

**Recasting Sources of Chinese Foreign Policy: Focusing on Hu
Jintao's Authority-Building**

By

Daria Kim

Dissertation

Submitted to

KDI School of Public Policy and Management

In Partial Fulfillment of the Requirements

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Professor Taesuh Cha



The image shows five handwritten signatures, each written over a horizontal line. From top to bottom, the signatures correspond to Professor Joonbum Bae, Professor Byoung-Joo Kim, Professor Inbok Rhee, Professor Yu Min Joo, and Professor Taesuh Cha. The signatures are in black ink and vary in style, with some being more cursive and others more blocky.

Approval as of August, 2022

Acknowledgements

I am thankful to KDI School of Public Policy and Management for providing me the opportunity to further explore the field of International Relations and Politics that I have always been fascinated by. I would like to extend my deepest gratitude to Professor Joonbum Bae for his guidance, encouragement, and support. Also, my sincere appreciations to committee members Professor Byeong-joo Kim, Professor Inbok Rhee, Professor Yu Min Joo, and Professor Taesuh Cha for their valuable comments and useful discussions. No words can describe the love, care, and inspiration I have received from my Parents and my Husband on the path to become who I am today. Thank you for the being there.

Abstract

The question of sources of Chinese assertive external behavior has been intensively studied by the realist scholars, who precipitate China's assertive foreign policy due to its rising capabilities and translation of economic power into military power. Yet, the structural realist perspective cannot explain why the foreign policy under Hu Jintao has experienced erratic changes, from keeping low profile to actively promoting cooperation and later acting assertively in core issues, in particular in the sale of arms to Taiwan and territorial disputes over the Diaoyu/Senkaku islands. I chose these cases because they have different outcomes which create unstable foreign policies and are easily examined when viewing through a longer time period. In fact, Chinese foreign policy goes hand-in-hand with each leader's attempts to build authority and create a legacy for which they themselves can survive politically. These generate an interesting and compelling research question for which I attempt to explain: What is the relationship between a leader's authority and the regime's fragility and Chinese foreign policy? I based my argument in diversionary hypothesis literature and intra-party politics. When the leader experiences insufficient authority, he uses diversionary methods and acts assertively, which helps the leader gain support from political elites and the masses. The leader's authority decreases during power transition, when the elites power struggles increases the regime fragility. When the leader has sufficient authority, he is capable of promoting his cooperative policy preferences. Overall, my analysis showcases how what may seem as an irrational and unpredictable scenario, is in actuality very certain when it comes to a leader's behavior because his actions are motivated by authority-building.

What are the sources of Chinese foreign policy under rule by the Chinese Communist Party? While realists posit an increasingly assertive Chinese foreign policy due to its rising capabilities, this perspective cannot explain why the foreign policy under Hu Jintao experienced wide-ranging changes, from keeping low profile to actively promoting cooperation and later acting assertively. Drawing from the literature on diversionary conflict and authoritarian intra-party politics, I argue that a communist leader's level of authority within the ruling party is an important factor in explaining Chinese foreign policy. When the regime head experiences insufficient authority, he has the incentive to use diversionary methods and act assertively, which helps the leader gain support from political elites and the masses. When the party chief has sufficient authority, he is capable of promoting cooperative policy preferences. The leader's authority decreases during power transition, when elite power struggles increase regime fragility. I test this argument on two core foreign policy issues during Hu's term: the sale of arms to Taiwan and territorial disputes over the Diaoyu/Senkaku islands. Overall, my analysis shows how authority is crucial to understanding leader's foreign policy behavior in China under communist party rule.

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Part I

1.1. Introduction

In 2010 when the Chinese fishing trawler collided with the Japanese coast patrol, Hu imposed economic sanctions on Japan by blocking exports of rare earth materials, canceled ministerial talks, and increased patrol in the disputed waters of Diaoyu/Senkaku islands. Interestingly, in 2004, a similar collision of Chinese activists who landed on the disputed islands and were arrested afterwards by the Japanese coast guard, Hu Jintao delayed an official response to the crisis and did not impose any sanctions. Hu allowed anti-Japanese demonstrations near the Japanese embassy, and after several hours police shut it down. After the tensions cooled down, Hu promoted a cooperative foreign policy regarding Diaoyu/Senkaku islands in 2008, signing an agreement on joint development of energy resources, and joint patrol in the disputed areas.

Hu's foreign policy over Diaoyu/Senkaku islands has evolved from a status quo to cooperative, and later assertive during his tenure 2002-2012, which raise research questions: *When can leaders promote cooperative policies?* and *Why do the leaders have an incentive to use diversionary motive?* Situating my argument within the diversionary hypothesis literature, I develop an authority-building theoretical framework to investigate intra-party politics, which affects the leader's decision-making.

Mansfield and Snyder argue that the autocrats who are on the way of transitioning to democracy, would divert the masses attention with an assertive foreign policy, given the uncertainty of domestic situations and social unrest induced by democratization (1995). Although this theoretical framework was developed to explain the behavior of autocrats during democratization, it can be applied to all types of authoritarian regimes when the leadership is

vulnerable and is uncertain about their future political trajectory. The highest level of instability rises during transfers of power between leaders, as the elites' power struggles increase. In China, the existing age limit¹ motivates the elites to fight for seats in the top decision-making body, Politburo Standing Committee (PBSC), and maximize their benefits while being in the coveted positions.

Focusing on the leader's authority towards the elites and regime instability. The argument rests on the two following mechanisms. First, during power transition the leader is mostly fragile, when elites' power struggles cause the increasing vulnerability of the regime. The leader's lack of authority encourages him to use diversionary motives and act assertively to increase his competence in the elites. The leaders seek to maintain some influence on the decision-making after retirement, through promoting his affiliates into the next Politburo. The leader is capable to act assertively only if he chairs the Central Military Commission (CMC), the generals of which follow the chairman's command during the crisis.

Second, when a leader successfully builds his authority in the elites, he limits the power struggles in the political establishment and seizes the policy agenda. It allows him to promote his policy preferences, including cooperative policy courses. To evaluate the leader's authority in the elites, I propose a complex of factors: factional balance, generational links, Leading Small Groups (LSGs)² and CMC chairmanship. The more affiliates the leader has in the Politburo, the higher possibility of the leader's policy being supported. If seniors come from the same generation, the leader has less obstacles to promote his policy preferences, as the same generation leaders share similar political experience and values (Zweig 2015).

¹ The age cap for the Politburo is 68 years.

² In the meetings of these groups, the possible policy programs are being discussed and later reported to PBSC to be approved. In order to get the control over policy initiative the leaders make themselves the heads of those Leading Small Groups or put in charge their affiliates, who are the members of PBSC and push forward their policy vision.

In order to test the authority-building theoretical framework predictions, this comparative study utilizes a process-tracing method³ on Diaoyu/Senkaku islands territorial dispute, and a method of difference⁴ on Arms sales to Taiwan under Hu Jintao. These cases present greater dependent variable (Chinese foreign policy) variances, including status quo, cooperative and assertive policy, which is crucial for method of difference. While the method of difference can prove a causal connection in the researched inquiry, process-tracing attempts to trace the links between possible causes and observed outcomes (George and Bennett 2005).

Moreover, Diaoyu/Senkaku islands territorial dispute and Arms sales to Taiwan are part of China's national-embedded issues, through which leaders can increase social cohesion or demonstrate their competence, serving national and not private interests (Fravel 2010). National-embedded issues are China's core interests (the question of sovereignty, economic development and bilateral trade, territorial disputes), which are emphasized in every National Congress report. The importance of the national-embedded issues is high for the elites, as the successful promotion of core interests maintains the CCP monopoly on power.

Lastly, each of the case studies included three events⁵, which happened during Hu Jintao's two terms during 2002-2012. This frequency and longevity of the cases allow us to investigate the changes in independent variables, leader's authority, and regime fragility.

The comparative study finds that although Hu had cooperative policy preferences in Diaoyu/Senkaku islands and Taiwan issues, he was not able to promote them during power succession as he had insufficient authority in the PBSC due to the domination of opposing

³ In process- tracing, the researcher examines histories, archival documents, interview transcripts, and other sources to see whether the causal process a theory hypothesizes or implies in a case is in fact evident in the sequence and values of the intervening variables in that case.

⁴ The method of difference takes cases with a different dependent variable and similar values on independent variables except one in order to find a causal mechanism between the variable and outcome (Mill 2006).

⁵ Diaoyu/Senkaku islands territorial dispute case study includes anti-Japanese demonstrations in 2005, Joint declaration on development of Diaoyu/Senkaku islands, and Fishing trawler incident in 2010. Attempts of arms sales to Taiwan have been conducted in 2004, 2008 and 2010.

factions. He was incapable of using diversionary motive to increase his competence during the first term, as he had no control over the military⁶. At the beginning of his second term, Hu built sufficient authority, as he became a head of the CMC and LSGs, and had fewer affiliates of his predecessor in the PBSC. Thus, the leader promoted cooperative policy preferences in 2007-2010. The momentum of his sufficient authority in the elites was short-lived, as in 2010 the competition over the next Politburo positions started to build up. As the regime became highly fragile due to the power struggles, in 2010 Hu used a diversionary motive and acted assertively in the Fishing Trawler Incident and Arms sales to rebuild his authority.

Hu's policy changes were not the outcomes that structural realism theory and individual level of analysis would anticipate. During the last decade, Xi Jinping has expanded its military prowess⁷, surged military exercises in the East China Sea and the South China Sea⁸, and advanced its place in the great power hierarchy (Wang 2011, Liff and Ikenberry 2014, Christensen 2015, Friedberg 2015, Glaser 2015). The origins of these shifts are claimed to have happened due to China's rapidly growing economic power, which is translated into military power (Allison 2018, Mearsheimer 2005, 2012) seeking to achieve a position of greater power. In contrast to realism perspective, there is conjecture that Xi Jinping might have a more nationalistic mind-set than his predecessors (Zhang 2014). His distinctive personal characteristics such as worldview, ambitions, and bold vision for China, aim to restore China to

⁶ The CMC was headed by his predecessor Jiang Zemin.

⁷ China has established a military base in Djibouti, which started to operate in 2018. The negotiations over the second base in Pakistan are underway. The Chinese military has constructed well-armed outposts on atolls in the South China Sea, as well as an outpost in eastern Tajikistan, hosting Chinese troops (Guardian 2019). China surpassed the US in total naval assets - 714 and 415 warships, respectively, based on Global Fire Power data. For less than ten years, China has acquired two aircraft carriers: Liaoning, purchased from Russia, and put in service in 2012 and Shandong, constructed in China, and began exploitation in 2018. According to different sources, 1-3 carriers are under construction. In contrast, from 2009 to 2019, the US has produced the same amount of aircraft carriers: George H.W. Bush in 2009 and Gerald R. Ford in 2017.

⁸ East China Sea - from 4 in 2014 to 21 by 2020; South China Sea - from 9 in 2014 to 36 by 2020, based on China's Ministry of National Defense statements and PLA statements.

its former glory days through assertive external behavior (Economy 2014, Zhang 2014). However, assertive external behavior prevailed in China's foreign policy under Xi's predecessor, Hu Jintao at the end of his term. Hu was considered to be too cautious and keeping a low profile in foreign policy course (Fewsmith 2002, Tkacik 2002).

While individual level explanations cannot explain why such a cautious leader, as Hu Jintao, acted assertively at the end of his term, the structural realism perspective is insufficient to explain Hu's cooperative strategy in territorial disputes and Taiwan. The research of China's foreign policy under Hu using authority-building framework can identify theoretical variables that were previously overlooked, such as the leader's authority and the regime instability, and postulate a new causal mechanism.

This dissertation is structured as follows: Part I includes an introduction and the literature review that has been made to explain diversionary hypothesis and authority, reflecting existing analysis of China's foreign policy. Part II presents authority-building theoretical framework, building on and redefining George Breslauer's (1982) concept, used to analyze the process of policy advocacy in China. Next section provides case selection criteria and methodology. Next, Part IV explores authority-building characteristics in post-Deng China and provides an in-depth analysis of the case studies, comparing Hu policy decisions in regards to Diaoyu/Senkaku islands and Taiwan. By way of conclusion, Part V summarizes the key analytical findings and provides some thoughts for further research.

1.2. Literature review

The system level of analysis. At the center of the hegemonic rivalry is the rising power, China, and the established hegemon the United States, and as states are construed as survival-driven in the anarchical international system (Waltz 1979, p. 105), China is expected to challenge the extant rules of international order. By 2021 China possessed three military bases

(Djibouti, Tajikistan, Myanmar), enjoying a home-base advantage in the Pacific Ocean, and is gradually extending the strong presence into the Indian Ocean, building a naval base in Cambodia. Since its dramatic military modernization, China has constructed well-armed outposts in the South China Sea and has increased patrolling in the East China Sea, to dominate the waters off their coastline.

The origins of such military developments are claimed to have happened due to China's rapidly growing economic power, which is translated into military power and perhaps would be its own Monroe Doctrine to challenge the US presence in the Asia-Pacific region (Mearsheimer 2012; 2004). As the state's capabilities shape its intentions (Zakaria 1999), Xi Jinping's China's Dream⁹ seeks to reflect China's strong economic growth over more than three decades and pursue its rapid ascendance in the international system through increasingly assertive external behavior (Wang 2011; Liff and Ikenberry 2014; Christensen 2015; Friedberg 2015; Glaser 2015). China would continue to act increasingly assertive in promoting its core interests¹⁰ and inevitably fall into Thucydides trap with the US (Allison 2017).

Structural realism has been increasingly used by scholars to explain China's foreign policy under Xi Jinping, while being insufficient to explain external behavior under his predecessor Hu Jintao. Instead of promoting assertive policies, Hu pursued cooperative policy over disputed Diaoyu/Senkaku islands with Japan and built cross-Strait dialogue with Taiwan based on

⁹ During his report on the 19th CCP Congress, Xi emphasized the humiliations suffered by China due to its weakness and backwardness and suggested that China is seeking rejuvenation and past glory days before the Opium Wars. "We are now closer than ever to the goal of China's national revival," he said. "We are more confident and better equipped than ever to realize this goal" (Zhang 2014).

¹⁰ According to the last report at the 19th CCP Congress, China's core interests are: 1) state sovereignty; 2) national security (the question of Xinjiang, East China Sea and South China Sea); 3) territorial integrity (the question of Xinjiang, Hong Kong, East China Sea and South China Sea); 4) national reunification (the question of Taiwan); 5) social stability (political liberalization problem, the question of Xinjiang, Tibet and Hong Kong); 6) sustainable economic and social development.

economic diplomacy¹¹. These foreign policy outcomes cannot be anticipated by power-centric structural explanations, predicting escalation of tension over China's core interests. Moreover, realism lowers the value of the leaders in external conduct, placing them as an essential part of individual states, which are in a struggle for survival. However, the leaders are self-motivated and self-interested, pursuing foreign policy decisions through the prism of their own political survival.

The individual level of analysis. One can assume the change in Chinese foreign policy can be most understood by purposive acts of leaders. Political leaders, like ordinary people, have distinctive personalities, values, and beliefs, which contribute to variation in psychological processes, political socialization, lessons learned from history, and management styles that shape the decision-making process (Levy and Thompson 2010; Jervis 2013). Leaders' goals, abilities (i.e., political skills, which in turn influence the ability to mobilize support for their policies), and foibles are crucial to the intentions, capabilities, and strategies of a state (Byman and Pollack 2001, p. 109).

The difference in China's foreign policy is explained by the political preferences difference between Hu and Xi. Some scholars associate Chinese assertive foreign policy with the phenomenon of Xi, who had consolidated greater personal authority than Jiang and Hu ever did¹². Therefore, his ambitions to rejuvenate China has resulted in muscular regional policy (Economy 2014; Shambaugh 2016). In contrast to Xi's goal of a great revival through nationalistic fervor, Hu Jintao comes in for much criticism as a weak figure, who never entirely

¹¹ Agreement on Joint development of Diaoyu/Senkaku islands in 2008, creation of cross-Strait forum in 2006, invitations of Kuomintang leaders to Beijing.

¹² For instance, Xi broke the institutionalized rule and did not promote a successor at the 19th National CCP Congress. More striking, the leader amended the Constitution to abolish the two-term limit of the presidency in 2018. Xi personally controls all the levels of power in the CCP, including the military and the policy, and chairing eight leading small groups. Advocating anti-corruption campaign, Xi purged six powerful opponents in the Politburo: Zhou Yongkang, Bo Xilai, Ling Jihua, Xu Caihou, Guo Boxiong, and Sun Zhengcai.

escaped from Jiang Zemin's continuing interference (Shirk 2018) and was easily manipulated by more powerful figures and institutional interests (Shambaugh 2016), asserting his low-key foreign policy course.

The individual-level studies consider Xi Jinping's foreign policy as a huge departure from Deng's guideline of *hide capabilities and bind time*. However, this low-key profile foreign policy was disturbed by Hu's assertive response in the Fishing Trawler Incident in 2010, when the leader imposed economic sanctions on Japan by blocking exports of rare earth materials, canceled ministerial talks, and increased patrol in the disputed waters of Diaoyu/Senkaku islands. Moreover, China's turn to assertive foreign policy, as well as military modernization has begun not during Xi, but during Hu¹³, so to speak, creating a foundation for Xi's full-scale militarization.

The leaders explanations cannot anticipate assertive policies under Hu, as he was too cautious and a weak figure, incapable of pursuing changes in China's foreign policy. The individual level of analysis omits the persistently neglected fact of intra-party politics, which better explains the foreign policy change (from cooperative to assertive) over Diaoyu/Senkaku islands and Taiwan and identify theoretical variables that were overlooked by previous research. *The state level of analysis.* Mansfield and Snyder argue that the autocrats who are on the way of transitioning to democracy would engage in assertive or provocative external behavior (1995). In the changing domestic order, the old and new elites mobilize the masses through nationalist appeals to defend their threatened positions. However, the elites are threatened not only during democratization rather the regime is vulnerable when the leadership is uncertain about the future political trajectory and power-sharing arrangements.

¹³ Under Hu, China purchased the first aircraft carrier and focused on development on Blue-water navy, instead of traditionally important land troops.

