jiang Zemin’s leadership in China and the Koizumi administration in Japan, economic ties became closer, even though China continued to condemn “the prime minister’s visit to Yasukuni Shrine” and other “historical issues.” Consequently, political confrontations became so serious as to make summit visits difficult. October 2006 saw Premier Wen Jiabao receive just-inaugurated Prime Minister Abe on his visit to China, which dramatically improved Sino-Japanese relations. Still, the serious risks in Sino-Japanese relations have not necessarily been eliminated. What kind of internal affairs factors are combined in what way to constrain China’s behavior towards Japan?

China’s behavior toward Japan reveals some overlapping factors between its behavior toward Taiwan and behavior toward the United States. The factors most affecting China’s behavior toward Japan would be the principle of putting economic development first and nationalism. Among the issues in Sino-Japanese relations that tend to cause zero-sum confrontations are the “historical issues,” “Taiwan issue,” and “Senkaku Islands issue.”\(^{41}\)

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40 China has even published a whitepaper criticizing the human rights situation in the United States.
41 In 2005, Chinese leaders began behaving as follows: when talking about Sino-Japanese relations, they state that it is essential for Japan to first properly deal with “historical issues” and secondly with “the issue of one China, meaning the Taiwan issue,” and thus restrain Japan. [Zai Shijie Quanguo Renda Sanci Huiyi Jizhezhaodaihui shang Wen Jiabao Zongli Da Zhongwai Jizhe Wen,” (Premier Wen Jiabao Answers Questions of Reporters from China and Abroad at the Press Conference during the Third Session of 10th National...](#)
All are tricky issues directly related to Chinese nationalism and China’s sovereignty issues. Chinese nationalism was largely shaped by the “anti-Japanese wars” and Taiwan being ceded to Japan as a result of China’s defeat in the Sino-Japanese War of 1894-95. China suddenly recognized the Senkaku Islands as “islands still occupied” by Japan after petroleum resources were discovered in nearby waters. Given the deteriorating legitimacy of rule by the CCP, the CCP’s contribution to the country during the anti-Japanese wars and related activities began being emphasized, and thereby posed greater risks in promoting “pro-Japanese” policies in domestic politics. For that reason, once Japan exhibited some negative changes such as reflected in inappropriate remarks made by certain Japanese political leaders, China’s behavior toward Japan has become monotonous in simply repeating its uncompromising principle-oriented stance. Under a weak leadership, the regime will pay a heavy price for any “pro-Japanese policy” or “policy of compromise with Japan” in its domestic politics.

At the same time, China’s policy toward Japan including the issue of developing resources in the East China Sea is basically geared toward avoiding any escalation of disputes, so the present Chinese basic line of its policies toward Japan is not necessarily antagonistic in nature. Resolutions of the “zero-sum issues” such as “Senkaku Islands issue” are virtually disappeared from the diplomatic agenda of both countries. This is apparently another step toward keeping the economics and other elements of overall relations with Japan in good condition. However, good relations with major countries other than Japan and the declining importance of the Japanese economy for the Chinese economy are structurally increasing the risk of worsening China’s relations with Japan. Moreover, due to the recent progress made in globalization, temporary political confrontation does not always lead directly to worsening economic relations. Emphasis on economics is therefore not the panacea for improving China’s relations with Japan. That is, China’s political relations with Japan may worsen at any time due to nationalism running wild, but economic relations with Japan will not impact a worsening of political relations.
4. Conclusion

The observations in this paper have revealed the following.

First, one structural factor regarding instability over the issue of national integration is a double-edged sword in China’s external behavior. This unstable factor within China is an incentive for settling border disputes, even if the country must make certain compromises with its neighbors that share land borders. Conversely, such a situation would never constitute a fundamental settlement of domestic ethnic or religious issues. Instead, it means that shutting down the effects of independence movements from other countries will only make the suppression led by Chinese authorities more effective. As seen in the Tibet issue in particular, China’s oppression of ethnic minorities and religions remains a major disadvantage in its diplomatic relations with the United States.

Secondly, process factors such as economic incentives also have two different functions. If China hopes to develop its economic trade, it must become cooperative in an attempt to ensure stable relations with its neighbors. On the other hand, China may sometime behave uncompromisingly in order to secure energy resources. Such contradictory behavior may occur in another department of government that represents a different set of interests. Unsuccessful internal coordination may prompt China to behave in a seemingly irrational manner, as epitomized in its “resource nationalism.”

Thirdly, nationalism is the main cause behind China exhibiting uncompromising external behavior. Nationalism intensifies the country’s uncompromising external behavior when combined with social unrest and a delay in political reforms. The Taiwan issue where unification has proved difficult, Japan’s “historical issue,” human rights issues, and the Tibet issue belong to this category. Should China fail to address the Taiwan issue in a proper manner, in particular, it may behave even more irrationally in being willing to confront the United States and one of its major allies, Japan, militarily.

China’s external behavior is subject to complex influences from domestic political factors. Here, a single factor may become the source of two different external behaviors. In such case, two or more factors may bring about a single hard-line external behavior. One typical example is the country’s compromises with its neighbors that share a common land border. The instability to resolve the state unification issue, when combined with the principle of putting economic development first, readily brings about external cooperation. On the other hand, when linked with nationalism, it tends to produce external hard-line measures as witnessed over the Taiwan issue. The principle of putting economic development first may bring about external cooperation and may also be linked with resource nationalism. Excessive nationalism clearly affects economic development. And the factors
observed in this paper act on one another. The regime headed by the CCP cannot afford to suppress nationalism in order to justify its rule and maintain state independence, neither can it afford to run the risk of taking steps toward democratization to step up that legitimacy. After all, it is difficult for China to sublimate its principle of putting economic development first because of the need to maintain its legitimacy of power. China’s process of determining its external policies will remain exposed to the pressures of resource nationalism, widening economic disparities, increasingly serious ethnic issues, growing demands for democracy, and other matters. When viewed from a mid-to-long-term perspective, the issue of unification of the state will prove difficult to change structurally, while such process factors as the principle of putting economic development first, social unrest, and political reforms will readily change. This suggests that, in the event of a major failure in economic policy, social upheaval, or political crisis, China’s external behavior runs the risk of becoming hard-line in response to rampant nationalism. The approach and conclusion based on the theory assumed at the beginning of this paper applies entirely to reality when only certain conditions are met. The strategic crossroads at which China stands branches off into several directions. This can be attributed to the widely varying unstable factors in China’s domestic politics.

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