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China Global Governance and Crisis Management

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Chan, G., Lee, P. K., & Ha-Chan, L. (2012). *China engages global governance – A new world order in the making?* New York, NY: Routledge

Jae Ho Chung (Ed.). (2011). *China's crisis management*. New York, NY: Routledge.

Academic discourse on China and the role it plays in the international system is a field fertile with new ideas and theoretical extrapolations. The capacities and capabilities of this rising power, and the variables through which the extent of its power and reach can be realized are contested issues that constantly require elucidation. In a detailed study, Gerald Chan, Pak K. Lee, and Lai Ha-Chan provide a thought provoking and comprehensive analysis of China's place and need to be part of the processes driving global governance.

Global governance *per se* is a term that does not encourage a single acceptable definition. It does stimulate a diverse range of thoughts and opinions. To Amitav Acharya, there exists a contradiction with Asia's leading states wanting to be recognized as "global powers" and their hesitancy in contributing to making global governance possible (2011, p. 852). China could arguably be labeled an exemplar of this dichotomy. An element of "caution" guides policy makers in China seeing as it has been only slightly more than four decades since it became a member of the United Nations and three decades since it opened itself to forces of the market in determining its economic trajectory (Zhang, 1998). If caution is to be taken as a virtue, the multiplicity of China's interests (economic, strategic, and political) predicates an approach that does not derail overall policy prescriptions in the pursuit of relative gains elsewhere (Shi, 2011). It ought to be stated that for China global governance as a concept is not something abhorrent, rather a legitimate tool that "conceptually and in practice" will enhance its stature amongst the comity of nations (Karns & Mingst, 2010). For China, the aspiration to be intrinsic to global governance mechanisms and institutions introduces notions of great power status and recognition of its responsibilities towards agenda setting and policy-making "for the stability of the global order" (Chan, Lee, & Ha-Chan, 2012, p. 2). Apropos global governance, the authors provide a working definition of their own:

...a dynamic process, global governance is about the making and implementation of global norms and rules by the joint effort of various actors in an anarchical world to provide global public goods...to tackle a host of trans-sovereign problems and create a stable and responsive political order. (p. 21)

Divided into ten chapters, a constant feature running through this book are three clusters of questions. The first cluster revolves around global governance and its expressions, composition, and salience. The second cluster of questions examines how China approaches global governance and the challenges encountered in making efforts to emerge as a responsible stakeholder. The third cluster of questions draws out fascinating linkages subsumed within China's rise and global responsibilities and its desire, coupled with caution, in involving itself in the management of global affairs. The existential question that arises is whether China's attempts will succeed or backfire?

The authors press the case for China to be conceptualized as a “social and relational phenomenon” (p.2) and innovatively advocate its further involvement in the vast template of global governance. The hypothesis of China being “accorded great power status because it is involved more than many other emerging economies in various areas of global concern, its normative influence varying across issues” (p. 3) is debatable since China could alternately be seen as an “obstacle” to global governance as also an “enabler.” The obstacle part gets traction when it stonewalls issues touching upon human rights and nuclear proliferation at the UN and other institutional mechanisms it is a member of. It does however earn the tag of being an enabler when it takes quick measures, for instance, to insulate itself from the global financial crisis of 2008-09.

The chapters have been carefully laid out to encompass most aspects touching upon global governance concepts and initiatives. The first two chapters initiate a theoretical discussion on what comprises the building blocks of global governance and what are the Chinese perspectives on global governance. As a recent entrant into the lexicon of Chinese IR Thought, global governance invites rather conservative opinions with perspectives being motivated by China’s preference to adopt a “prudent and low-profile position in international affairs” (p. 27). Also, the Chinese interpretation of global governance gives primacy to the existing international order and emphasizes the centrality of the UN. The third chapter on “Peace and Security” tracks China’s behavioral patterns regarding its membership and participation in the UN. Elements of ambiguity do appear in China’s behavior; it constantly reiterates its normative opposition to any attempt to erode the legitimacy of state sovereignty giving way to a degree of flexibility, according to the authors. This ambiguity assumes another identity (duplicity?) as China loudly proclaims the supremacy of the UN and yet, is shockingly parsimonious in contributing financially to UN Peace Keeping Operations budget claiming its developing country status thereby inviting questions about its “free riding” tendencies.