The debate over the CCP fragility and weakness has been intensified among scholars over the past few decades. Some scholars emphasize the stability of the CCP to maintain control in China in the long-run due to its wider power dispersion (in comparison to military juntas and personalistic dictatorships), informal political culture norms, and top leadership turnover (Li 2008, Shambaugh 2012, Weeks 2011). Others see the CCP's inability to maintain the regime due to its non-democratic nature of power, increasing usage of violence against the population, factionalism, the elite's fragmentation, and a weakened cadre evaluation system as system's pitfalls that challenge the CCP regime (Shirk 2007, Lampton 2008). However, what is missed in analysis of regime instability and its effect on external behavior, is power transitions, the periods when elites power struggles over next leadership positions are intensified. Therefore, the leadership uses assertive foreign policy to cover the power struggles and maintain domestic order.

In China, the existing age limit urges the elites to grab as much loot as possible, and maximize the benefits from being in position (Min 2020). The competition over Politburo positions starts several years prior to the National Congress, which holds every five years, and concludes when the leader builds sufficient authority to seize the policy agenda after being elected as a General Secretary. The fragility of the CCP arises from the high fragmentation of elites that are divided between different factions, patrons and generations, who are rigid to find consensus over policies.

Another source of the possibility of the diversionary war is the leader's unsuccessful policies. The leaders might demonstrate their competence through aggressive foreign policy when they are vulnerable at home. In democratic regimes, when the leaders attempt to go for the second term, and they expect to lose in upcoming elections, they may have nothing to lose and

much to gain from the international crisis either generating a rally effect or demonstrating competence (Leeds and Davis 1997, Fravel 2010). The leaders experience domestic vulnerability when the economy is in decline, which affects both public approval rating and the votes, decreasing the leader's popularity.

In contrast, autocrats rely on performance legitimacy (Lipset 1959) and use nationalist prestige strategies to substitute the failure in socio-economic policies. When the leader's policies do not secure the improvement of economic conditions, the leader relies more upon the nationalist sentiment to improve his authority in the elites. As the economic growth rate has been declining since 2008, Chinese leadership has been increasingly acting assertively. The leader avoids the criticism of acting too soft and enforces the image of a strong leader, who promotes core interests. Interestingly, China's foreign policy in territorial disputes and Taiwan has been assertive prior to the economic growth decline, during Hu Jintao in 2010-2012 and Jiang Zemin 1995-1996 and early 2000s. These periods were associated with power transitions in the CCP, when the regime instability increased. While some elites' authority increases in power struggles, the leader's authority diminishes.

None of these three perspectives can provide a sophisticated explanation on China's foreign policy change under Hu Jintao. Structural realism cannot explain why China promoted cooperative policies in its core interests, precipitating increasingly assertive direction. The leaders' explanations cannot explain why Hu pursued assertive foreign policy by the end of his term, being a cautious and weak leader. Originally designed for transitioning to democratic states, the diversionary war theory is insufficient to explain assertive external behavior in authoritarian regimes, which is linked to the regime instability and leader's authority.

The following section presents an authority-building theoretical framework, which is used to generate hypotheses on foreign policy. First, I provide a definition of authority, differentiating it from the previous studies, which used the concept of power. Second, I investigate how the leader's authority is connected to the regime's fragility. As the leader's authority is the variable of research interest, I offer authority measurement, which is used to evaluate it during power transitions. Lastly, I discuss the value-added of the authority-building theoretical framework to the existing literature and its limitations.

Part II

Authority-building theoretical framework

The discussed authority-building framework adds to the existing literature of diversionary war, which hypothesize that the leaders turn aggressive due to democratization consequences, when the leaders and elites are mostly fragile, as they might lose their privileged transitions during power transition. The authority-building explains that the vulnerability of leaders comes not only from democratization but also during transfers of power. The main argument is that the leaders exploit diversionary motive and act assertively in the national-embedded issues when they have insufficient authority and attempt to increase their competence in the elites.

2.1. The CCP fragility and power transition

The debate over the CCP fragility and weakness has been intensified among scholars over the past few decades. Some scholars emphasize the stability of the CCP to maintain control in China in the long-run due to its wider power dispersion (in comparison to military juntas and personalistic dictatorships), informal political culture norms, and top leadership turnover (Li 2008, Shambaugh 2012, Weeks 2011). Others see the CCP's inability to maintain the regime due to its non-democratic nature of power, increasing usage of violence against the population,

factionalism, the elite's fragmentation, and a weakened cadre evaluation system as system's pitfalls that challenge the CCP regime (Shirk 2007, Lampton 2008). However, my theoretical argument does not focus on CCP weaknesses challenging the regime in the long-term; rather it investigates the immediate effects of power transition to the Party vulnerability and the role of the leader in elites conflict.

The absence of revolutionary leaders in the CCP has evolved China's political culture, leading to a shorter, fixed time in office, and thus urging the elites to grab as much loot as possible, and maximizing the benefits from being in position (Min 2020). The competition over these positions starts several years prior to the National Congress, which holds every five years, and concludes when the leader builds sufficient authority to seize the policy agenda after being elected as a General Secretary. The fragility of the CCP arises from the high fragmentation of elites that are divided between different factions, patrons and generations, who are rigid to find consensus over policies.

The split of the leadership that is induced by personality differences, policy preferences, uncertain support from military, and power-sharing arrangements (Nathan 2009, Fewsmith 2010) have two potential threats to regime maintenance. First, when a power transition occurs, the possibility of domestic unrest increases as there is no consensus on how to solve the problem of protests, and it may exacerbate into a snowball, as it happened in 1989¹⁴. Although the mass protests cannot be considered as a movement that would demolish the CCP given its apparatus and control over PLA, leadership inner struggles and inability to work together increases the costs of repression (Gobel 2020). Second, while the leader's authority cannot dominate over others, some power-holders may seek to rise within the leadership using relying on mass

¹⁴ On the one side of elites conflict there were Zhao Ziyang, General Secretary, along with Hu Qili, the rightsist, and conservatives Li Peng and Yao Yilin, with Qiao Shi as a broker member, who eventually joined the policy of suppression the movement, proposed by Deng.

mobilization and promote populist ideas and policies, shaking the Party's weak norms and rules¹⁵.

The existence of this conflict was acknowledged even by Deng Xiaoping after the Tiananmen Incident; the leader advised the third generation of leadership to follow the principle in which the leader should be "first among the equals". This meant the leader's authority should prevail in PBSC (although Deng's own grip on policy-agenda made that guideline hard to follow). Therefore, the power transition period is the time when the leader is required to build his authority and rise within the leadership in order to calm inner-party struggles.

While some scholars claim that the peaceful power transitions are seen as signs of stability and strength of the regime, in fact there are hardly any regimes which experienced repetitive peaceful power transitions¹⁶. Most of the power transitions are associated with intensified power struggles and purges, as there are no complete institutionalized norms of transferring the leader's position. Although some regimes developed informal political cultural rules (age and term limits), the retired leader may still retain their authority and ability to influence policy making decisions. This can occur even while having no official position in the political establishment, which again intensifies the conflict between elites¹⁷. Therefore, in order

¹⁵ The latest case of opportunistic behavior was executed by Bo Xilai during power transition from Hu Jintao to Xi Jinping, when Bo promoted Mao-like agrarian reforms, nationalistic foreign policy, anti-corruption campaign, while advocating for Chongqing model of development where he served before joining Politburo in 2007. His policy campaign is explained by his inability to serve as PBSC members for two terms and compete over the General Secretary position due to age limits.

¹⁶ China accounts only for one peaceful power transition from Hu Jintao to Xi Jinping when the leader discharged himself from all the positions and did not promote his personal affiliates through whom he would be able to project influence on policy-making. Power transition from Jiang Zemin to Hu Jintao is still debatable among scholars. Some claim that it served as an evidence for elite politics stability and institutionalization of power transition, as there were no purges and Jiang vacated the General Secretary positions at the end of his last term (Shambaugh 2012). On the other hand, there was a speculation that Jiang bargained to stay in power in 2002, which made a precedent to let the leaders from the third generation stay in power, causing a conflict with a new batch of the fourth generation leaders (Fewsmith 2002, Kuhn 2004). At the eve of the 16th CCP Congress Jiang achieved the position of Chairman of the CMC.

¹⁷ One of the examples of influencing the policy agenda could be Deng Xiaoping's authority in PBSC. Despite being not included in China's top decision-making body, the leader had a greater authority than General Secretary Zhao Ziyang during students' protests in 1989, which resulted in using martial law and oppressing the demonstrators.

to be labeled as a peaceful power transition, the leader should not seek to maintain his authority in the political establishment, specifically:

- The leader voluntarily vacates all posts in the government, including executive and legislative positions, and as commander in chief;
- The leader limits patronage of his affiliates to the government during his last term¹⁸;

As these conditions are not usually met by the leaders in authoritarian regimes, power transitions are the periods of vulnerability, associated with an increasing number of power centers, when the senior political actors attempt to build their authority in the political establishment by promoting domestic and foreign policies, searching for support. While well-formulated and detailed policy from the leader requires time, control over policy agenda and assistance from the governmental actors, the assertive foreign policy is less constrained and its effect is immediate. Therefore, the necessary condition for the diversionary war hypothesis is the elite conflict, induced by transition of power, in particular the PBSC turnover in China.

The CCP fragility is associated with the leader's weakness, as the elites are not united and fight for power, and the leader's authority is vulnerable as well. The next section develops the concept of authority and its relation to diversionary motives in foreign policy.

2.2. The leader's fragility during transfers of power

In contrast to the power, which is commonly used by the scholarship analyzing authoritarian regimes (Huntington 1969, Bueno de Mesquita et al 2003, Svobik 2012),¹⁹ the

Another example was Putin fulfilling the two terms limit in Russia, and voluntarily vacating the presidency in 2008. However, he retained the power to intervene in decision making (Frye 2007).

¹⁸ In the CCP to bargain over PBSC positions during the next elections the affiliates should be brought up by the patron to the central authority from the provinces prior to the CCP Congress.

¹⁹ Highly institutionalized political regimes are considered states with effective bureaucracies, a well-organized party or parties, popular participation in public affairs, civil control over military, and effective governmental machinery. For example, contemporary democratic states, including the USA, Japan and some of European countries; China, India, Singapore and Mexico.

concept of authority can better be explored in the elite dynamics and associated decision-making process. While a leader's power is based on the distribution of spoils they get from it, such as monetary rewards, perks, and privileges (Gandhi and Przeworski 2007, p. 1281), the overall authority is the ability to exercise one's will over others²⁰. This is shown through focusing on the non-material link between the leader and the elites. The concept of authority was used in policy analysis by Breslauer, who defined authority-building as a process by which leaders "seek to legitimize their policy programs" in the Party (Breslauer 1982, p.3). The followers should voluntarily believe in leaders' ideas, policies, and course vision. Therefore, a political leader has authority if he can persuade the audience of the necessity of his leadership and proposed policies. The followers believe and trust in the leader's expertise, knowledge, and competence in complex tasks. Given his authority, the leaders' ideas or policy preferences should mobilize the followers and voluntarily make them support the leader without the usage of power or coercion.

Power transition. The leader is mostly fragile during two periods associated with power transition. During power succession, the leader has a lack of authority to promote his policy programs as soon as he assumes the position. As there is no formal political culture in authoritarian regimes, the previous leadership can retain influence on the decision-making process, and in China there is a concept of seniority (Chen and Chung 2002) which creates obstacles for a younger leader in PBSC. In order to be able to push forward policy preference, the leader minimizes the senior's influence on policy-making and acquires the chairmanship positions of Leading Small Groups, where the policy initiatives are discussed. The leader first acquires control of appointments made in the CCP in order to promote his affiliates to expand his

²⁰ Weber has classified authority into traditional, legal and charismatic (Weber 1922). The pure type of authority is highly unlikely to be present in a real political regime. Therefore, I focus on synthesis of legal and charismatic authorities.

power base by advising the Organization Department, and in particular promoting his affiliates to be the head of this department.

Power succession. During power succession, the other seniors from the Politburo try to assume chairmanship of Leading Small Groups in order to oversee policy formulating or acquire positions, which involves greater sources for clientelism. Thus, weak leaders are more likely to invoke nationalism in foreign affairs issues to build authority, presenting themselves as strong leaders who advocate for the state core interests in the international arena. If the leader cannot handle the crisis appropriately, his political credibility will be eroded, which limit the ability to promote policy preferences (in a worst case scenario, his tenure in office will be numbered)²¹.

The leader's use of diversionary motive has different implication for power succession and power transition, as the leader has different objectives in authority-building. During power succession the leader seeks to rise within the leadership and seize the power over policy agenda, while during power transition in China the leader attempts to re-build his authority in order to maintain the influence over policy agenda by having control over appointments to Politburo and PBSC, where he might be short of affiliates. His proteges and affiliates would back off his previous foreign policy course and look for 'advice' on decision-making after being elected to the top leadership.

During transition of power to incumbents, the leader experiences lack of authority due to rising authority of the incumbent and the new generation of leaders. As there are rising centers in the political establishment, the regime's fragility increases. By the end of the term, the leaders ultimately watch their authority erode due to failed policies, power abuse, corruption or repression. The opponents criticize the policies of the leader in power as a means to attract the

²¹ Khrushchev could not handle the Caribbean crisis well, which led to escalation of the US-USSR conflict, bringing two states at the brink of war, and was soon dismissed from the Soviet leadership.

elites' support for their candidacy. Thus, the leader attempts to retain influence over policy initiative by placing proteges into a new decision-making body, who push forward his policy vision and thus increasing the likelihood of policy continuity. In order to be able to maintain the influence after power transition, the leader needs to have a high level of authority in order to be able bargain with elites over positions for his affiliates. Acting assertively in national-embedded issues helps the leader to restore weakening authority and promote affiliates to the next leadership.

2.3. National-embedded issues

National-embedded issues are highly salient areas of foreign policy for the leader's calculations. They primarily represent China's core interests (the question of sovereignty, economic development and bilateral trade, territorial disputes), which are emphasized in every National Congress report. The question of sovereignty in China's foreign policy realm usually includes the Taiwan issue and the CCP quest for reunification. Territorial disputes mainly include territories, which were not regulated after the defeat of Japan in WWII, raising a controversy among many East Asian countries.

The territorial disputes mostly include China's core interests in the maritime periphery: South China Sea, East China Sea, China's maritime Exclusive Economic Zone (EEZ)²² and Yellow Sea (Swaine 2011). These disputes were not regulated after the defeat of Japan in WWII, raising a controversy among many East Asian countries. The unsettled status of territorial disputes continuously reminds Chinese of the shameful and unfair history, when foreign powers exerted greater influence than the Qing dynasty itself (Allison 2018, p. 114). The hundred years left China acutely sensitive to perceived bullying and attempts to challenge the state's honor and

²² Includes the area of the South China Sea, East China Sea, and Yellow Sea. Please see the map at <https://www.marineregions.org/gazetteer.php?p=details&id=8486>

prestige, and especially alert to threats around their borders (Friedberg 2005). The expanding feeling of national pride especially increases in the Diaoyu/Senkaku islands territorial dispute, in which Chinese leaders actively claim territorial integrity opposing the Japanese government.

The leaders show greater interest in the decision-making of national-embedded issues, as the importance of the national-embedded issues is high for the elite. The leader's policies in national-embedded issues can consolidate masses using nationalism sentiment, and thereby maintaining the CCP monopoly on power. National-embedded issues present an opportunity for escalation, namely a salient issue around which leaders can increase social cohesion or demonstrate their competence and frame the use of force as legitimate, serving national and not private interests (Fravel 2010). Therefore, the higher salient the issue is, the higher rewards from the elites the leader would get after promoting effective foreign policy. National-embedded issues or territorial disputes are more frequently used by the leaders to escalate the conflict and use assertive foreign policy, as the states already have a foundation for conflict.

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2.4. Authority measurement

In authoritarian regimes, there is a difficulty in measuring the leader's authority and identifying when he is mostly fragile. In democratic states, the leader's authority can be measured by the relationship between the executive branch and legislature, as well as public approval ratings (He 2016). The leader's authority is largely shaped by his relationship with the factions, interest groups, and military. As the CCP is regulated by the principle of inner-party democracy, meaning that other members of Politburo have considerable amount of authority and power, the leader builds his authority through the following channels:

- Factions
- Military
- Generational links
- Leading Small Groups (LSGs)

Factions. There are two main factions in China. The “populist” faction, or *tuanpai*, consists of the officials and leaders who advanced their political career primarily through the leadership of the Communist Youth League of China (CCYL) while at a young age. The other is the elitist faction, which is interested in economic efficiency, coastal development, and less concerned about the environment, emphasizing rapid GDP growth. Both of the factions include smaller cliques, which are associated with a PBSC senior who has successfully built authority among others or link through university ties. Also, university ties go hand-in-hand with faction politics in China. This is also known as the senior-junior relationship principle, and university ties are relatively strong. Factionalism in foreign policy decision-making is less forceful than in domestic policy and there is no division between leftist and rightist. The foreign policy is adopted on the basis of issues and conflicts with a particular country, the CCP economy, and

political interests with the country. This gives the leader a bigger opportunity to gain support for his policy preference from the members of other factions.

High level of authority means that the leader can handle factional politics well, having a majority of affiliates from his faction in PBSC. Alternatively, this is also being able to promote his policy preferences, despite the opposition faction residing in PBSC. The leader is able to persuade others of the necessity and rightness of his policy course. The evidence can be provided from the statements, speeches, and comments of the opposite faction seniors, which goes along with the leader's policy preference. *Insufficient authority* means the leader's authority is vulnerable and he is not capable of changing foreign policy and pushing forward his policy appeals. Some leaders have never been able to acquire a high level of authority, while others enjoyed a degree of high level authority initially coming into office.

Military. A leader with a high level of authority can control the military. In China, to control the military, the leader needs to be a chairman of the Central Military Commission (CMC), the position of which allows for control of appointments. Building authority in the army reduces the possibility that disaffected military personnel could conspire against the central government (Heath 2019). On the other hand, control, loyalty and reliability of the CMC allows the leader to maintain the international problems under control, limiting escalation of the conflict.

