US-China Relations in the Shadow of Domestic Politics

Book Précis

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Summary of the Book Project

How do states establish trust and cooperation in the midst of the security dilemma? If they succeed, what dangers to bilateral stability remain? Part I of this book manuscript documents how American and Chinese diplomats have built trust and cooperation even in an environment of mutual suspicion. However, the bilateral relationship has consistently been destabilized by domestic politics. This is the focus of Part II. In the United States, members of Congress confront electoral incentives to pass legislation hostile toward Chinese interests. In China, the leader faces incentives to initiate diversionary conflict when political elites suffer financial losses. US and Chinese policymakers know this, and so they attempt to manipulate each other's domestic politics. Part III documents these strategies and how their success is conditioned by the structure of the two states' political systems. Chinese lobbying profoundly shapes congressional policy on China and media coverage of China. In contrast, American pressure on Chinese trade, security, and human rights policies is ineffective at best and counterproductive at worst.

An annotated table of contents appears below.

Part I

Foundations

1 Introduction

This chapter introduces the question, the stakes, and the plan of the book.

2 The Security Dilemma and the Power of Diplomacy

Many scholars believe that conflict between the United States and China is inevitable.[1] This chapter argues otherwise: that diplomacy can build trust and cooperation even in a security dilemma. In

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[1] Waltz (1979), Gilpin (1981), Mearsheimer (2001), Allison (2017).

contrast to a large body of international relations scholarship which views communication as cheap talk, I argue that diplomacy enables distrustful states to identify common interests, gradually build trust, and ultimately find genuinely cooperative equilibria.

To test the theory, I created day-level datasets of policymaker assessments and state-to-state interactions. The first dataset uses internal policy documents—some 100,000 pages total—to record how senior American policymakers assessed China's strategic capabilities and intentions at daily intervals between 1969 and 2000, a period which was characterized by intense, mutual suspicion, and during which cooperation was both useful and fraught. The second dataset records all 3,000 diplomatic interactions between the United States and China reported in primary and secondary sources between 1949 and 2012. The evidence suggests that predictions of a so-called "Thucydides Trap" are unwarranted. The risks of conflict lie elsewhere: in domestic politics, which are the focus of Part II of the manuscript.

Part II

Domestic Sources of International Instability

3   Domestic Sources of Instability: China

Domestic factors routinely undo the good work of diplomats. Chapter 3 documents how struggles among Chinese political elites compel conflict initiation toward the United States. It begins by developing a theory of diversionary foreign policy in autocracies. The autocrat purchases elite support with transfers and public support with public goods. The two sources of support are substitutes: when elite support declines due to economic shocks, the autocrat can inoculate himself against leadership challenges by cultivating popular support. Diversionary aggression serves precisely this purpose.

I measure elite interests in China with returns on the Shanghai Stock Exchange, which is overwhelmingly dominated by China's political elites. Between 1990 and 2010, when elite transfers through the Shanghai Stock Exchange declined by 5% to 15%, China initiated 1.5 to 2 times as much conflict with the United States as usual the following month. In total, elite interests were responsible for an estimated 40% of Chinese conflict initiation toward the United States over this period. Conflict occurred in observable issue areas most likely to generate a nationalist rally, and was accompanied by domestic propaganda that emphasized the autocrat's popularity. It was followed by private diplomatic initiatives designed to reassure the United States of China's peaceful aims. The chapter concludes with a case study based on leaked documents in which Chinese policymakers discussed their diversionary strategy with US diplomats in 2010.

4 Domestic Sources of Instability: America

Motivated by local electoral considerations, members of Congress routinely condemn the trade, security, and human rights practices of the Chinese government. Many international relations scholars expect that this should advance the president's negotiating position.[2] Instead, hostile legislation toward China has destabilized US-China relations with few strategic benefits to the United States.

This chapter is based on an original dataset of all congressional activity on China since 1973. I pair this with data on Chinese collective action, repression, economic policies, security policies, and propaganda. The vast majority of congressional criticism of China can be explained by electoral considerations in members' home districts. To assess the effects of that criticism, I employ an instrumental variables identification strategy based on the congressional calendar. Congressional pressure has not emboldened Chinese protesters, nor has it changed the repressive behavior of the Chinese government. It has not shaped China's exchange rate or its trade practices. Its only effect has been to make the Chinese government less cooperative and to shape its domestic propaganda, which emphasizes its "democratic" credentials, international partnerships, and strength in the face of US criticism. Congress, in short, has undermined US strategic objectives toward China for local electoral gains.

Part III

Mitigating Domestic Instability through Foreign Interference

5 Lobbying

If congressional criticism destabilizes the bilateral relationship, then we should expect the Chinese government to try to mitigate that. It does so by hiring Washington lobbyists. These efforts, which are the focus of Chapter 5, are very successful. International relations scholars have considered a broad range of ways that domestic factors condition foreign policy. This chapter shows how autocracies may shape democratic foreign policy from within.

This chapter is based on a complete record of Chinese lobbying in the United States coded from the Foreign Agents Registration Act (FARA) database. I supplement this with a complete record of congressional action on China and American media coverage of China before and after media trips sponsored by the Chinese government. The evidence suggests that members of Congress who are lobbied by the Chinese government are five to seven times as likely to sponsor pro-China legislation.

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[2]Schelling (1980), Putnam (1988), Schultz (1998), Martin (2000).

American media outlets that participate in trips sponsored by the Chinese government become far more likely to cover China's positive contributions to the global economy than the threat posed by its geopolitical competition.

6 Propaganda

The Chinese government also targets the American public directly. It does so with the *China Daily*, an English language newspaper distributed freely in US cities. Though scholars have explored how autocrats use propaganda domestically, there is virtually no research on how autocrats employ propaganda to shape the views of voters in democracies abroad.

This chapter is based on a computational analysis of the entire *China Daily* corpus. The evidence suggests that the *China Daily* casts the Chinese government as a supporter of the global liberal order, though it seeks to redefine key aspects of that order like human rights and noninterventionism. By mixing generally objective coverage with skewed coverage of key strategic issues, it aims to build credibility in order to shift American citizens' views about China and their preferences about US foreign policy. In the coming months, I plan to field a survey to assess how *China Daily* content affects the views of US citizens about China and US foreign policy. In a working paper, I find that RT (formerly Russia Today), induces American survey respondents to support withdrawing from America's traditional role as a cooperative global leader by roughly 10 percentage points. Reflecting Russia and China's different geopolitical goals, I expect that Chinese propaganda will have a different focus: persuading Americans to feel more comfortable with a Chinese leadership role in world politics.

7 Democracy Promotion

US policymakers recognize that the structure of the Chinese government creates the conditions for conflict. They have responded by trying to foster democracy. The US Government has funded three types of programs to generate grassroots demands for democratization in China. These include cultural exchange programs like the Fulbright Scholarship, NGOs designed to foster civil society activism, and news content broadcast into China against the wishes of the Chinese government. This chapter documents all three, and then, due to data availability, identifies the effect of the last.

I plan to combine data on the geographical range of Voice of America (VOA) broadcasts in China with a nationwide survey of Chinese trust in government and views towards the United States. I expect that VOA broadcasts led Chinese citizens to hold more critical views of their government and more favorable views of the United States. Additionally, I hypothesize that anti-government protests are more common today in areas that received VOA broadcasts historically. Most broadly, I expect that the US government's democracy promotion efforts have changed the

views and behaviors of Chinese citizens at the local level, but that its efforts to influence the Chinese government's policies have largely failed.

8   Conclusion

This chapter summarizes the book, locates its contributions in the field, and proposes a range of topics for future research.

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