The fourth chapter on “Finance and Trade” brings out the characteristic features of China’s embracing global governance in economic matters. Commensurate with its status as the world’s second largest economy, China has been proactive in increasing its heft in institutions like the World Bank (WB), the International Monetary Fund (IMF), and the World Trade Organization (WTO). Of these, the WTO is the most “egalitarian” while the WB and the IMF are largely domains of developed countries. In the WB, China has sought to increase its influence by increasing its paid-up capital, thereby accruing voting power. Although China is willing to contribute more to the IMF’s programs, its relationship with the IMF is more complicated owing to the debate over fixing a more realistic value for the renminbi (RMB). At a time when the global economy has been roiled by low growth, financial scandals, and near defaults by a few European nations, China approaches global governance from the perspective of strengthening the G-20 and working with the U.S., rather than challenging it. On the question of “Human Rights and Humanitarian Intervention” discussed in the fifth chapter, the authors paint a picture where China appears to be contending with an approach that will minimize the denunciations it regularly faces. The reasons are not difficult to list out - were the Communist Party to promote civil and political rights it could only be at the expense of erosion of the Party’s legitimacy. To turn around demands to improve its shoddy and blotted human rights record, China put out the spin that the very agenda of human rights is externally driven and what is more important is the right to development over human rights. *Que sera sera!*

“Environmental Protection” and “Public Health” are salient issues explained in the sixth and seventh chapters of the book. The authors argue that China does want to be part of global

governance mechanisms regarding the environment as it realizes the importance of environmental protection being intrinsic to overall sustainable development (pp. 92-93). That said, the bottom line remains China's attempts to use global environmental governance platforms to articulate its position that developing countries should be given "common but differentiated treatment" (p. 107), and that its per capita emissions are low in comparison to the global average and being a developing country requires financial and technological resources to shift to environmentally friendly technology. The seventh chapter on "Public Health" makes a sobering assessment of China's health sector. In China's case, public health has become a victim of its relative economic success. The state appears to have withdrawn from its commitment to provide health security to all and what remains is a system that is unaffordable to common people. Added to this sorry state of affairs is the complete lack of preparedness in handling the SARS pandemic of 2003 that, if anything, exposed the state of China's health governance to the rest of the world. No less flattering is China's "Food Safety" as explained in the eighth chapter. With an economy growing fast and geared to satisfy consumers not only domestically but all over the world, China's food safety governance has not given a good account of itself. There have been periodic recalls of Chinese food products world over as well as scandals involving food adulteration. The authors point out the complicity and collusion that takes place regarding food safety with the melamine scandal being reported much after the Beijing Olympics of 2008, although reportedly, the authorities were informed of the adulteration. In sum, it is a clear case of laws on food safety not being enforced and civil society being throttled from pointing out such grave lapses.