Generational links. Building authority in opposing factions can be a difficult task for the new leader. Thus, he looks for supporters in the elites belonging to the same generation as he does. Power-holders from the same generation tend to have similar political attitudes and values in foreign policy, as their backgrounds, political experience, and education are similar and they rise to power at the same time (Zweig 2015).

LSGs. The role of Leading Small Groups started to regain its power in policy-making in the post-revolutionary leaders era. In the meetings of these groups the possible policy programs are being discussed and later reported to PBSC to be approved. In order to get the control over policy initiative the leaders make themselves the heads of those Leading Small Groups or put in charge their affiliates, who are the members of PBSC and push forward their policy vision. Also, the chairmanship of LSG serves as an evidence on whether the foreign policy was either initiated by the leader or promoted with his support, given the lack of transparency of the Chinese decision making process.

The leader has insufficient authority, when the previous leader maintains control in the political establishment. Previous General Secretary can promote his affiliates to the PBSC during his last years of the second term, and maintain control over policy agenda through his affiliates despite his absence from the leadership position. His affiliates create an obstacle for the promotion of the current leader's policy preferences. The previous leader can assign his affiliates to positions of LSGs, which control the formulation of the domestic and foreign policies. Despite of vacation of the general secretary position, the previous leader can stay in charge of the military, chairing the CMC. This practice has been followed in Chinese politics since Deng Xiaoping, when he controlled the military during the leadership of Zhao Ziyang and Jiang Zemin. Hu Jintao broke this pattern when he vacated all the government positions, including CMC, during the power transition in 2012.

2.5. Assertive foreign policy and leader's authority

The process of authority-building (or maintenance) is the mechanism that link regime instability and assertive foreign policy. The leaders are highly likely to choose assertive foreign policy if they are put in a disadvantageous position, per se they are vulnerable at home. The

dependent variable is assertive foreign policy. The purpose of assertive external behavior is to stand strong in the international conflict in order to reach desired political goals that the leader is not able to achieve otherwise.

To involve a diversionary motive, the foreign policy issue should contain two necessary conditions. One of them is an opportunity for escalation; namely a conflict with other states around which leaders can increase social cohesion or demonstrate their competence, serving national and not private interests (Fravel 2010). In the case of China, the elected leader serves the CCP political interests in order to rise within the leadership and build authority in the elites. As the political elite's common interest is to retain dominance of the CCP in China, the leader acts assertively in issues that involve the CCP legitimacy, such as territorial disputes and Taiwan, dating back to the establishment of the CCP rule in China. The second condition should involve the leader's ability to control the military in order to conduct assertive foreign policy during escalation of conflict. Although the leader may not have enough authority in the Party, he needs to chair the CMC and appoint generals, who would align with him during the conflict.

H1: The leader follows the status quo during power succession

By acting assertively, the leader attempts to build authority and seize the policy agenda in order to promote his policy programs afterwards. Facing the audience costs (Fearon 1994, Levy 2012), the leader finds assertive foreign policy an effective countermeasure in international conflict, as the elites may punish the leader for failing to implement firm policy. However, if the leader does not control the military during the conflict, acting assertively would be almost impossible, as the military command does not report to the leader and will not follow his orders. Thus, the leader will act cautiously and may consider alignment with the status quo and delay the

response to the issue. When power succession occurs, he has insufficient authority to promote a new foreign policy course and has no control over the military to act assertively.

H2: The leader acts assertively during power transition

During power transition, the leader is willing to retain influence over policy agenda after resignation through his affiliates whom he attempts to promote to the next leadership. In order to re-build his authority, the leader uses assertive foreign policy to maintain the influence in the next leadership and divert the attention from the elites' power struggles and fragility.

2.6. Research design

To find the causal mechanism of assertive foreign policy and explain when the leaders rely on diversionary motive, each case adheres the following structure:

1. Leader's authority during conflict

To evaluate the leader's strengths or weakness in the elites, the following questions should be answered:

What is the period of authority-building the leader operates during the conflict? (power succession, power ascendancy, power transition)

How well can the leader mitigate factionalism in PBSC? How many members of his faction reside in PBSC?

Is there generational balance in PBSC? To which generation does the leader and other PBSC members belong?

Is the leader a chairman of CMC? Does he have any resistance in the top command of CMC or from the previous leader?

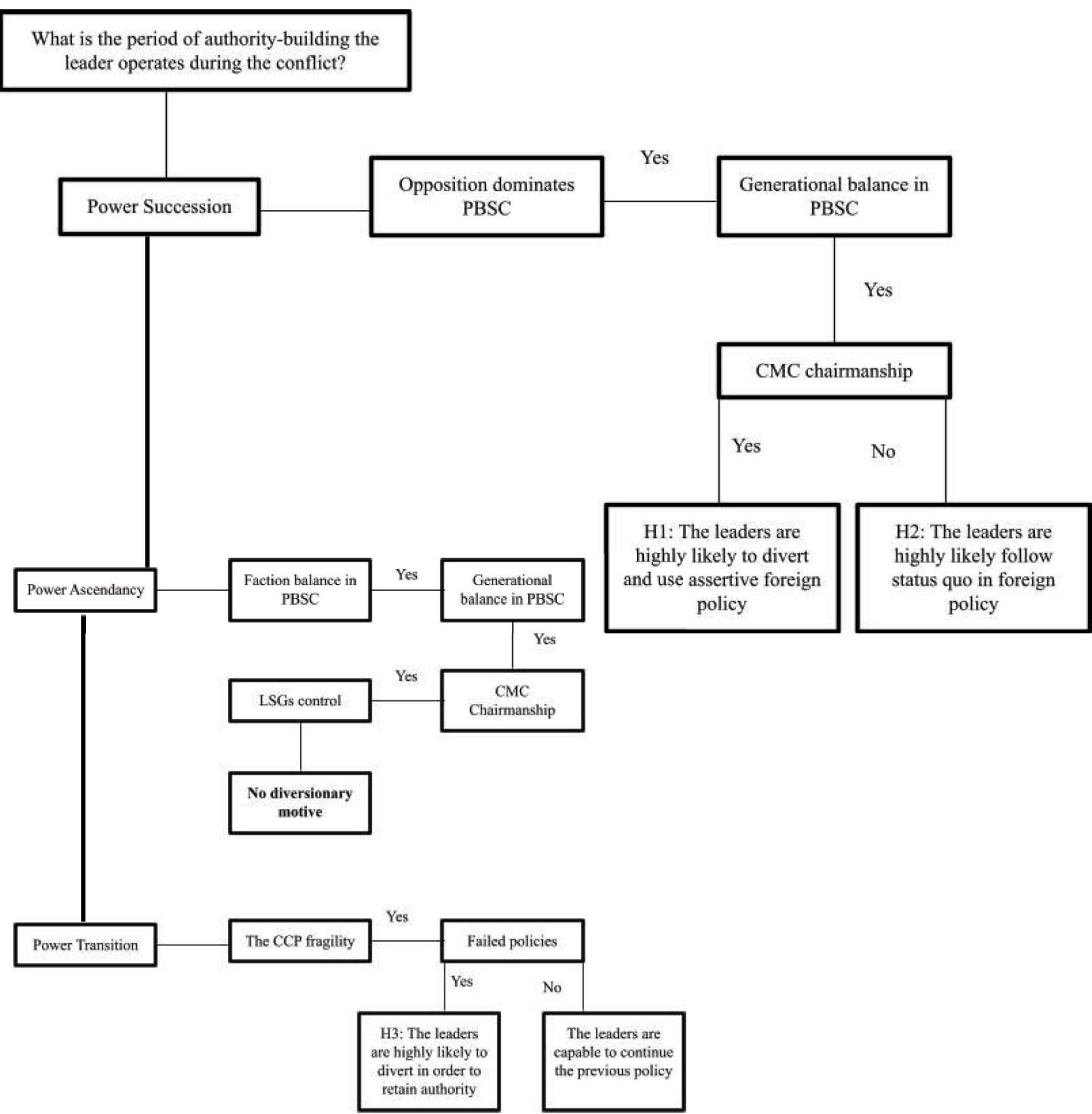
How many LSGs does the leader control?

2. The CCP fragility

Is the Party fragile upon the beginning of international conflict? How many rising centers (power-holders) are fighting over leadership position?

3. What are the elite's political and economic interests regarding the case?
4. What are the leader's foreign policy choices in the particular case?

This set of questions help to investigate China's elite dynamics that shape a leader's different choice of foreign policy course. The variance in leader's authority and the CCP fragility affect the leader's decision to use diversionary motive in policy-making and act assertively. I use these questions as a framework to guide a structured focused comparison of a number of foreign policy cases during Hu Jintao's administration.



2.7. The value-added of the authority-building framework

In contrast to theoretical frameworks that assign psychological factors of rulers as a direct effect on foreign policy outcomes (Hermann 1978), a build on Breslauer's theoretical framework, the redefined authority-building framework assumes that the leaders are bound by the elites economic and political interests in their foreign policy initiatives. In political regimes where power dispersion is narrow, fewer power holders have access to policy-making. Therefore, there are fewer obstacles to accepting the leader's policy preferences, as the leader can use a power-sharing (Svolik 2008) strategy to persuade others. In contrast, in the post-Deng era, the power in the CCP became highly dispersed among the elites which made power-sharing or redistributing perks and privileges a futile strategy. Therefore, the leader attempts to build his authority in the elites by advocating for policy programs that would reflect not private interests, rather traditional interests of elites that secure their privileges as a group.

The literature on political institutionalization (Huntington 1969, Gandhi and Przeworski 2007) focuses on regime stability and dictatorship political survival. Yet, it overlooks the distinctive role of the leader in policy-making. The authority-building framework presents foreign policy not as an outcome of the leader's winning in elites struggles, rather it is perceived as a tool in building his authority in the elites.

The systemic level explanations (Waltz 1979, Mearsheimer 2001, Allison 2018) overlook the distinctive role of the state's internal factors such as leadership and the dynamics among the elite. Although the leaders' foreign policy choices are limited to a number of alternatives, the final decisions are not predetermined only by the systemic factors. In contrast to the view that external behavior is predetermined by states' capabilities, the authority-building framework sees

the international constraints as a set of limited policy options that shape possible policy initiatives reflecting the domestic audience's economic and political interests.

The redefined authority-building framework serves as an analytical tool to investigate leaders' diversionary motives in choosing foreign policy strategy.. The authority-building framework adds value to the existing literature:

1) Authority-building theoretical framework makes a contribution to understanding of diversionary motive by specifying two conditions - the importance of controlling the military during the conflict, which should be nationally-embedded and have an opportunity for escalation.

2) Theoretical framework explains the importance of the concept of authority in authoritarian regimes, where power is widely dispersed. As it is extremely costly for the leader to share privileges and perks to all power-holders, he needs to gain control over them through the belief in his indispensability, which is associated with the concept of authority.

3) The authority-building framework links the leader's authority and the regime fragility and helps to investigate its implications to China's foreign policy.

4) The authority-building framework designs an analytical frame for foreign policy decision-making, the process of which is not transparent in most authoritarian regimes. The decision-making process is divided into four stages: a) power succession; b) policy initiative; c) policy adoption; d) policy implementation and evaluation. The first, second and third stages correspond to the leader's efforts to formulate and promote foreign policy programs among other power-holders, while the last stage analyzes the outcomes of the policy and its influence on the leader's authority.

5) The measurement of the leader's authority in authoritarian regimes includes a complex of indicators of factions, generational links, and control over the military and LSGs.

6) The authority-building framework highlights two periods when the foreign policy would highly likely include diversionary motive - power succession and power transition, when the leader is fragile due to increasing power struggles among the elites.

7) The authority-building framework helps to understand the change of foreign policy course in one external issue, under the same leader. Given the elite dynamics, change of the generations and factions in the decision-making body, the foreign policy can also change following these trends.

2.8. Authority-building framework limitations

This section acknowledges the limitations of the authority-building framework. The redefined framework enables a more penetrating analysis of all leadership dynamics. However, authority-building framework cannot provide a sophisticated analysis in the following cases.

First, the theoretical framework cannot explain domestic politics, decision-making processes, and policy promotions in low politically institutionalized states. As in those states power is narrowly dispersed, the leader may prefer to use it to force others to accept his policy preference. Therefore, power-sharing theory (Svolik 2008) can explain the decision-making process better, as the leaders distribute power in return for policy and regime support. The example of a low politically institutionalized state is modern Korea, where the communist party seized political agenda. Yet, in reality the one-party mechanism with its interest-party competition does not work in North Korea. The power is concentrated in the hands of Kim's family members and the leadership is granted from father to son. To promote his policy preferences and maintain the position, Kim Jong Eun shares power and grants monetary perks to few power-holders.

Second, for authority-building theoretical framework the top leadership should be civilian. In the case of military leadership, the decision-making process cannot be analyzed through the channels of factions and generational ties, as the general win over policy preferences based on the amount of force is controlled by them. In the civilian leadership, the military is controlled by bureaucrats or the party and the power of violence is not a tool of policy advocacy. Therefore, the power of ideas is used by the leader to augment their authority in the domestic audience.

Third, the authority building theoretical framework has little explanatory power in low salience issues. Some issues, which do not play an important role to the state, would be sidelined in the policy-making agenda. Power-holders may not be aware of the problem and do not create constraints to the leader, who is managing it. Promoting policy preference and succeeding in less important issues would not help to build authority, as the leaders do not serve the domestic audience's interests.

Fourth, the authority-building framework does not examine the factors that affect the leader's policy preference. On the one hand, the leader's political experience, personal beliefs, and values influence the policy formulation. On the other hand, the leader cannot be separated from the society, and thus the social attitudes, common beliefs, and values. Therefore, it is hard to justify whether the leader's personal interests or the group interests have a decisive effect on policy initiative.

Part III

Case selection and Methodology

This section will outline three case selection criteria, which allows to narrow down the case studies for two core issues - Diaoyu/Senkaku islands territorial dispute and Arms sales to Taiwan. I use a process-tracing method to analyze the Diaoyu/Senkaku islands case, while Arms sales to Taiwan will be analyzed using a method of difference.

3.1. Case selection criteria

This study is a comparative study utilizing a method of difference on the foreign policy of Hu Jintao's regime in two issues areas: Diaoyu/Senkaku islands territorial dispute and Taiwan issue. To test the hypotheses stated in the previous section, I conduct foreign policy case studies under Hu Jintao tenure 2002-2012. The case selection includes three criteria: 1) the dependent variable has greater variation; 2) cases represent China's national-embedded issues; 3) units of analysis occur during the first and second term.

Hu's foreign policies are cases that fails to fit existing theories, and may provide significant theoretical insights. While structural realism predicts Hu to act assertively on the international arena due to rising China's capabilities, the individual level of analysis would precipitate Hu's cautious behavior and keeping low-profile in foreign policy. Yet, Hu's foreign policy has evolved from status quo, cooperative to assertive during his tenure 2002-2012. Thus, the research of China's foreign policy under Hu can identify theoretical variables that were overlooked previously, such as the leader's authority and the regime instability, and postulate a new causal mechanism.

Dependent variable. The cases are selected based on the leader's promoted foreign policy, which is the dependent variable. **The first condition of case selection criteria** is to find the

cases that exhibit the greater variation in dependent variable to see how the independent variable changes over time given the change in foreign policy. Post-revolutionary China's leadership includes only three leaders: Jiang Zemin, Hu Jintao and Xi Jinping. Jiang's policy decisions were highly dictated by seniors during the first and half of second terms. Only when the seniors were not able to hold the grip on power due to their age and illnesses, Jiang was able to build his personal authority and promote his policy preferences. Thus, the period of the leader's promoted policies is relatively short, which does not exhibit foreign policy variety. In comparison, Xi being capable of building his authority rapidly, his foreign policies have remained mostly assertive during his two terms, and thus having low variance as well. Despite being called a weak and immobile leader, Hu's foreign policy was very dynamic, as the appeals ranged from cooperative to status quo and assertive policy.

Foreign policy outcomes are classified into three categories described in Table 1. The cooperative foreign policy includes signing agreements between two countries, presidential visits, and civil exchanges. In 2011, China allowed individual traveling to Taiwan, which stimulated Taiwanese revenue from tourism up to 2 billion yuan in 2012. Hu's Taiwanese policy was oriented on economic cooperation, which increased trade balance between China and Taiwan. Another example of economic cooperation was Hu and Japanese Prime Minister Fukuda's agreement over joint development of Diaoyu/Senkaku islands in 2008. The signed framework allowed the start of a joint venture for developing natural resources in disputed areas. Security cooperation was achieved between China and Vietnam in 2006, when two states agreed to jointly patrol disposable waters in the South China Sea.

Table 1. Dependent variable variance

Cooperative

<p><i><u>Civil exchanges:</u> Social cooperation, attraction of youth to study in China, tourism, joint consultation groups</i></p> <p><i><u>Economic cooperation:</u> Investments, loans, economic cooperation agreements, abolishment of taxes, improving logistics, joint development of energy resources in the disputable areas</i></p> <p><i><u>Security cooperation:</u> Agreement on safety of navigation and communication, environmental protection, search and rescue operations, joint patrolling in the disputable waters</i></p>
Status Quo
<p><i><u>Delayed response strategy:</u> Delay of leadership official response on incident</i></p>
Assertive
<p><i><u>Diplomatic pressure:</u> Cancelation of high-level official meetings or visits, cancelation of military-to-military talks, blocking initiatives in international organizations, foreign aid in return to cutting of diplomatic ties with Taiwan, veto power usage in UN Security Council</i></p> <p><i><u>Threats:</u> Sending naval warships to disputable territories, military exercises in disputable areas or near other states, increasing coast patrol, ADIZ proclamation, construction of military bases</i></p> <p><i><u>Economic sanctions:</u> prohibition of export to other country, or delay in import, customs delays, closing the other countries' offices and branches in China</i></p>

The delayed response strategy was used by Hu in 2005 in response to anti-Japanese protests in China, provoked by construction of a lighthouse on disputed Diaoyu/Senkaku islands by Japan and its controversies with historical textbooks. Hu did not provide an official response and let the protests get out of control in several cities, such as Beijing, Shanghai and Nanking. Later Hu vetoed the Japanese bid to become a member of the UN Security Council, arguing to fix Japanese attitudes toward history. Similarly, Hu delayed the official response to Taiwanese President Chen's promotion of arms purchase from the US in 2004. The leader did not act assertively nor provided any warning to Taiwanese president. Hu actively met with the other states leaders, including the US, Russia, Portugal, Netherlands (Ministry of Foreign Affairs 2004), to receive the support in adherence to "One China" principle.

Assertive foreign policy may include disrupting diplomatic ties, closing embassies and prohibiting any cultural exchanges. The state restricts some forms of diplomatic cooperation, including complications of visa procedures, the prohibition of some forms of tourism, cancellation of joint cultural events. Its strategy combines threats of force and if necessary the limited and selective use of force in particular issue. The distinctive example of assertive foreign policy in the cultural aspect was the Chinese reaction to the THAAD installation in South Korea. In response to Chinese insecurity, Xi Jinping ordered to stop issuing group tourist visas of Chinese citizens to Korea. In an economic sphere, the state government supports consumer boycott, customs prolongation procedures, surges inspections of foreign companies. Also, in return for China's investment, countries tend to sever ties with Taiwan. In recent years, such Central American countries as El Salvador, Panama, Dominican Republic switched allegiance. The economic sanctions were applied to Japan by Hu Jintao in the 2010 Fishing Trawler Incident, when the Japanese coast guard arrested Chinese fishing vessel. Chinese customs sanctioned rare earth elements, preventing them from being loading aboard ships at Chinese ports. Also, the state can send air or naval forces to patrol disputable areas.

The second case selection criteria is to analyze the cases that correspond to China's national-embedded issues. National-embedded issues are highly salient areas of foreign policy for the leader's calculations. They primarily represent China's core interests (the question of sovereignty, economic development and bilateral trade, territorial disputes), which are emphasized in every National Congress report. In terms of sovereignty, the Chinese government has officially, and repeatedly, identified three closely related issues as specific core interests: the defense of China's sovereignty claims regarding Taiwan, Tibet, and Xinjiang. Unresolved Taiwan issue in terms of reunification and opposing Taiwanese leaders' pro-independence

activities has become the main policy agenda for Chinese leaders. The US-Taiwan cooperation and arms sales to Taiwan are seen as a violation of Chinese core interests and an attempt to jeopardize its sovereignty. The roots of their preoccupation with Taiwan are purely domestic, linked to regime legitimacy. For more than fifty years of the CCP rule, state propaganda intensively covered Taiwan issue in the textbooks and media, increasing public strong feelings about Taiwan independence. The textbooks depict the history of Taiwan and China as exploitation by foreign powers during its period of weakness emphasizing that “century of humiliation” will not end until China is strong enough to achieve reunification (Shirk 2007, pp. 185-186).

The territorial disputes mostly include China’s core interests in the maritime periphery: South China Sea, East China Sea, China’s maritime Exclusive Economic Zone (EEZ)²³ and Yellow Sea (Swaine 2011). These disputes were not regulated after the defeat of Japan in WWII, raising a controversy among many East Asian countries. The unsettled status of territorial disputes continuously reminds Chinese of the shameful and unfair history, when foreign powers exerted greater influence than the Qing dynasty itself (Allison 2018, p. 114). The hundred years left China acutely sensitive to perceived bullying and attempts to challenge the state’s honor and prestige, and especially alert to threats around their borders (Friedberg 2005). The expanding feeling of national pride especially increases in the Diaoyu/Senkaku islands territorial dispute, in which Chinese leaders actively claim territorial integrity opposing the Japanese government.

The leaders show greater interest in the decision-making of national-embedded issues, as the importance of the national-embedded issues is high for the elite. The leader’s policies in national-embedded issues can consolidate masses using nationalism sentiment, and thereby

²³ Includes the area of the South China Sea, East China Sea, and Yellow Sea. Please see the map at <https://www.marineregions.org/gazetteer.php?p=details&id=8486>

maintaining the CCP monopoly on power. National-embedded issues present an opportunity for escalation, namely a salient issue around which leaders can increase social cohesion or demonstrate their competence and frame the use of force as legitimate, serving national and not private interests (Fravel 2010). Therefore, the higher salient the issue is, the higher rewards from the elites the leader would get after promoting effective foreign policy. National-embedded issues or territorial disputes are more frequently used by the leaders to escalate the conflict and use assertive foreign policy, as the states already have a foundation for conflict.

The following table includes China's core interests and the leader's approach to promote Chinese interests.

Table 2. Hu's foreign policies

Leader	Tenure	Case	Policy
Hu Jintao	2002-2007	South China Sea	<u>Cooperative</u> ²⁴ 2002 signed Declaration on the Conduct of Parties requested by ASEAN; 2004 CNOOC and Philippine National Oil Company joint investigation of seismic waves; 2005 China National Offshore Oil Company (CNOOC) and Vietnam National Petroleum Corporation signed framework to develop oil together; 2006 established Common Fishery Zone of the Gulf of Tonkin and joint patrol
Hu Jintao	2007-2012	South China Sea	<u>Assertive</u> 2012 Scarborough Shoal Collision between Chinese and Philippines maritime surveillance ships
Hu Jintao	2002-2007	East China Sea/Japan	<u>Status quo</u> 2005 Delayed response to anti-Japanese demonstrations

²⁴ Cooperative foreign policy includes signing agreements between two countries, presidential visits, and cultural exchanges.

Hu Jintao	2007-2012	East China Sea/Japan	<u>Cooperative -> Assertive</u> 2008 Joint Declaration of development of Diaoyu/Senkaku islands 2010 Fishing Trawler Incident; 2012 Japanese nationalization of Diaoyu/Senkaku Islands
Hu Jintao	2002-2007	Sino-Indian border dispute	<u>Cooperative</u> 2005 Agreement on the Political Guidelines for the Settlement of Border Issue
Hu Jintao	2007-2012	Sino-Indian border dispute	<u>Cooperative</u> Presidential bilateral visits; 2008 “A shared vision for the Republic of India and People’s Republic of China”
Hu Jintao	2002-2007	Taiwan	<u>Status Quo -> Cooperative</u> 2004 Arms sales and Anti-Secession Law 2005 Hu’s meeting with Taiwan’s opposition leader 2006 Creation of cross-Strait economic and cultural forum
Hu Jintao	2007-2012	Taiwan	<u>Cooperative ->Assertive</u> Several economic agreements have been signed by both sides amid 2010 Arms sales controversy

According to the table summary, the Chinese foreign policy had erratic changes in the case of the East China Sea and Taiwan issue. First, the Chinese policy course changed from the status quo which was pushed forward by Deng to a period of dialogue absence under Jiang Zemin. Hu Jintao decided not to jeopardize Sino-Japanese relations and attempted to calm down the tension during his first term, as later on, he pushed forward his cooperative policy with Japan over Diaoyu/Senkaku islands. After power consolidation, Hu attempted to normalize relations with Taiwan and propose several economic and cultural agreements, which helped to integrate Taiwan with Mainland south regions. These two cases reflect a great variance in dependent

variable (foreign policy), which is required for the research methodology, as I am looking to investigate Chinese foreign policy change and continuity.

In contrast to the Sino-Indian territorial dispute, Diaoyu/Senkaku islands and Taiwan represent China’s core interests, which are mentioned in every National Congress report. Japan is China’s second-largest trade partner and is a source of nationalists protests that have escalated in recent years in China. Taiwan is closely connected to the question of the CCP’s legitimacy, as Taiwan claims its sovereignty. Given the importance of these issues, leaders have to persuade the members of PBSC in the rightness of their preferred policy course, which at times can differ from the climate of opinion.

China’s position in the South East Sea has mostly been assertive, as already in 1995 China unilaterally occupied Mischief Reef. China’s policy in the South China Sea has been assertive since Jiang, however having a short period of cooling tensions down during Hu’s first term. In the South China Sea disputes Chinese leaders pursue foreign policies to multiple actors, mostly including the Philippines, Vietnam, and the US. With each country, both Hu had different policy limitations and conditions, based on the other state's power, economic, security, and political capabilities and ties with China. Therefore, it creates several obstacles to analyze South China Sea policy as one solid policy course.

The cases of Diaoyu/Senkaku islands and Taiwan issue meet requirements of the first two selection criteria. Being national-embedded issues, both cases include a variety of foreign policy responses from status quo to cooperative and assertive at the end of the term. Each case study includes three units of analysis, presented in Table 3.

Table 3. Diaoyu/Senkaku islands and Taiwan issue units of analysis

Leader	Diaoyu/Senkaku islands territorial dispute	Taiwan issue
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Hu Jintao	1) Hu's delayed response to anti-Japanese demonstrations in 2005 2) Joint Declaration of development of Diaoyu/Senkaku islands signed in 2008 3) Fishing Trawler Incident in 2010	1) Arms Sales in 2004 2) Arms sales in 2008 4) Arms sales in 2010
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Given the time when each unit of analysis happened, these two cases meet the requirement of the **third case selection criteria** - occurrence during the first and second term of the leader's tenure. The events taking place in the Diaoyu/Senkaku islands dispute and cross-Strait relations includes several episodes of conflict or cooperation in the leader's first and second terms. The events during two periods of ruling makes it possible to test the relevance of independent variables - leader's authority and the regime's fragility, against foreign policy. As the Hu's authority changed over time, the Party instability varied, picking during power transition. Power transition occurred in 2010-2012 and power succession took Hu four years from 2002 to 2005. The research seeks to investigate how the dependent variable varies, from status quo, cooperation, assertiveness, based on variation in leader's authority and the regime's fragility.

Diaoyu/Senkaku islands territorial dispute has on and off escalations between China and Japan. During an anti-Japanese demonstration in 2005, caused by Japanese government provocations with historical books and activities in disputable areas of Diaoyu/Senkaku islands, Hu warned the citizens not to engage in "illegal behavior" several days after the protests erupt and Premier Wen Jiabao used the Japanese assertive behavior and vetoed its bid in the Security Council. The cooperation policy with Japan was summed up with the Joint Declaration of development of Diaoyu/Senkaku islands signed in 2008, signed by Hu himself during his official visit to Tokyo, which was covered by Chinese and Japanese media to a great extent. China's assertive countermeasures during the Fishing Trawler Incident in 2010 and the controversy over

Japanese nationalization of Diaoyu/Senkaku Islands in 2012 and its consequences to bilateral diplomacy and trade were covered in the western media (The New York Times and The Washington Post), while Chinese complex elite dynamics during power transition could be traced through Hu's and PBSC member's statements.

Similar strategy could be seen in Hu's response over Arms sales to Taiwan in 2004, when the leader used a delayed response strategy and established the Anti-Secession Law only in 2005. His statement reassured the elites that China's policy over Taiwan is based on "One China" principle. Despite George Bush's summation of a new package of Arms Sales to Taiwan in 2008, Hu promoted economic diplomacy with Taiwan, inviting Kuomintang leaders to Beijing, creating and setting cross-Strait economic dialogue. Hu changed his policy and acted assertively to the US, when Obama approved Arms sales in 2010. Assertive policies included cancelation of military talks and threat of imposing sanctions on the companies that were involved in arms sales.

As the case of Diaoyu/Senkaku islands and Arms sales to Taiwan meet the case selection criterias, there is a need to discuss the appropriate methodology to analyze these cases. The next section provides the advantages of using process-tracing method in case of Diaoyu/Senkaku islands territorial dispute and method of difference in case of Arms sales to Taiwan.

3.2. Methodology

Researchers from different methodological perspectives agree that case studies help to explain the inconclusive results of large-N correlational studies, and that certain kinds of case study approaches might be potentially useful in diversionary theory (Fravel 2010, Blomdahl 2016). Although there is a fundamental problem with comparable case research design, as usually the number of variables exceeds the number of cases creating a degrees of freedom

problem, most qualitative methodologists now accept this conception of comparative method for conducting analysis (Levy 2008).

In terms of more specific research designs, I consider the method of difference the most effective to analyze China's foreign policy and explain when and why the leader's rely on diversionary motives in their foreign policy decision-making. The method of difference selects cases with a different dependent variable and similar values on independent variables except one in order to find a causal mechanism between the variable and outcome (Mill 2006). Arms sales to Taiwan in 2004, 2008, 2010 present the one universe of policy issues, which had different outcomes during Hu's tenure. Method of difference allows us to compare how the foreign policy has changed from the power succession to the period of power consolidation, allowing us to investigate the leader's authority level, changing over time and corresponding dynamics in his relationships with the top elite members, associates, and the masses.

The process-tracing method, offered By George and Bennett, attempts to trace the links between independent variables and observed outcomes. It is used to examine the complexity of a studied problem in detail, resting upon analyzing histories, documents, speeches and other sources to see whether the causal process a theory hypothesizes is in fact evident in the case. As process-tracing focuses on sequential processes within a particular historical case, this method allows to capture the sentinel change in the leader's authority in the regime instability, which are the independent variables, and link them to the outcomes in Hu's foreign policy over Diaoyu/Senkaku islands. As the units of analysis do not belong to the same universe of policy issue, the process-tracing method serves better than the method of difference in the Diaoyu/Senkaku islands case. The first unit of analysis included several events, such as controversy over the historical books, the US-Taiwan-Japan security pact and controversy over

lighthouse in the Diaoyu/Senkaku islands. The second unit of analysis is an agreement on joint development of the disputed islands and the third unit of analysis is the collision of the Chinese fishing trawler and the Japanese coast guard.

The next section provides case studies analysis, using the method of difference on Arms sales case study and process-tracing on Diaoyu/Senkaku islands, to test the hypothesized foreign policy outcomes given the changes in the leader's authority and the regime instability.

Part IV

4.1. Historical background of Sino-Japanese relations and Diaoyu/Senkaku islands territorial dispute

The territorial disputes are the external problems that all Chinese leaders address in order to build their authority. China and Japan hold conflicting claims over the sovereignty of the Diaoyu/Senkaku islands, which include five uninhabited islands and three barren rocks²⁵. In comparison, the South China Sea maritime dispute include larger number of claimants: China, Taiwan, the Philippines, Malaysia, Vietnam, and Brunei. The states' claims over several hundred islands, reefs, and rocks hinge on presumptive traditional fishing grounds or artifacts found in the waters²⁶.

The US mismanagement of peace resettlement in the post-WWII order pre-conditioned China's territorial and maritime claims. Following the 1951 peace treaty with Japan, the US administered Diaoyu/Senkaku islands as part of the Okinawa Prefecture until early 1972, when it

²⁵ China's claims to the Diaoyu/Senkaku islands rest on historical records dating back to the Ming dynasty (1368-1644), which mentioned about the islands (Downs and Saunders 1998). In contrast, Japan contends that it acquired the islands upon gaining control of Okinawa in 1879. Yet, Japan formally annexed the islands only in 1895 with Taiwan. China and Japan signed the Treaty of Shimonoseki stated that Qing dynasty formally ceded Taiwan and the islands to Japan (Ibid).

²⁶ Before and during the colonial period, there was no dispute concerning the ownership of the Paracel and the Spratlys islands, preserving freedom of navigation in the South China Sea (Tonnesson 2002). As a part of its military expansion and occupation of China's Hainan, Japan officially established the military presence in the Paracels and the Spratlys islands ceded from France and French Indochina in 1939.

transferred the islands to Japan. The US government emphasized that this procedure did not entail the question of sovereignty (Fravel 2010). China claims that this action contradicts the Cairo Declaration of 1943 and Potsdam Declaration of 1945, which obligated Japan to return all the Chinese territories, annexed during 1895-1945. However, Japan insists that the islands were not mentioned in any treaties except the 1971 Okinawa Reversion Agreement. In the case of South China Sea, after Japan officially abandoned its claims over Hainan, Taiwan, and the South China Sea islands after the San Francisco conference in 1951 the US preferred to leave the matter of the Paracels and the Spratlys unsettled and enjoyed the naval and air supremacy in the region.

Since 2009 Chinese leaders have started actively to emphasize the sovereignty claims in their foreign policy discourse. Post-Jiang leaders see territorial disputes through the prism of Chinese economy needs, its energy resource scarcity and its increasing energy consumption. As the South China Sea shelves contain a considerable amount of fossil fuels and its trade routes accounts of 40% of global liquefied oil and gas transited in 2017 (Council on Foreign relations 2018), post-Jiang leaders expanded the military presence in the disputable waters to secure China's economic interests. Moreover, Chinese people have become more concerned about environmental problems²⁷, caused by industrial coal consumption²⁸. Surging number of protests over the air quality has urged Xi to declare "war on pollution" (China Daily 2018). One of the solutions of compromising public demand over environmental conditions is to rebalance China's energy consumption toward crude oil and natural gas, drilled in South China Sea shelves.

²⁷ CO₂ emissions have rapidly increased since 2000, accounting for the largest amount produced on the country-level (Carbon Dioxide Information Analysis Center). Recent empirical works provide evidence that the detrimental effects of air pollution on public health are increasing in China (Liu et al. 2016; Guan et al. 2016).

²⁸ According to the US Energy Association, coal consumption accounts for 69% of China's energy market.

Arguably, as China's economic growth rate has been decreasing since 2012, Chinese leaders have started to increasingly rely on nationalism to rally public support to divert public attention from domestic problems. The unsettled status of Diaoyu/Senkaku islands continuously reminds Chinese of the shameful and unfair history, when foreign powers exerted greater influence than the Qing dynasty itself (Allison 2018, p. 114). This period has been termed as the "century of humiliation." The hundred years left China acutely sensitive to perceived bullying and attempts to challenge the state's honor and prestige, and especially alert to threats around their borders (Friedberg 2005). This insecurity paranoia along with the expanding feeling of national pride in Chinese mindsets push Chinese leaders to actively claim the territorial integrity of Diaoyu/Senkaku, the Paracel and the Spratly islands with mainland China.