In the ninth chapter on "Energy Security" the authors clearly explain China's reservations regarding global governance mechanisms (such as the International Energy Agency – IEA) and its policy of "going it alone." The Chinese adopted a "neo-mercantilist, realist approach making state to state energy deals with producer countries not in alliance with the US" (p. 156). China's energy security requirements are represented by state owned entities stitching up deals all over the world and also establishing a pipeline and transportation network that carries a strategic slant. The tenth chapter on "Transnational Organized Crime" focuses on two issues – money laundering and piracy. China's record on being compliant with global governance norms regarding money laundering have been a mixed bag since its banking system (with the world's largest banks) is not entirely compliant with global standards of financial transparency. China's banking system is going through a learning curve with regards to international operational benchmarks and expectations. On the issue of piracy, China has preferred (yet again!) a going it alone approach as it does not want to be part of any multilateral initiative to combat piracy. Its presence in the Indian Ocean does discomfit the U.S. and other countries like India. In its totality, the book does justice to the issues it has flagged, yet provokes many questions and observations. Chan, Lee, and Chan begin their book with the two questions of the emergent power in China and what kind of world order is likely to emerge in the wake of a rising China. While the first question explains itself in the narrative, the second question requires a considered answer. Global governance is a topic that requires "consensus" and less "dissonance" and this is where China falls short. As a concept and a vision, global governance can only be realized if the "effectiveness of the 'institutional form' as also the 'composition of its decision making structures'" induce countries like China "to actively participate in global governance initiatives" (Nye & Donahue, 2000). As a normative actor, China tries hard to impress, as can be adduced from the 348 international treaties or conventions it has signed and ratified of which 313 (90%) are since 1978 and the initiation of the Open Door policy.

In the words of Elizabeth Economy and Michel Oksenberg the “treatise that China is indeed rule and norm adhering” (1999) could not be truer. The larger question however remains that while abiding by existing norms and values (largely...) and in being selective as regards global governance, China does less favor to the international community. Also, to enrich the concept and vision of global governance, what has China’s contribution been towards the projecting of values, norms, and rules? On issues of non-proliferation, is China entirely above board in its dealings with Pakistan, Iran, and North Korea? In regards to “Food Safety” the transgressions made by manufacturers of food products and the laws passed to check adulteration are just one side of the story. The intimidation and jailing of people who brought to light gross misdeeds and the clamping down on information is the other side. To conclude this review one wishes to argue that the conceptual tools to articulate global governance norms and values are inadequate (Weiss & Thakur, 2010) and that perhaps global governance is a “site” – one of many – “where struggles over wealth, power and knowledge are taking place” (Wilkinson & Hughes, 2002) with nations being the variables and not the determinants.

Jae Ho Chung’s edited book flows from the papers presented at an international conference on “China’s Crisis Management – Evolving Norms and Learning” held in Seoul in May 2010. The premises on which the book rests are the following, China faces a wide array of new and complex threats even as it is transforming itself to new realities and a comparative sectorial analysis will reveal the methodology by which it manages crises.

The book is divided into seven chapters. The first chapter by Wei Zhang explains crisis management of China’s economy at this very crucial period in its process of rapid development. Wei Zhang feels that the global economic crisis was an opportunity to China to increase its economic and political influence in the world (Zhang, 1998, p. 3). Being the second largest economy, the world’s largest exporter since 2009, and largest holder of U.S. Treasury bonds gives China a leverage and heft like never before. While the impact of the global economic crisis has been in the form of sudden and large drop in demand for Chinese exports, shrinkage in inward FDI, and declining confidence levels amongst domestic private investors, the policy responses in the form of proactive fiscal policies, expansionary monetary policy, and strengthened state administrative roles in macro-economic management have been successful in containing the cascading effect of negative sentiments of the market. Control of the financial sector by the state is also advanced by Wei Zhang as a positive feature that insulated China from banking volatility during the crisis.

The second chapter by Jae Ho Chung titled *Managing Political Crisis in China, “The Case of Collective Protests”*, advances the argument that parallel to the intensification of economic reforms and collective protests have increased in China. The number of people in such protests as also the occupational base of the protestors has widened to encompass all segments of society. Chung also delineates an increasing tendency of the protests to erupt into violence and the involvement of all regions irrespective of its regional economic status (backward provinces/advanced rural economy province/state enterprise dominated province/rich province etc.). The Chinese state has responded by adopting counter-measures that have witnessed an expansion in the plethora of security bureaus and agencies at the central level and the party level. The authorities also have a range of options to choose from in clamping down on protests or “collective incidents” by categorizing the level of protests and the response required. To the authorities, collective incidents do not pose a systemic threat and despite resentment over the manner in which land expropriation takes place, ordinary people view the central government as

a potential mediator and supporter of genuine grievances the people have against rapacious local agencies and authorities (Chung, 2011, p. 36).