4.1.1. Anti-Japanese demonstrations in 2005

In 2005 China witnessed large-scale anti-Japanese demonstrations, holding for three weeks. At least 38 cities held demonstrations, including protest marches, street signature, and Internet campaigns. Began on April 2nd in the cities of Chengdu and Shenzhen, demonstrations have erupted in Beijing, Guangzhou a week later, and other cities across China. In Beijing, there were about 10 thousand protesters, gathering along the streets and throwing stones at the Japanese Embassy. In Shanghai, more than 20 thousand people marched and protested in front of the Japanese Consulate. Consumers' boycotts of Japanese goods accompanied the street demonstrations. Later, Japan demanded compensation for all damages caused by the demonstrations and warned the risk of losing US\$178 billion.

A series of events have triggered the anti-Japanese demonstrations. First, in February 2005, American and Japanese foreign and defense ministers signed an agreement, in which Taiwan was for the first time listed as a common strategic objective. The US-Japan statement

contradicted “One China” principle²⁹, provoking the Chinese citizens’ anger (Washington Post 2005). Second, the Japanese government approved new history textbooks, which interpreted the 1937 Nanjing massacre as an incident³⁰. Third, on February 9, 2005, Tokyo announced that a lighthouse on the disputed Diaoyu/Senkaku islands would be put under Japanese “state control” and managed by the Japanese Coast Guard. The announcement resulted in the demonstration of 50 Chinese activists in front of the Japanese Embassy in Beijing. Fourth, in 2004 Japan, along with other G4 countries³¹ began jointly campaigning to increase the number of permanent seats in the UN Security Council. After the demonstrations, the anti-Japanese campaign resumed. From April to June, the Chinese citizen participated in an online campaign which gathered over 42 million signatures opposing Japan’s bid for a permanent seat on the U.N. Security Council (Tam 2007). In contrast to previous nationalistic demonstrations, the leadership started to allow to express public anger, by permitting activists to sail around disputable Diaoyu/Senkaku islands and to hold demonstrations in front of the Japanese Embassy.

Although Hu Jintao was selected as General Secretary of the CCP in 2002, his authority was insufficient to formulate and promote foreign policy with Japan over Diaoyu/Senkaku islands. He kept a low profile in the Politburo in order not to raise any controversies. He gained a pro-people image among the masses by “putting people first”, as well as a strong protector of the CCP core values by declaring martial law against protesters in Tibet in 1989. After Jiang vacated the post of General Secretary in 2002³², he still maintained the position of Chairman of the CMC

²⁹ “One China” principle refers to Taiwan as a part of the PRC.

³⁰ In fact, during one month the Japanese Imperial army has killed around 300 thousands of Chinese (Wakabayashi 2007).

³¹ Brazil, Germany, India, and Japan.

³² There was a rumor that Jiang would not vacate the General Secretary position (Nathan and Gilley 2003, Eckholm 2002, Kuhn 2004). As Jiang brought his affiliates from Shanghai to Beijing, he would be tempted to go for re-election for the third full term. Yet it would cause a precedent, in which one of PBSC members would stay in power against the age term limits. Thus, the other seniors might attempt to stay in power, which was unacceptable for many Jiang’s affiliates (like Zeng Qinghong, Wu Bangguo), who waited years for PBSC re-shuffle. Also, Li Ruihuan openly stated that he would leave politics if Jiang attempted to stay in power (Kuhn 2004). Using his

(Central Military Commission) until 2005, exerting influence on PBSC policy-making. During the 16th National Congress, Hu found himself surrounded by Jiang’s affiliates (elitist faction): Wu Bangguo, Zeng Qinghong, Wu Guanzheng, Li Changchun, Huang Ju and Jia Qinglin (Fewsmith, 2001), those who came from eastern provinces and advocated for coastal province development (Li 2009)³³. In this regard, premised by the possibility of dominance of the elitist faction in the PBSC, which might become a hindrance to the policy promotion, Hu increased the number of members in the PBSC from seven to nine officials to balance the elitist faction and have more space to maneuver in PBSC.

Table 4. Initial composition of PBSC at the 16th Party Congress

Tuanpai	Zhu Rongji’s protege	Li Peng’s protege	Jiang Zemin’s affiliates
Hu Jintao	Wen Jibao	Luo Gan	Zeng Qinghong
			Wu Guangzheng
			Wu Bangguo
			Li Changchun
			Jia Qinglin
			Huang Ju

Given lack of authority in PBSC, the leadeader might consider diverting from the foreign policy crisis in order to show himself strong to the elites and avoid criticism over “too soft” posture toward Japan. Although he would benefit from the assertive foreign policy, Hu was unable to have a diversionary motive in 2005. At the beginning of the conflict, the Chair of CMC was Hu’s predecessor Jiang Zemin. As the PLA, which is in charge of internal stability and in particular of preventing large-scale demonstrations, did not correspond with the leader, Hu wasn't

authority in the Politburo, Li showed that Jiang’s desire for power is not only foolish, rather it challenges intra-party politics and the CCP legitimacy.

³³ The 16th PBSC included: 1st rank Hu Jintao, 2nd rank Wu Bangguo, 3rd rank Wen Jiabao, 4th rank Jia Qinglin, 5th rank Zeng Qinghong, 6th rank Huang Ju, 7th rank Wu Guanzheng, 8th rank Li Changchun, 9th rank Luo Gan.

capable to deliver order to the command of PLA and use any coercive measures in disputable waters.

Nevertheless, Hu used the foreign crisis to build his authority in the elites and seize control over policy agenda. First, Hu presented the potential danger of power split, if a different person would head the PLA and the CCP. As this creates the additional bargaining agenda, the decision on how to deal with the mass protests would become more difficult in the top leadership. Until April 21st, the government showed its first attempts to stop the demonstrations by warning the citizens not to engage in “illegal behavior.” Later, China vetoed Japan’s bid in the Security Council, referring to public pressures and demanding from Japan to change its attitude toward history first.

Second, Hu’s strategy in delaying the response to Japan and permitting the anti-Japanese demonstrations allowed him to play upon their fears of social instability. The leader presented the danger of masses becoming overly nationalistic to domestic order. Although some demonstrators might satisfy their desire for the protest after participation briefly in anti-Japanese protests, others’ appetites can be stirred up, pressing the demands in the socio-political sphere (Weiss 2013, p. 6). As the 16th CCP Congress PBSC mainly consisted of the leaders from the fourth generation, who were born between 1939-1944 and graduated from the university in the first half of 1960s, and were on job when the Cultural Revolution began (they were too old to go to the countryside in contrast to the fifth generation). Therefore, the fourth generation cohort shares a great concern for domestic stability and are cautious about domestic and foreign policies (Zweig 2015). The generational balance helped Hu to avoid criticism over delayed response strategy and later promote cooperative policy with Japan, based on the seniors' shared sense of cautiousness in foreign affairs.

Table 5. The 16th CCP Congress PBSC by generation

Name	Year of birth	Year of graduation	Generation
Hu Jintao	1942	1964	4.0
Wen Jiabao	1942	1965	4.0
Zeng Qinghong	1939	1961	4.0
Jia Qinglin	1940	1962	4.0
Li Changchun	1944	1966	4.0
Wu Bangguo	1941	1965	4.0
Huang Ju	1938	1963	4.0
Luo Gan	1935	1961	3.5
Wu Guangzheng	1938	1968	3.5

As the cost of repression increases after the protests take place, Hu used mass campaigns to decrease the future possibility of protests and bring his cooperative policy preference from the bottom to top, as the many of theirs being Jiang's affiliates shared his hardline toward Japan. Hu sent retired diplomats to the universities to explain the importance of the relations with the state, instead of detaining people and oppressing the protests. This initiative sought to calm down the masses and set the foundation of his foreign policy course *Harmonious world*, which he outlined during the 17th CCP National Congress.

Hu's delayed response strategy to a series of provocative events from Japan showed the leader's insufficient authority in the PBSC. The leader was not capable of pushing his cooperative policy preferences among the seniors. Neither the leader was capable of using diversionary motive and act assertive to Japan, as Hu was not in full control of the PLA, which is required to conduct coercive countermeasures. Instead Hu exploited the atmosphere of crisis during the anti-Japanese demonstrations in 2005 to pressure elites to accept his policy program. He attempted to ease tensions and explain to the public the importance of the relations with

Japan. Consequently, as Hu pulled the rank in the CCP in order to expand his coalition, his cooperation strategy with Japan was legitimized by the political elites. During the first term, the elites may have shared Hu's optimistic belief that an intermediate, stable equilibrium could be reached in territorial disputes issues - one that entailed joint development of energy resources without fighting over the ownership of islands.

4.1.2. Joint development of Diaoyu/Senkaku islands

In May 2008 Hu Jintao paid a visit to Tokyo to commemorate the 30 years anniversary of peace and friendship between China and Japan. On his agenda were meetings with major political and business leaders. Hu's schedule also included a summit with Japan's Emperor Akihito, a speech in Tokyo to university students, and a planned table tennis match with premier Fukuda (DW 2008). During the visit the leader paid much attention was given to narrowing the cultural gap (Rozman 2013). Hu signed a Joint Statement between two governments on Comprehensive Promotion of a "Mutually Beneficial Relationship Based on Common Strategic Interests" in 2008 (MOFA 2008). According to this agreement, the East China Sea is an area of "peace, cooperation and friendship," that should accelerate the process of dialogue and consultation between two states. In this rhetoric, states agreed to set up a panel of technical experts to jointly explore the area of Diaoyu/Senkaku islands, fight against illegal fishing and withhold the provocations.

After Hu became a chairman of CMC and seized control over policy agenda in LSGs, the leader was capable of promoting his cooperative policy agenda, which he named *Harmonious world* concept during his report on 17th CCP National Congress. In the beginning, the concept was based on cross-regional diplomacy (Lanteigne 2015, p.13) through which Hu tried to improve China's relations with other states in the regions, which were previously damaged by Jiang's foreign policy. Hu conducted ten visits to different countries, including: USA, Botswana,

Egypt, Algeria, Gabon, France, Sudan and others, from 2002 to 2006. During his visits, the leader signed more than 27 documents, including joint declarations on strengthening bilateral ties, cooperative accords between government agencies, and contracts and memorandums between businesses (Consulate General of PRC in San-Francisco 2006).

In terms of political interests of the elites, Hu built his authority through formulating foreign policy that would improve China's image and advance its power abroad rather than concentrate on promoting his affiliates to Beijing and power-sharing with other seniors, in direct contrast to Jiang. His advocacy of foreign policy reflected "functional diplomacy" (Glaser and Dooley 2009). Hu suggested China should adopt a more proactive stance in international affairs, in order to promote its interest in multilateralism – a new international order in which China's development may not be harmed by hegemonic threat. Instead of demanding other states acknowledgement of China's great power status, the leader took practical steps for achieving great power status. Hu participated in international summits (UN General Assembly in 2005), signed economic agreements and focused on improving bilateral military and cultural exchanges.

The 17th Party Congress had indicated Hu's greater authority in the CCP, as his foreign policies tended to be successful and supported by the elites³⁴. He had more space in the PBSC to maneuver after re-shuffling and further consolidated his power by appointing his colleagues from the CCYL (Communist Youth League of China) to important positions of the Politburo (Li 2008). With a new retirement age threshold of 68 years, three members of the elitists faction left the PBSC. The new PBSC was divided between two factions: *tuanpai* under the leadership of Hu, those who had work with him in CCYL (Wen Jiabao, Li Keqiang), and elitists, those

³⁴ The dialogue with Japan and the US has been normalized. Moreover, China and Taiwan businesses started to work together, supported by both governments. Cultural exchanges were improved, as the Chinese and Taiwanese could travel to each other's country.

promoted to the center with the help of Jiang (Wu Bangguo, Jia Qinglin, Xi Jinping, Zhou Yongkang). 17th National Congress PBSC included:

- Hu Jintao (1st rank)
- Wu Bangguo (2nd rank)
- Wen Jiabao (3rd rank)
- Jia Qinglin (4th rank)
- Li Changchun (5th rank) - Li had affiliation with Jiang, however he changed the camps and turned to Hu before 17th National Congress (Chen 2008).
- Xi Jinping (6th rank)
- Li Keqiang (7th rank)
- He Guoqiang (8th rank) - He had no allegiance and was a compromise member.
- Zhou Yongkang (9th rank)

Table 6. The 17th CCP Congress PBSC factions and generations

Name	Faction	Generation
Hu Jintao	Tuanpai	4.0 (born in 1942)
Wen Jiabao	Hu's ally	4.0 (born in 1942)
Jia Qinglin	Shanghai faction	4.0 (born in 1940)
Li Changchun	Shanghai faction/Hu's ally	4.0 (born in 1944)
Wu Bangguo	Shanghai faction	4.0 (born in 1941 but graduated in 1967)
Xi Jinping	Princeling/Shanghai faction	5.0 (born in 1953)
Li Keqiang	Tuanpai	5.0 (born in 1955)
He Guoqiang	-	4.0 (born in 1943)
Zhou Yongkang	Shanghai faction	4.0 (born in 1942)

Looking at Hu's cautious attempts to develop and promote *Harmonious world policy*, it is understandable why the foreign policy change occurred only after the 17th CCP National Congress. First, Hu attempted to change foreign policy with other countries, relationships with which were not considered as the state's core interests. Likewise, similar approach Hu pursued toward Vietnam and the Philippines over the disputable islands in the South China Sea. Hu signed the Declaration on the Conduct of Parties in the South China Sea in 2002, which embarked a multilateral framework on joint development, shelving final settlement of maritime claims (Full text of Declaration see at ASEAN homepage). Subsequently, in 2004 China initiated a three-year program with the Philippines for joint exploration of oil reserves in disputable waters, while "sweetening" the deal with a loan of US\$400 million for its North Rail project (Landingin 2010). In 2005 Hu persuaded Vietnam to join Sino-Filipino venture, as well as initiated patrolling the fishing grounds in Beibu Bay (Shirk 2007, p. 115).

Hu's efforts to sign a joint development treaty has brought China and Japan to the closest point of solving the territorial dispute. The median line was upheld by the joint development treaty, including the Longjing/Asunaro oil/gas field, the participation of the Chinese and Japanese oil companies in the Chunxiao/Shirakaba gas field under Chinese law and negotiations on the terms of a treaty. However, the 2008 treaty never came into fruition, mostly due to both sides failing to settle on the details of their agreement. Although negotiations resumed in 2010, they were shortly suspended after the Fishing Trawler Incident.

4.1.3. Fishing Trawler Incident in 2010

On 7th September 2010, the collision between a Chinese fishing trawler and two Japanese Coast Guard patrol boats took place near the disputable Diaoyu/Senkaku islands. As Chinese fishing trawler was operating near disputed islands, Tokyo reported this incident as "illegal

fishing operation” and arrested the Chinese fishing boat captain (Drifte 2014). Coinciding with the 79th anniversary of the Mukden Incident³⁵, the event has caused an outbreak of anti-Japanese protests in China. The protesters demanded the government to take stronger actions against Japan.

Along with ambiguous achievements in socio-economic development, Hu’s good-neighbor policy performance was also questionable. China, Japan, Vietnam, and the Philippines could not come up to consensus in organizing collective technical groups for joint exploration of energy resources in the East China Sea and the South China Sea. To the contrary of what Hu promised, the economic integration between China and the states has decreased during 2005-2010³⁶. Moreover, Hu’s peaceful development was not easily sold in the West. Although, the foreign media coverage was largely beyond Hu’s control, yet it shaped public opinion and government attitudes toward China, which were still hostile.

To make matters worse, the US President Barack Obama approved arms sales to Taiwan and met the Dalai Lama in 2010, adding to Hu’s insecurity over domestic instability. In addition, the Sino-US relations continued to be deteriorated by Secretary Clinton’s statement at the annual ASEAN Regional Forum (ARF) in July 2010. At the ARF, Clinton stated that the US supported resolving the various territorial disputes without coercion (Chang 2010). This statement has been interpreted by Chinese leadership as an “attack,” signaling that the US would not be dedicated to a joint statement to respect China’s core interests in the East China Sea and the South China Sea (Ibid).

³⁵ On September 18, 1931, Japan bombed a railway line near Shenyang (Mukden), using the incident as a reason to occupy southern Manchuria.

³⁶ China and Japan trade integration index decreased from 0.1296 in 2005 to 0.1001; China and the Philippines trade integration index decreased from 0.0123 in 2005 to 0.0093 in 2010. In contrast, the Sino-Vietnamese trade integration index increased from 0.0057 in 2005 to 0.0101 in 2010. Calculations have been made by the author, using formula

Trade integration index= exports of country i to country j+imports of country i to country j/total exports of country i+total imports of country i

In this context, Hu's cooperation strategy became insufficient in the eyes of the elites, urging him to sponsor a new approach. Deciding to act assertively, Hu demanded the Japanese side to release the Chinese captain immediately and warned to take strong countermeasures if the captain would not be released. To pressure Japan to release the captain, Hu canceled the ministerial-level talks on issues of joint energy and blocked its exports of rare earth, which were essential to Japan's auto and electronics industries. Meanwhile, Hu oppressed demonstrations blocking any blogs and message boards, which concerned information about the protests, to control anti-Japanese public anger and to maintain domestic stability.

The leader's authority was challenged by rising competition for the 18th CCP National Congress elections. Mainly the power struggles were going around the position of General Secretary (Xi Jinping and Li Keqiang) and the other members of PBSC. There was a prominent rivalry between Hu Jintao and PBSC member Zhou Yongkang - which escalated through the sidelining of Hu's longtime protégé, Ling Jihua – increased speculation that the CCP's power struggles over the top leadership positions had become highly contentious (Dotson 2012). There was a persistent rumor throughout China-watching circles that the PBSC would again be reduced in size from nine to seven seats. By this move Hu was seeking to reduce the power of the "Politics and Law" Leading Small Group, which exercises control over China's police, judiciary, and security and intelligence agencies, and the chairman of which was Zhou Yongkang³⁷, whom he wanted to sideline from the PBSC to the full Politburo member. Another goal that Hu attempted to achieve was to bring his long time protege Ling Jihua to the PBSC³⁸. Having him in

³⁷ However, Zhou Yongkang remained in his position and surprisingly increased public appearances during the summer and early autumn months. For example, in early September Zhou conducted inspection tours of Anhui and Guizhou Provinces, and from September 22-24, Zhou traveled to Afghanistan and Turkmenistan as the head of a high-level delegation that included CCP International Liaison Department Director Wang Jiarui and Minister of State Security Geng Huichang (Mattis 2012).

³⁸ Ling shared with Hu a background of service in the Communist Youth League dating back to the 1980s, 14 and serving in more recent years as a personal secretary and prominent aide (Dotson 2012).

the next PSBC would allow Hu to retain some influence over policy agenda and maintain his cooperative foreign policies to some extent.

Given the CCP fragility and increasing power struggles between seniors, Hu decided to act assertively in order to divert the elites attention from his failed policy over Diaoyu/Senkaku islands and gain bargaining power over the 18th CCP Congress appointments³⁹. Hu's decision to act assertively in the Fishing Trawler Incident reflected the elites' consensus over the question of how to mitigate territorial disputes at minimum risks. As the anti-Japanese demonstrations erupted in major cities, the leadership's strong measure to counter Japan's actions met mass demands, alleviating public anger and preventing social instability. Moreover, Hu successfully oppressed the anti-Japanese protests, proving his capability to maintain domestic order to the political elites. Therefore, building consensus in the elites and acting assertively toward Japan, Hu redefined his policy strategy and reestablished his credibility.

Hu's assertive response left Japan with only one choice. On 24th September, Japan's release of the captain and official apology marked a victory of China's foreign policy and, in particular of Hu, who rebuilt his credibility in the elites and the masses. One month after the collision Hu persuade the elites to cool down the tensions. During the Asia-Europe Meeting (ASEM) in Brussels, Japanese Prime Minister Kan Naoto and Chinese Premier Wen Jiabao met to reiterate the partnership between two states.

In April 2012, Tokyo Governor Ishihara instigated another predicament through the announcement that the Tokyo metropolitan government was attempting to purchase three of the Diaoyu/Senkaku Islands from their holder at the time, a Japanese family, in order to protect the

³⁹ The unsuccessfulness of Hu's cooperative policy cannot be fully addressed toward the leader, as the Japanese domestic constituencies added to the tensions. The resignation of Prime Minister Hatoyama, only 10 months after becoming the first prime minister of the modern DPJ made Japanese foreign policy toward China hostile, as the new Party in charge was favorable to the US, rather than Japanese ties with Asian countries.

islands (Hafeez 2015). Hu responded with the official statement of territorial baselines around the disputed waters and sent Chinese air and naval forces, which increased the number of enforcement patrols. The nationalization spurred numerous protests across China, sometimes involving tens of thousands of protestors. These demonstrations turned violent and were targeting Japanese owned stores and factories, resulting in hundreds of millions of dollars of property damage. Sino-Japanese diplomatic ties were disrupted, resulting in damage to the Japanese goods and products that were sold in China.

Despite Hu's cooperative initiatives during the first term, his later assertive foreign policy decisions hyped the "China threat syndrome" in the US media, which also presents the evidence of policy-makers concerns about China. In the US media, the frequency of "tension," "threat," "war," "assertive," words were consistently higher than "agreement," "diplomatic," "peace," and "cooperation" during Hu's last years of tenure⁴⁰. Consequently, the US promised to preserve the order in East Asia by pivoting 60% of naval assets to the Asia-Pacific region by 2020 (BBC 2012).

Figure 1. Media analysis, based on mentions of East China Sea from 2003 to 2008

⁴⁰ The articles have been taken from the Washington Post and the New York Times. To make the sample less biased by the American perception of the "China threat," we include articles from Hong Kong's South China Morning Post before the Alibaba group bought it in 2016.

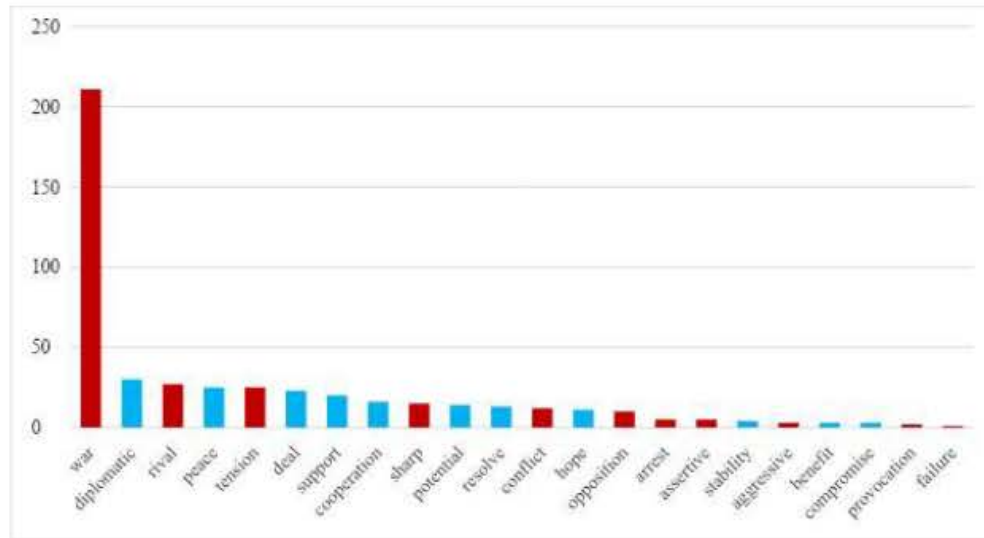
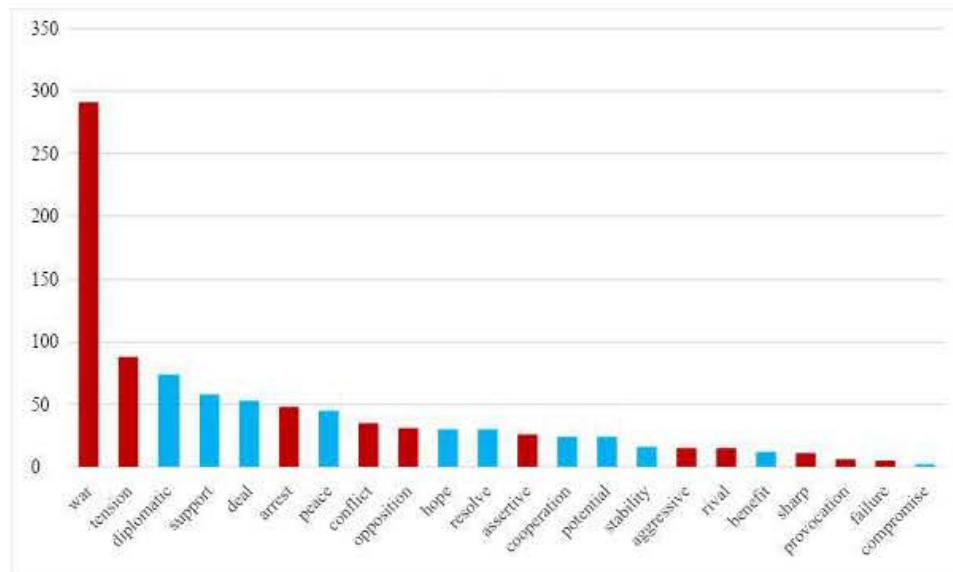


Figure 2. Media analysis, based on mentions of East China Sea from 2009 to 2012



As a previous assertive reaction in the Fishing Trawler Incident in 2010, strengthened leader's authority in the elites and public domestically, Hu took risks to defend China's sovereignty claims in Scarborough Shoal Incident and abandoned cooperation strategy in the South China Sea too. The collective leadership supported Hu's decision, as it diverted public

attention from public resentment over socio-economic problems and power succession. Achieving a quick victory over the Philippines and preventing the arrest of Chinese fishermen, Hu attempted to partially diffuse tensions when the two sides agreed to a mutual disengagement arrangement.

Previous explanations found Hu's foreign policy over territorial disputes during the second term as an attempt to shore up the CCP legitimacy, appealing to nationalistic sentiment and diverting public attention from socio-economic problems. However, Hu's retreat from cooperation strategy over Diaoyu/Senkaku islands and the South China Sea served as an effort to rebuild his credibility in the elites, as his authority was slipping due to the failures of his domestic and foreign policy courses, in order to retain influence over policy agenda through appointing his affiliates to the next Politburo.

4.2. Chinese leaders' preoccupation with the Taiwan issue

Upon losing the civil war in 1949, KMT retreated to Taipei with approximately 2 million civilians from the mainland. Although Taiwan de jure independence status has been marginalized over the years, the island is still de facto independent state with separate political, economic and social systems. Chinese authorities claim that under the Cairo Declaration of 1943 and Potsdam Declaration of 1945, all territories annexed by Japan should be returned to China, thus claiming that Taiwan is a sovereign territory of PRC. However, the Taiwanese side insisted that the declaration did not contain the specific name of China, neither the People's Republic of China nor the Republic of China. Thus, both states compete for representation as a Chinese nation-state.

The conflict over Taiwan is nonnegotiable, and its leaders have never attempted to compromise on the issue (Fravel 2010). Unresolved Taiwan issue has become the main policy

agenda for Chinese leaders. The roots of their preoccupation with Taiwan are purely domestic, linked to regime legitimacy. For more than fifty years of the CCP rule, state propaganda intensively covers Taiwan issue in the textbooks and media, increasing public strong feelings about Taiwan independence. The textbooks depict the history of Taiwan and China as exploitation by foreign powers during its period of weakness emphasizing that “century of humiliation” will not end until China is strong enough to achieve reunification (Shirk 2007, pp. 185-186).

Therefore, Chinese leaders find themselves deadlock in their own state propaganda that raised public expectations over the CCP's performance in reunification with Taiwan. Chinese leaders believe that the regime would fall if it allowed Taiwan to become independent without putting up a fight. Winning Taiwan by force is almost impossible in the current international situation, as the US would help the island in the critical situation. Elites believe that if the Taiwan policy were too soft, it would stir up mass demonstrations, undermining the CCP credibility⁴¹. Therefore, anticipating to become targets of public and elites criticism, post-Jiang leaders have to balance between hard and soft policy toward Taiwan, convincing both the masses and the elites that their policy program would put the cross-Strait relationship on the right track.

The CCP is worried that Taiwan would declare formal independence, which would become CCP's failure in bringing Taiwan to the Mainland, which would undermine its legitimacy and authority. Besides, the failure in handling cross-Strait relations and coinciding Taiwan's pro-independence movement would encourage secessionist movements in Tibet and Xinjiang, making it much harder for the CCP to maintain social stability in the related regions

⁴¹ According to Shirk's unofficial interview and survey, the Chinese public now cares more about socio-economic problems rather than Taiwan issue (Shirk 2007, p. 182).

(Jun 2019). Also, the continuing existence of Taiwan's democracy makes it embarrassing for the CCP to maintain its one-party authoritarian rule. Taiwan was able to become a mature democracy over decades, while the CCP monopolized the political power in Mainland.

In fact, post-Jiang leaders design their foreign policy approaches not only to retain the CCP legitimacy in the masses or to secure Chinese economic interests, but also to build authority in the elites and the masses, to show confidence in their leadership and persuade the audience that their policies are the best solution to deal with external problems. To freshly rethink about China's foreign policy and feel the gaps between past explanations, the following part compares Hu's and Xi's territorial disputes and Taiwan policies by analyzing their authority-building strategies.

4.2.1. Arms sales in 2004

Facing the presidential election, Taiwanese president Chen Shui-bian started his campaign over Taiwan independence to gain higher approval rates. He proposed a \$18 billion USD budget to purchase submarines, P-3C ASW aircraft, and PAC-3 missile defense systems (Kan 2014). Chinese elites see the improving defense capabilities of Taiwan as a threat to maintain the "One China" principle, based on territorial integrity and sovereignty of China with the ruling of the CCP.

Succeeding power from Jiang Zemin in 2002, Hu considered Taiwan issue as the highest importance in foreign policy, frequently mentioning it in his public speeches and meetings. Acknowledging Jiang's counterproductive approach in 1995-1996 Taiwan Strait crisis⁴², Hu understood that using military force alone against Taiwan is bound to fail (Shirk 2007, p. 195).

⁴² The 1995-1996 Taiwan crisis was a dangerous situation between the mainland and Taiwan, as Lee Teng-hui accepted an invitation from Cornell University and visited the US. This action engendered internal criticism from the elites over Jiang Zemin's soft approach to Taiwan, which jeopardized China's regime legitimacy. To calm down angered PLA generals and the CCP conservatives, Jiang commanded to fire missiles close to Taiwan in 1995 and 1996, following by military modernization with Taiwan as its strategic focus (Shirk 2007, p. 189).

During the first term Hu did not build sufficient authority. Whether the leader could exploit a diversionary motive to increase his authority within the elites, he was not able to respond assertively, as he was not in charge of the military. Thus, the leader used a delayed response strategy and followed the status quo.

After President Chen submitted the arms purchase proposal, Hu did not make any official statement, delivering the addressment to Vice Foreign Minister Li Zhaoxing. Vice Foreign Minister addressed the US ambassador saying that the US arms sales to Taiwan violate Sino-US communiqués on “One China” principle and serves as an “open provocation to China's sovereignty and territorial integrity.” It escalates the tensions across Taiwan Strait and create obstacles for peace and for reunification (Ministry of Foreign Affairs 2004)⁴³.

Despite of the US President Bush and Taiwanese President Chen efforts to ratify arms sales, the defense budget was from \$18 billion in 2004 to \$9 billion (for submarines only) in 2005, blocked by Kuomintang (KMT) party in the Legislative Yuan (LY) that opposed Chen and DDP. At the same time domestically, Hu faced opposition in terms of Jiang’s affiliates in the PBSC, who might hinder his policy advocacy. Therefore, before presenting any cooperative measures, Hu primarily issued Anti-Secession Law in 2005 and reassured the elites that the main goal of his policy was to oppose Taiwan’s independence, promote peaceful reunification and “one country, two systems” by narrowing the economic gap and forcing Taiwan to accept Beijing’s terms. Anti-Session Law’s objective was to find a way to control the situation, limiting Taiwan policy options and pressuring its leadership to follow the reunification path rather than reacting to Washington's change in attitudes over Taiwan.

Given the fact that the majority of the PBSC members belonged to the fourth generation, the leaders shared the same attitude of China’s rising bargaining power in the foreign affairs, and

⁴³ http://ft.china-office.gov.cn/eng/zf/zgtw/200405/t20040530_2910582.htm

in particular in the relations with Taiwan. Also, based on their political experience (keeping a low profile during the Cultural Revolution), they supported the idea that Taiwan policy should be cautious, not too soft and not too aggressive. Therefore, Hu emphasized the idea that his policy preference toward Taiwan would benefit cross-Strait trade and economic exchanges, leading to the “one-China market” and to economic integration, which would increase Taiwan economic dependency on China and pressure Taiwanese leadership to admit Beijing’s plans for reunification.

As Hu’s good-neighbor policy aimed to improve China’s relations with geographical neighbors through economic cooperation, Hu became the head of both the Leading Group on Foreign Affairs (LGFA) and the Leading Group on Taiwan Affairs (LGTA) in 2003, he was the main initiator of cross-Strait policies to improve cross-Strait air navigation, launching passenger charter flights and freight transportation. Taiwan was promised a protection of the investment rights, prevention of double taxation of Taiwanese businessmen and preferential trade treatment⁴⁴. The preferential treatment included customs clearance, inspection, quarantine facilities and zero tariffs on some agricultural products (fruits) to help to solve the problem of overproduction in Taiwan⁴⁵. Moreover, Hu promoted cross-strait civil exchanges as well. It increased tourism inbound and outbound flows, as the leader simplified the entry and exit procedures for Taiwanese and attracted Taiwanese youth to study in the mainland, by providing “Taiwan Student Scholarship.” With regard to Taiwan’s participation in international organizations, Hu stated that “everything is negotiable,” meaning that under the premise of not creating “two Chinas,” it was possible to make reasonable arrangements⁴⁶.

⁴⁴ During Deng and Jiang eras, all transactions went from Taiwan through Hong Kong or other transit points.

⁴⁵ Beijing negotiated with KMT a purchase of 2000 ton of Taiwanese bananas to help the island ease a surplus of the fruits (Saunders and Kastner 2009).

⁴⁶ Hu’s speech at the symposium to commemorate the 30th anniversary of the publication of the Taiwan Compatriots in 2008.

As Hu had insufficient authority in PBSC, due to the dominance of opposing faction and control over the military by his predecessor, the leader delayed response over Arms sales in 2004. He delegated the response to the Vice Foreign Minister, who emphasized the principle of “One China” in his speech addressed to the US. One year later, Hu established Anti-Secession Law, which reassured the Chinese elites that the main objective of Hu’s policy over Taiwan would be following China's core interests of territorial integrity and sovereignty.

4.2.2 Arms sales in 2008 and economic diplomacy

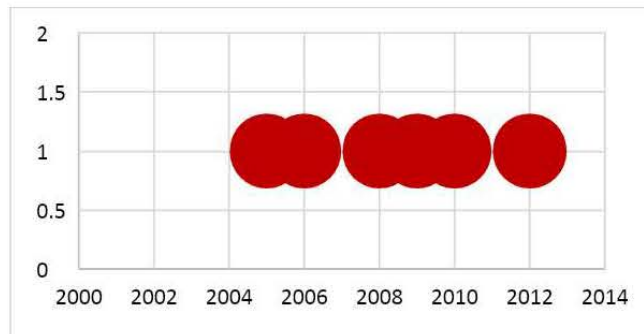
In June 2007, the LY passed Taiwan’s 2007 defense budget with funds for P-3C planes, PAC-2 upgrades, and F-16C/D fighters and later the LY approved \$62 million to start the submarine design phase (Kan 2014). On October 3, 2008, Bush finally notified Congress. submitting six of the eight pending programs for a combined value of \$6.5 billion. However, congressional concerns mounted about a suspected “freeze” in President Bush’s notifications on arms sales, caused by new presidential elections in 2008 and delay in government arrangements, which were resumed under Obama in 2010. Moreover, at the end of his last term, President Chen Shui-bian promoted a campaign for Taiwan independence and an effort to join the UN in 2007.