“China’s Military Crisis Behavior” by Tuosheng Zhang is the third chapter in the book. In the post-Cold War phase China has been involved in several crises with the U.S. (the Taiwan Straits crisis of 1996; the Belgrade embassy bombing of 1999, and the EP3 incident of 2001) and for China, each of these have revolved around three principles: to firmly safeguard its national sovereignty, to make efforts to maintain the overall interests of China-U.S. relations, and to avoid confrontation. To Zhang, it appears that Beijing is determined not to permit any potential crisis to become an actual crisis. Beijing’s varied decision-making groups (the Central Foreign Affairs Leading Small Group, the Central National Security Leading Small Group, Central Taiwan Affairs Leading Small Group, and the Central Military Commission) all formulate relevant policies. As an overarching framework, China adheres to international law and norms and advocates the primacy of the UN, seeks peaceful dialogue, and focuses on crisis prevention and crisis control. It also defines use of force against another country to be mandated by the UNSC. In its totality, the author argues that crisis management is a process in which parties to a crisis both engage in a game and cooperate with each other.

The fourth and fifth chapters emphasize the domestic components of crisis management. Colin Mackerras’ chapter on “Managing Ethnic Minority Crises – The Tibetan Areas and Xinjiang” reveals the close coordination inherent between various levels of the government and the party apparatus in handling crises at the regional level. The party secretaries of the provinces (especially Xinjiang, Tibet, and Qinghai) closely coordinate with the Stability Preservation Leading Group and the Ministry of Public Security. By shifting money into minority-dominated regions, Beijing adopts a strategy of trying to improve livelihoods. However, what passes for “crisis management” on the part of Beijing does not air brush the reality that minority ethnicities (Uyghurs and Tibetans) in China do not enjoy the relative latitude afforded to the majority Han and face the real prospect of becoming minorities in their own regions – it has already happened to the Uyghurs in Xinjiang! In the fifth chapter on “Managing Pandemic/Epidemic Crises: Institutional Set Up and Overhaul” Lai Hongyi charts out the follow-up since the SARS epidemic of 2003 and the preparedness of the authorities as the creation of an institutional framework to handle health crises. This chapter could be termed as a logical extension of Chan, Lee, and Chan’s chapter on *Public Health* and brings out the anomalies of a system that in putting a premium on economic modernization neglected social welfare.

In the sixth chapter on “China’s Management of Environmental Crisis: Risks, Recreancy, and Response” Richard P. Suttmeier analyses the shift in crisis management on environmental issues from emergency response to one of comprehensive risk management that speaks the language of disaster prevention as stated in the 2009 State Council White Paper on “China’s Actions for Disaster Prevention and Reduction” that lays out a five year plan to fix strategic goals, legal framework, and institutional changes to effectively tackle incidents like the toxic spill on the Songhua river. In the final chapter on “China’s Management of Natural Disasters: Organizations and Norms” Chen Gang brings out the complicated nature of China’s labyrinthine bureaucracy and agencies that deal with natural calamities. The author argues for more attention to be paid to develop local disaster reduction infrastructure and for the toning down of various ad-hoc mechanisms.

In conclusion, what emerges from both the books is a mixed picture of a China wanting to be part of global governance initiatives, yet adopting a cautious methodology of exploring aspects where its requirements are fulfilled. The economic aspects of global governance appeal

most to a China thirsty for technology and skills that it can benefit from. It consciously adopts a low profile and pays platitudes to established conventions of global governance while at the same time stonewalling itself from greater scrutiny. The duality that emerges is of a China abiding largely by global governance norms and promoting its own concepts simultaneously (Li, 2012). China also carefully scrutinizes patterns of global governance and subscribes to concepts where it finds opportunities for extending its influence (Kupchan, 2001). The final question however remains, is China *prepared* for global governance while holding on to a political system bereft of ideology and one that reflects an anachronistic temperament stifling a great people and culture?

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