Despite arms talks and pro-independence activities through 2007-2010, China’s foreign policy changed to cooperative, as Hu enjoyed sufficient authority in the elites and was capable of promoting his economic diplomacy programs with Taiwan. Hu invited KMT leader Lien Chan⁴⁷ and PFP leader James Soong to the mainland, whose homecoming trips were emotional and widely televised events. By allowing the two Taiwanese politicians to address the Chinese public on live TV and make a speech in Beijing University, Hu buttressed public support and increased confidence in his leadership among the elites. To show Taiwanese leadership his good-neighbor tone, Hu has never mentioned Anti-Secession Law after 2005 and rarely used “One China”

⁴⁷ Hu Jintao and Lien Chan’s Press Conference on April 29, 2005.

principle in speeches with Taiwanese counterparts. In particular, the leader mentioned “one China” policy only twice during the first term, while increasing the expression usage during the second term⁴⁸.

Figure 3. “One China” mentions in Hu’s public speeches



Hu offered economic cooperation as the less costly solution for the CCP political endeavor of bringing Taiwan back under control. As cross-strait cooperation led to a higher dependency of Taiwanese economy on the Chinese market, Hu would have fewer obstacles to persuading Taiwanese leadership to improve political dialogue later. His initiatives taken earlier have successfully improved cross-strait ties. The trade has increased from US\$ 4.54 billion in 1997 to US\$ 91.15 billion in 2007 and US\$ 139 billion in 2017⁴⁹. Mainland has become the major destination of Taiwanese outward investment⁵⁰. The number of tourists from both sides sharply surged since 2005⁵¹. In 2008 more than one million of Taiwanese resided in China, working in more than seventy thousand Taiwan companies, which were managing the production in Taiwan, the mainland, or Southeast Asia and exporting the final products to the US (Sutter 2011).

⁴⁸ Hu’s statements over “one China” policy, China’s core interests, territorial integrity, and sovereignty are associated with the US approval of arms sales to Taiwan.

⁴⁹ See the growth of cross-strait trade in Appendix 2.

⁵⁰ See the Taiwan outward investment growth to the mainland in Appendix 3.

⁵¹ See the tourist flow in Appendix 4.

Wu Bangguo in his speech delivered in 2006, pointed more positive trends in cross-strait relations and did not associate Taiwan pro-independence movement with the government, calling them “separatist forces”, who should be opposed by all Chinese people, including Taiwanese compatriots⁵². This rhetoric signaled that Chinese leadership attempted to separate Taiwanese leadership from the pro-independence movement in the media, as the cooperative measures followed by. On April 27 2007, Jia Qinglin, pointed out when meeting with the chairman of the Chinese Kuomintang, Lien Chan, that we are willing to continue to strengthen exchanges and dialogues with the Kuomintang.

Despite Chen Shui-bian’s campaign for Taiwan independence and an effort to join the UN in 2007, the economic and cultural cooperation was not disrupted. The Ministry of Foreign Affairs increasingly stressed that Chinese leadership promotes the development of cross-strait relations in the direction of peace and stability, and warned that if Chen would continue separatist movement, which violates China’s fundamental principle of territorial integrity, there would be serious consequences⁵³. In contrast to Jiang’s missile launches and military exercises, Hu attempted to persuade other states to stop the Taiwan independence movement. Likewise, he met US President George Bush, Australian Prime Minister Howard, and delivered China’s position on Taiwan’s representation in the UN.

This situation was similar to the Taiwan Crisis when Taiwanese President Lee looked for diplomatic acknowledgement and had a visit to the US in 1995. However, the Chinese leadership did not use military force to stop the pro-independence campaign, rather verbally warned to stop separatists activities. The reason for different responses in a similar situation is lying in the leader’s authority. As Hu shortly enjoyed the apogee of his authority in the CCP

⁵² See Wu Bangguo’s speech http://nl.china-embassy.org/zgwjs/200609/t20060901_2702646.htm

⁵³ See summary of the speeches about cross-strait relations http://lib.taiwan.cn/ljgxevent/201202/t20120220_2348863_4.htm

during 2007-2008, the leader was able to control the policy agenda over Taiwan and maintained his policy course despite the Taiwanese provocations. In contrast, the Taiwan crisis occurred during Jiang's de facto power succession, when he had insufficient authority in the PBSC. Thus, Jiang attempted to act increasingly assertively to prove his indispensability as a leader. In the end, Chen Shui-bian's attempt to join the UN failed, as on September 18, UN Secretary-General Ban Ki-moon confirmed that legally, according to UN Resolution 2758, it is impossible for the UN to accept the so-called "Taiwan joining the UN" application.

At the beginning of his second term, Hu and newly elected Taiwan President Ma Ying-jeou jointly established the Economic Cooperation Framework Agreement (ECFA), which has reinforced the economic ties across the Taiwan Strait. As President Ma expressed goodwill to improve cross-Strait relations, the agreement enforced communication on investment and service trade, as well as on the reduction of barriers to trade in goods. Moreover, cooperation has gone beyond trade, investment and tourism policies, covering now health care, nuclear power safety and crime fighting.

Table 7. Cross-strait agreements during Hu's second term⁵⁴

Date	Agreements Reached
Jun-08	Minutes of Talks on Cross-Strait Charter Flights; Cross-Strait Agreement concerning Mainland Tourists Traveling to Taiwan
Nov-08	Cross-Strait Food Safety Agreement; Cross-Strait Air Transport Agreement; Cross-Strait Sea Transport Agreement; Cross-Strait Postal Service Agreement
Apr-09	Cross-Strait Agreement on Joint Crime Fighting and Judicial Mutual Assistance; Cross-Strait Financial Cooperation Agreement; Supplementary Agreement on Cross-Strait Air Transport
Dec-09	Cross-Strait Agreement on Cooperation of Agricultural Product Quarantine and Inspection; Cross-Strait Agreement on Cooperation in respect of Standards, Metrology, Inspection and Accreditation; Cross-Strait Agreement on Cooperation in respect of Fishing Crew Affairs
Jun-10	Cross-Strait Economic Cooperation Framework Agreement; Cross-Strait Agreement on Intellectual Property Rights Protection and Cooperation
Dec-10	Cross-Strait Agreement on Medical and Health Cooperation

⁵⁴ The table has been taken from Tsai, Tung-chieh and Tony Tai-ting Liu article "Assessing the Administration of President Ma Ying-jeou."

Oct-1 1	Cross-Strait Nuclear Power Safety Cooperation Agreement
Aug-1 2	Cross-Strait Investment Protection and Promotion Agreement; Cross-Strait Customs Cooperation Agreement

As Hu became the head of both the Leading Group on Foreign Affairs (LGFA) and the Leading Group on Taiwan Affairs (LGTA) in 2003, he was the main initiator of cross-strait policies and therefore, the main person in charge of its outcomes. In contrast to Jiang’s hard line toward Taiwan, which brought insufficient results, Hu designed his policy program without pressures for a political breakthrough and provided economic concessions to Taiwan in the hope that cooperation would eventually lock Taiwan and provide Beijing political leverage in initiating the reunification process. Similarly, Taiwanese leaders’ benefits prevailed, as they could receive concessions to boost economic slowdown, without returning China’s favors in the short-run.

Although the difficulties with Taiwanese presidents came in 2008, Hu was able to maintain the cooperative course with Taiwan, as the leader built sufficient authority in the elites. Similarly to his strategy in the territorial disputes, Hu decided to follow the status quo when he had insufficient authority in the Politburo and was not in charge of the PLA. His Anti-Secession law helped him to increase his competence in the eyes of elites, as upholding “One China” principle corresponds to maintaining the CCP objective of reunification with Taiwan. In contrast to Diaoyu/Senkaku islands policy, Hu’s *harmonious world* achieved successful results, including increasing economic trade, investment opportunities for Taiwanese businessmen and cultural exchanges.

4.2.3. Arms sales in 2010

Hu’s policy toward Taiwan has been challenged by the US approved the arms sales (worth more than US\$6 billion) in 2010. Although Taiwan has no sufficient funds to pay for the weaponry, President Ma argued that arms would prevent Beijing “resorting to military force to

resolve cross-strait disputes” (New York Times 2011). As in Taiwan there have been increasing voices against cooperation with China, Ma decided to mobilize the masses against China’s threat and build authority in the masses.

Hu sanctioned the companies involved in arms sale (Raytheon and Lockheed) and canceled all the military exchanges with the US (Tiezzi 2010). The most prominent assertive reaction was the cancellation of Secretary of Defense Robert Gates to Beijing after the Shangri-La Dialogue in Singapore. Huang Xueping, a spokesman of the Defense Ministry, stated any instigation to hurt the country's sovereignty would invoke the Chinese military to fight (NBC news 2010)⁵⁵. Taiwan has always been the CCP core interests, articulated by Chinese leadership. Chinese State Councilor Dai Bingguo stated in 2010 that CCP’s leadership, territorial integrity, and continuous economic and social development were China’s core interest while singling out Taiwan as a core interest (Zhang 2019). The problem of Taiwan is closely intertwined with China’s leadership control over Mainland territories such as Xinjiang, Tibet and Hong Kong. Hu could not afford a delayed response strategy in case of arms sales to Taiwan, as it would trigger the protests domestically.

Before the conflict with Taiwan, Hu faced the massive uprisings in Tibet and Xinjiang⁵⁶ to increase elite dependence on him. Between March 10 and March 14, 2008, monks in Lhasa led various demonstrations against religion suppression, which entailed patriotic re-education campaigns and forced denunciations of the Dalai Lama. The unrest spread from Lhasa to Gansu, Qinghai and Sichuan provinces, with as many as 30 thousand people participating across the plateau (The New York Times 2008). After the police attempted to break up the demonstrations, it turned to violent protests as people attacked government offices, police stations, Han- and

⁵⁵ "We will never give in or compromise in this issue," Huang said in a statement.

⁵⁶ Tibet and Xinjiang provinces seek independence from Beijing, based on their strong social, cultural and ethnic divergence from the Chinese majority.

Muslim-owned businesses, resulting in death of 18 non-Tibetian civilians. One year later, in 2009, protests have erupted in Urumqi (Xinjiang), where one thousand riots threw stones at the police and set vehicles on fire.

To appease the masses in both provinces and uphold territorial integrity, Hu pursued reconciliation strategy by promising to enhance investment in poor inland areas, to build mosques and temples, as well as schools, where students can study their ethnic languages - Tibetan or Turkish. Moreover, Hu launched national conferences that bring together representatives from provinces and regions to address problems of social inequality.

However, these initiatives were short-lived, as Hu continued the same approach of “securitization” and oppression of protests, exercised by previous leadership. Internal security expenditure has drastically increased since 2008⁵⁷. It resulted in surging of security forces and improving surveillance infrastructure in the provinces while limiting people’s movement from ethnic provinces. Now, police could use force without Hu’s permission (armed troops comply to the Chairman of CMC) against protestors in order to prevent demonstrations slipping out of control⁵⁸. In response to the government measures, the number of self-immolations by Tibetans began to rise in 2011. To address this issue, Chinese authorities have made self-immolation as a criminal act, and even family members of self-immolators are being held accountable.

Moreover, the CCP was preoccupied with power struggles at the time of the increasing tensions, Hu acted assertively to arms sales in 2010 to prevent elites criticism. In contrast to Jiang, Hu took some assertive measures not to Taiwan, but to the US. Hu suspended military-to-military relations with the US, canceling permission for the American aircraft carrier to take a Thanksgiving shore leave in Hong Kong and thwarting a climate change deal in

⁵⁷ See growth rate of domestic securitization per province in Appendix 5.

⁵⁸ When the 2009 Xinjiang demonstrations turned to violent protests, forces waited for permission to use all means of force to eradicate riots, as Hu was absent, attending G8 summit in Italy at that time.

Copenhagen. Chinese authorities mainly criticize the US side of the deal, including Wang Yi warnings that arms sales would lead to negative impact on bilateral communication and cooperation of Sino-US relations, and PLA General Liang's notice that the US arms sales to Taiwan should not happen again.

In the eyes of elites, Hu's cooperative policies failed, as Taiwan was able to distance itself from China politically, despite being binded economically. Reshuffling the blame on the US, Hu maintained his policy toward Taiwan, showing to the elites that the problem was not the pro-independence movement inside Taiwan rather the existing support for it from the US. Taking political countermeasures over Taiwan would only yield the political recognition of Taiwan by other states, which would violate the CCP's "One China" principle. The military measures (missile launch, military exercises or coastal guard patrol) would be counterproductive, as the leader was trying to prove to Taiwan and other states of China's peaceful intentions. Hu's assertive reaction aimed to target the US leadership in order to pressure Washington to stop using Taiwan as a bargaining chip. Assertive policy toward the US in the conflict of arms sales in 2010 helped Hu to prevent Taiwanese leadership from a unilateral change of status quo, per se declaration of independence, as the US has sufficient control over pro-independence ideas in Taiwan. Moreover, in the masses, Hu showed himself as a strong leader, who pursued China's stronger image in cross-strait relations. In the elites, leader's failures in socio-economic achievements and cooperation over territorial disputes were partially diffused by his achievements in the Taiwan issue. Hu assured that he was in control of the cross-strait situation and Taiwan's economic and social dependence on China would not be disrupted.

Hu's assertive reaction was just a "paper tiger", as the leader attempted to divert the domestic audience's attention and profit from the image of leader who is strong and ready to

respond to the security and territorial integrity challenges from both the US and Taiwan. Even the state media falsely presented the Chinese leadership's countermeasures yielded positive results for China, as the US withheld arms sales to Taiwan, due to perceived "effective lobbying from the Chinese Mainland" (People's Daily 2010).

After the conflict, Hu was capable of maintaining his policy course over Taiwan. In March 2010, three accords on cooperation were agreed upon by the Chinese mainland and Taiwan businessmen: to improve farm produce quarantine, employment of fishermen, and to deal with different product quality standards (Consulate General of PRC in New York 2010). In July Hu supported the holding of the sixth cross-Strait economic and cultural forum, which was conducted in Guangzhou. Most prominently, Hu himself met a delegation of the Kuomintang Party, led by honorary chairman Wu Po-hsiung. The proposal signed at the forum was focused on joint development of textiles, electronics, precision machinery, petrochemical industries and further partnership in the emerging industries of information, biotechnology, new energy, energy saving and environmental protection and electric vehicles (Consulate General of PRC in New York 2010).

Hu's previous warning and sanctions never took place. That may be in part because two of the firms involved in the 2010 sale – Boeing and General Electric – have major commercial interests in China. Actually following through on sanctioning these companies would have been a serious escalation in an already-tense relationship (Tiezzi 2010). Hu did not impose sanctions on the US for Obama's meeting with the Dalai Lama, while economically sanctioning France and Britain following their leaders' reception of the Dalai Lama.

In sum, Hu's assertive policy response in Arms sales in 2010 was dictated by his slipping authority in the elites due to power transition. By canceling military talks, threatening with

economic sanctions, Hu attempted to appear strong to the elites, who defend China's core interests against the perceived US violation of China's sovereignty. Increasing his competence in the eyes of the elites, would allow him to promote his affiliates to the next National Congress and maintain his policy direction after leaving the General Secretary position.

Part V

Summary

During power succession Hu Jintao experienced insufficient authority in the elites, which altered him to take a delayed response strategy to a series of provocative events from Japan in 2005 and Arms sales to Taiwan in 2004. The leader was not capable of pushing his cooperative policy preferences among the seniors. Neither the leader was capable of using diversionary motive and act assertive, as Hu was not in full control of the PLA, which is required to conduct coercive countermeasures. Instead Hu exploited the atmosphere of crisis during the anti-Japanese demonstrations in 2005 to pressure elites to accept his policy program. He attempted to ease tensions and explain to the public the importance of the relations with Japan. In the case of Taiwan, Hu delegated the response to the Vice Foreign Minister, who emphasized the principle of "One China" in his speech addressed to the US. One year later, Hu established Anti-Secession Law, which reassured the Chinese elites that the main objective of Hu's policy over Taiwan would be following China's core interests of territorial integrity and sovereignty.

After the 17th CCP Congress, Hu was able to promote his affiliates to Politburo, get rid of some members of the Jiang's faction, and built CMC responsive to him. Having greater authority, Hu was capable of promoting his *Harmonious world* policies in the case of Taiwan and Diaoyu/Senkaku islands. Hu's efforts to sign a joint development treaty has brought China and Japan to the closest point of solving the territorial dispute. The agreement included

Sino-Japanese joint exploration of energy resources in the disputable areas and joint patrol. Shelving the question of reunification, Hu promoted cross-Strait economic and cultural cooperation, despite the Arms sales in 2008. Hu invited KMT leaders to Beijing, created a cross-Strait economic and cultural forum, and signed the agreements that granted Chinese and Taiwanese businessmen easier conditions for trade.

Since 2010, Hu's foreign policy has become increasingly assertive. As the power struggles started several years prior to the CCP National Congress, the next generation of leaders started power-arrangements. As their authority increased, Hu's authority was slipping due to the end of his term. To re-build his authority and maintain influence on the next Politburo appointments, Hu exploited a diversionary motive in the Fishing Trawler Incident and Arms sales in 2010. The leader imposed economic sanctions on Japan and threatened to impose sanctions on American companies that were involved in arms sales. Moreover, the leader canceled military talks with the US and warned Washington not to violate China's sovereignty and territorial integrity. The cooperation over Diaoyu/Senkaku islands stopped in 2010 and was not renewed ever since.

Conclusion

The power-centric structural realist perspective contends that when its relative power increases, a rising state attempts to change the rules of established international order, using territorial expansion to achieve the top of the great power hierarchy (Allison 2018, Kennedy 1989, Mearsheimer 2001; 2004). In the systemic disequilibrium (Gilpin 1981), both states race into the Thucydides trap, induced by power competition and misperceptions of each other's motives. Out of sixteen cases of rising power contest, twelve cases have eventually ended up in war with each other (Allison 2018). In this retrospective, structural realism prescribes that China

and the US, inevitably pressured by the system, will continue to pursue their narrow and myopic national interests, certainly winding up at war (Ikenberry 2008, Liff 2017). Therefore, Beijing's external behavior became more assertive, epitomizing its rising capabilities (Wang 2011; Liff and Ikenberry 2014; Christensen 2015; Friedberg 2015; Glaser 2015). The structural stress has become apparent since 2010, when China surpassed the US in manufacturing output, GDP terms PPP-adjusted, and in some of the land and naval power indicators.

The explanation of China's becoming increasingly assertive, induced by systemic pressures, is persuasive to some extent. Yet it cannot explain why China's foreign policy has experienced cooperative period in issues concerning China's sovereignty and territorial integrity, such as Diaoyu/Senkaku islands and Arms sales to Taiwan. Therefore, to overcome the "sterile" explanations of structural realism, I investigate assertive foreign policy cases, using authority-building framework, which allows us to understand why China has cooperated in some core issues under Hu Jintao, focusing on leaders instead of self-driven states.

The political leaders occupying by far the most powerful positions have the most influence in determining foreign policy decisions. Therefore, the state's external behavior is shaped by the leader's perceptions of the international environment, attitudes, personal characteristics and organizational background (Stewart et al. 2010). The individual-level explanations precipitate Hu to follow Deng's *hide capabilities and bide time* principle and keep low-profile in the foreign policy, as Hu was considered as a weak figure, who was incapable of overcoming the influence of his predecessor Jiang Zemin. Yet, it cannot explain why since 2010 Hu used assertive foreign policy in response to the Fishing Trawler Incident and Arms sales in 2010. Thus, it is futile to rely on individual levels of analysis with its causal connection between

foreign policy and the leader's attitudes over policy preference in the case of China, where it is hardly possible to investigate the leader's attitudes and personal perceptions.

Based on the authority-building theory, I argue that China's foreign policy decisions are affected by the leader's authority and regime instability. During power transitions, the regime instability increases, as the CCP elites fight over the next appointments to the Politburo, which is the top leadership decision-making body. As the Politburo positions result in the highest possible benefits and privileges, the political elites build their authority in order to occupy the best positions. While their authority increases, the leader's authority is decreasing due to the end of his tenure and unsuccessful policies. The leader attempts to re-build his authority by acting assertively, presenting himself as a strong leader in the eyes of elites and promoting the state's core interests. Moreover, the leader uses diversionary motive and acts assertively in order to divert public attention from the power struggles and maintain domestic order.

Table 8. Sources of Hu's foreign policy patterns

Period	Leader's authority	The CCP's fragility ⁵⁹	Foreign policy
2005	Insufficient	No	Status quo
2007-2009	Sufficient	No	Cooperative
2010	Slipping	Yes	Assertive

As summarized in Table 8, the variables that were overlooked by previous studies are the leader's authority and regime instability, which are interconnected. As the CCP fragility increases and the leader's authority is slipping during power transition, Hu Jintao found it necessary to act assertively in order to re-build his authority and cover the power struggles in the CCP from the masses.

⁵⁹ The CCP fragility involves increasing power struggles during power succession and power transition.

The conducted analysis allows the highlight of several characteristics prevailing for Hu Jintao's leadership. First, despite the notion that Hu was a weak leader and was not capable of promoting foreign policies, the analysis of his authority-building proved otherwise. The leader was able to change foreign policy over territorial disputes, in particular the East China Sea, and achieved signing the joint development agreement with Japan. Hu was able to change the course with Taiwan and promote economic diplomacy and cultural exchanges across the Taiwan Strait, which was opposite to Jiang's saber-rattling with Taiwan in 1995/1996.

It is true that Hu had obstacles in PBSC for his policy preferences advocacy, yet he was able to overcome factionalism. Authority-building framework presents the channels for the leaders to promote policies. During his first term, Hu used generational links, mass campaigns and exploited the domestic crisis in order to show the elites the necessity of his policy programs. The generational balance helped Hu avoid criticism over a delayed response strategy and later promoted cooperative policy with Japan. This was based on the seniors' shared sense of cautiousness in foreign affairs, as the majority of the seniors belonged to the fourth generation, who shared a great concern for domestic stability and were cautious about domestic and foreign policies (Zweig 2015). Hu used mass campaigns to adjust mass attitudes toward Japan, as the leader sent retired diplomats to the universities to educate the students on the necessity of good relations with Japan. Also, the leader supported Chinese companies' cooperation with Taiwanese businessmen before any agreements took place in 2008. Hu exploited the SARS crisis in 2003 to promote his harmonious society policy agenda, which aimed to narrow down the gap between rich and poor, urban and rural areas, east and west provinces. In 2005 the leader created the atmosphere of crisis, premised by Japanese controversy over historical books, bid to the UN Security Council, and its initiative to build lighthouses on disputable Diaoyu/Senkaku islands.

Second, Hu's countermeasures were more diversionary in nature. After the Fishing Trawler Incident and Arms Sales in 2010, in which the leader imposed economic sanctions on Japanese companies and blocked its exports of rare earth metals and threatened to impose sanctions on American companies that were involved in Arms sales, China's trade was not affected, as China's exports to Japan was increasing in volume up until 2015 and bilateral trade with Taiwan remained stable. This observation reinforces the argument that the assertive foreign policy was a self-interest decision of Hu, motivated by political survival.

Third, during power transition, the leader can act assertively to divert elites attention from his failed policies and cover the elites power struggles from the masses. As the leader is in charge of the military, he can rely on diversionary motives and act assertively in order to empower his associates during the next election. Hu's authority was slipping at the end of his second term, therefore the leader attempted to divert attention and increase his credibility among the elites during the Fishing Trawler Incident and Arms sales to Taiwan in 2010. During power transition, the elites first priority is to maintain the domestic order, restricting the demonstration and keeping the mass discontent down. Therefore, China's foreign policy becomes increasingly assertive during the power transition.

The authority-building framework emphasizes two essential conditions for using assertive foreign policy, which adds value to the existing literature of diversionary war. The leader can use diversionary motive only in the national-embedded issues - the question of sovereignty, economic development and bilateral trade, territorial disputes. The importance of the national-embedded issues is high for the elite, as the successful promotion of core interests maintains the CCP monopoly on power. National-embedded issues present an opportunity for escalation, which leaders can increase social cohesion or demonstrate their competence and

frame the use of force as legitimate, serving national and not private interests (Fravel 2010). The higher rewards from the elites the leader would get after promoting effective foreign policy.

The civilian leader needs to be in charge of the military in order to act assertively. Having no control over the military may result in escalating the conflict, in which the generals would not follow the leader's commands. Despite the leader's desire to use a diversionary motive to increase his authority, he would keep low-profile and use a delay response strategy, evident from Hu's response to Japan and Taiwan in 2004-2005. Hu did not have control over CMC, which is required for coercive countermeasures. Therefore, Hu used a delayed response strategy during anti-Japanese demonstrations in 2005, as acting assertively involved his negotiations with generals who answered to his predecessor Jiang. This might have resulted in a more dangerous situation and increased Jiang influence rather than Hu's primary goal to build authority. There is always a high possibility that assertiveness in external conduct can backfire, leading to disruption of trade flows at a minimum, and to a military collision at maximum. The elites would be hit hard by the costs of conflict. As there are objectively disastrous consequences, this scenario would undermine the Party's authority and lead to social instability, resulting in the leader's slipping authority in the elites.

During the 18th CCP National Congress power succession, Xi Jinping was already in charge of the CMC in 2012. Therefore, he was able to use a diversionary motive to overcome factionalism in PBSC, which he did both in domestic and foreign policies. In November 2013, Xi declared an ADIZ that covers most of the East China Sea, beyond the Flight Information Regions (FIRs) managed by Chinese air traffic controllers. Overlapping the established ADIZs of Japan, ROK and Taiwan, China's ADIZ includes the airspace over the disputable Diaoyu/Senkaku

islands and the airspace over the disputable Ieodo rock, administered by ROK. According to the new rules, flying over China's ADIZ requires a report and identification of foreign airplanes.

Focusing on leader's struggle of authority-building, this study uncovers Chinese leaders' fragility and insecurity not only with the masses but within the political establishment as well. Even though Hu occupied by far the most powerful positions in the Chinese political system, he had to grapple with the challenge of building up authority, fearing to lose power over policy agenda. The authority-building framework investigates the leader's authority and its interconnection to the regime's fragility, which together increase the probability of China's assertive external behavior.

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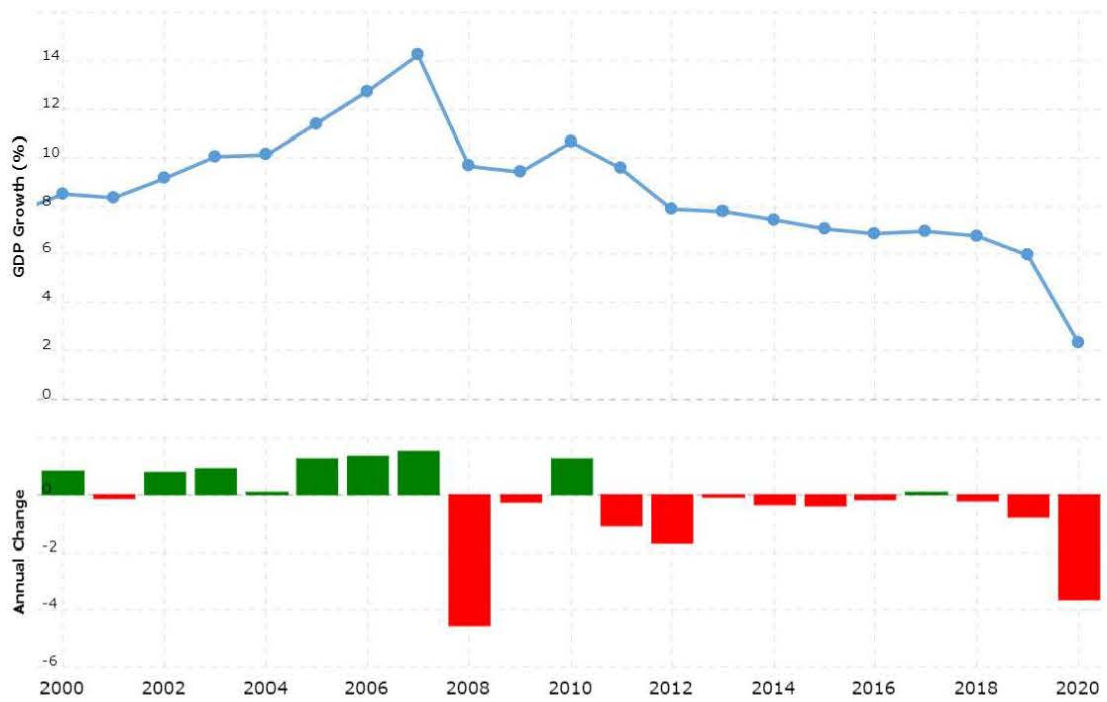
<https://www.brookings.edu/articles/chinese-non-military-coercion-tactics-and-rationale/>.

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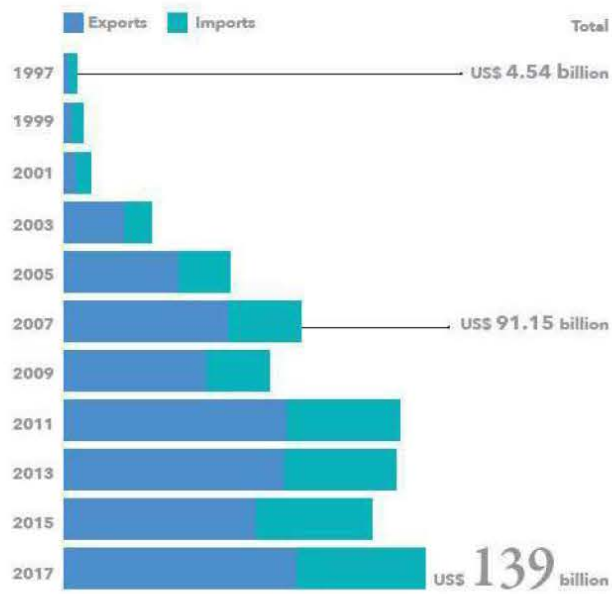
Appendix 1



The chart has been taken from <https://www.macrotrends.net/countries/CHN/china/gdp-growth-rate>

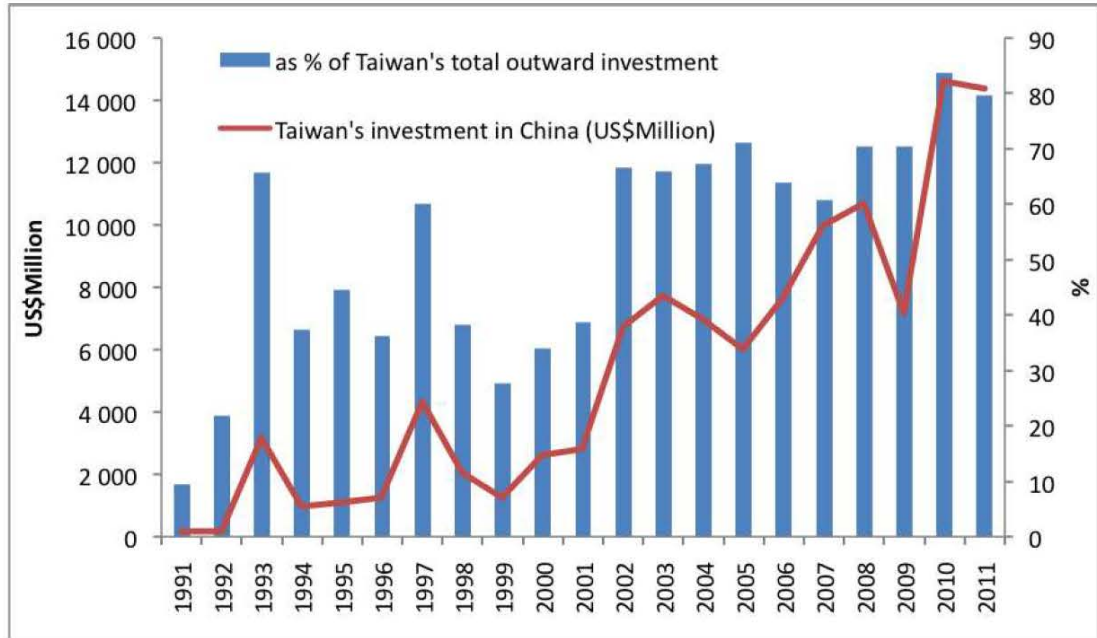
Appendix 2

CROSS-STRAIT TRADE



Source: Customs Administration, Ministry of Finance

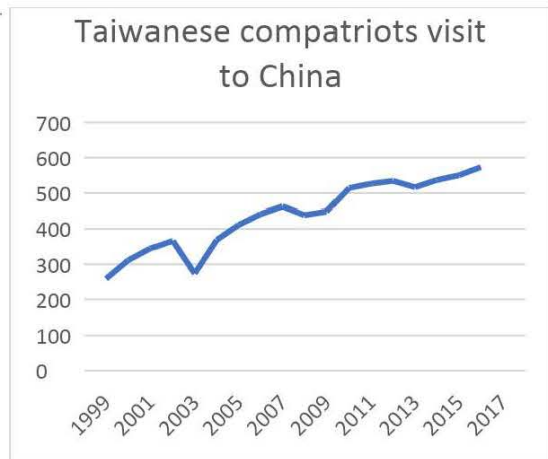
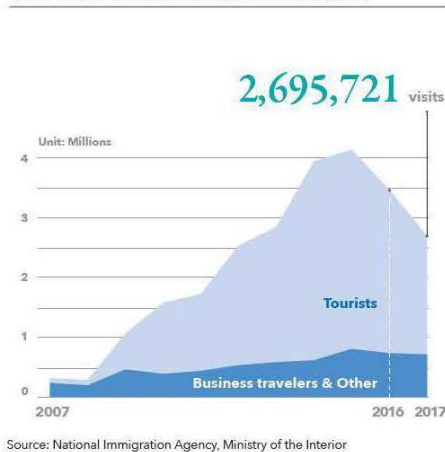
Appendix 3



The graph has been taken from Min-Hua Chiang and Bernard Gerbier article "Cross-Strait Economic Relations: Recent Development and Implications for Taiwan"

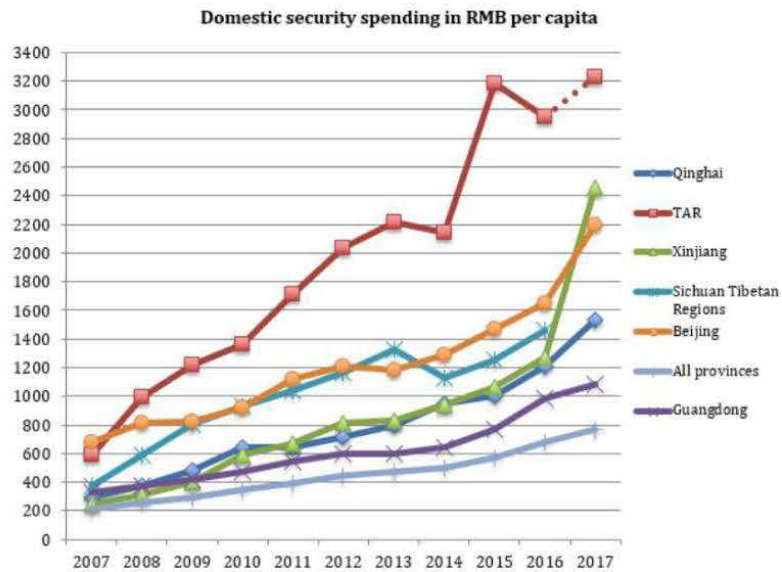
Appendix 4

VISITORS FROM CHINA TO TAIWAN



The graph has been done by the author, using statistics from National Bureau of Statistics (PRC)

Appendix 5



The figure has been taken from <https://jamestown.org/program/chinas-domestic-security-spending-analysis-available-data/>

List of abbreviations

- ADIZ - Air defense identification zone
- CMC - Central Military Commission
- CCP - Chinese Communist Party
- KMT - Kuomintang
- LSG - Leading Small Group
- PB - Politburo
- PBSC - Politburo Standing Committee
- PFP - People's First Party
- PLA - People's Liberation Army
- PRC - People's Republic of China