The Future of the CCP within the PRC:
Can China's Communist Party Overcome Present-day Societal Stressors?

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The last 30 years have seen extraordinary growth of both political and economic power of the People's Republic of China (PRC) with the Chinese Communist Party (CCP) in control. Deng Xiaoping originally led the major turning point in China's rise when he assumed control of the CCP, PRC and Central Military Commission (CMC). At this time, he "introduced a series of sweeping changes … that dismantled Mao's revolutionary approach to domestic and foreign policies and made China a rising presence in the international economy and a potential military power" [Miller, 2002]. Most notably were military modernization efforts and the market-based economic reforms (which in 2001 culminated in China being admitted to the WTO based upon the US-China agreement (China successfully delayed the liberalization of its markets to allow for their maturing, and thus setting a precedence of defying US requested policies) [Stiglitz, 2002; Pilger, 2002]).

But this rise has not gone unfettered and without the risk of future potential problems that could destabilize China's domestic political structure. Amongst the most grave and important projected obstacles facing present-day China are a combination of their exponential population growth, (at present time China's population is roughly 1,275 million [Economist, 2002]), their principal imports of fuels valued at roughly 20.7 billion dollars [Economist, 2002] and their relatively low Human Development Index (HDI), which attempts to capture "some of the social dimensions of a nation's socioeconomic development that are neglected by income measures alone [by including] three components of human development: longevity (measured by life expectancy), knowledge (measured by a combination of adult literacy and mean years of schooling), and standard of living (measured by per-capita GDP, adjusted for the local cost of living by means of purchasing power parity (PPP) conversion)" [Lairson, 2003]. At present time, China's HDI is ranked 85th in the world at 71.8 [Economist, 2002]. One of the main reasons for their low HDI is that 21 percent of the country being underweight [WHO, 1997 and Brown, 1999]. This despite China becoming the "world's biggest producer of seafood

since 1990, with more than 160,000 fishing boats manned by more than one million fishermen" [Austin, 1998]. This increased dependence combined with an increase in international maritime competition is lowering the returns from the fisheries.

One of the main reasons for China's dependence upon fisheries is that "food security is at risk because the amount of fresh water that can sustainably be supplied to farmers is nearing its limit, [and] 87 million more people are added to the planet each year … [for example] the lower reaches of China's Yellow River have gone dry for an average of 70 days per year" [Brown, 1996]. Furthermore, within China there has been a great internal relocation migration of it's people from rural, in-land China to its coastal cities as people continue to seek "a better life" through the industrialization efforts currently on-going. With this urban population increase "pressure is mounting to shift water from farms to expanding cities" [Brown, 1996]. Therefore, exacerbating depletion of fresh water reserves is continued pressure to reallocate its usage, and therefore further reduce the productivity of China's (and the global's) rural sector.

With China's expected population to continue to rise to roughly 1.5 billion people in 2020 [Economist, 2002] and the increased development of their domestic economy, which currently has the second largest economic growth from 1990 – 2000 at an average annual real GDP growth of 9.6% [Economist, 2002] the strains on both fuel and nutritional needs can be expected to grow proportionally, if not at a faster rate as the expectation of the standard of living also increases. This is noted by China "pursuing an active campaign to secure energy supplies from international sources, with oil imports growing at an average rate of 9 percent annually since 1993 … [and] China might [be] required to import 45 percent of its petroleum requirements by 2010" [Troush, 1999].

This growth and projected demand assumes that none of the selected eight developments projected by the Defense Department's Office of Net Assessment come to fruition [Wolf, 2003] all of which were speculative projections for assessing future conflicts (futurology). Each of these potential developments were deemed to have adverse impacts ranging from a 0.3 percent to a 2.2 percent decrease in annual growth and ultimately

threatening to lower China's GDP by 3 to 24 percent by 2015 [Wolf, 2003]. Of course, the converse has potential as well; if "supply, not demand, limitations are currently constraining Chinese growth … a renminbi revaluation would provide … more scope for this investment, and would encourage the expansion of consumption" [Williamson, 2003]. In either case, future strain is predicted on China's standard of living by limiting their ability (while simultaneously increasing their dependency) to continue to import their necessary staples of food and fuel and thus impacting their strategic natural resource problems.

A complement to China's current attempt at securing future petroleum and food resources through international market relations are the offshore natural resource reserves (both petroleum and nutritional deposits) found within the South China Sea. It's currently estimated that the South China Sea has roughly 2,000 trillion cubic feet in natural gas reserves [Leifer, 1995] and 28 billion barrels of petroleum reserves [U.S. Geodetic Survey, 1999]. Therefore, to accommodate China's projected growth their "maritime interests have steadily expanded during the past two decades, and now range from the Arctic to the Antarctic" [Cole, 2001] and have been specifically focused on the South China Sea (and the Spratly Islands).

Furthermore, China's maritime territorial claims must be considered (within Southeast Asia the importance of territorial sovereignty is driven both by present day society and their cultural histories [Day, 2002]) when referring to their maritime interests. For example, at present time China is included in 6 of the more "than 2 dozen maritime disputes: the Diaoyutai/Senkaku Islands with Japan; Taiwan; the Paracel Islands with Vietnam; the Spratly Islands in the South China Sea with Vietnam, the Philippines, Brunei and Malaysia; water areas of the South China Sea with Vietnam, the Philippines, Brunei, Indonesia and Malaysia; and the maritime border with Vietnam" [Cole, 2001]. Of these maritime territorial disputes, Taiwan ranks the highest as part of China's reunification effort within the hearts and minds of both the leadership and citizens. In fact, a "warning [recently came] from Beijing as Taiwan prepares to elect a new leader in March … [that] any efforts the island makes toward independence is the ultimate goal of

the mainland, which will go to war if necessary" [CBS/AP, 2003]. Therefore, China has both maritime economic and territorial interests, each of which can only be enforced through Naval Dominance within the South China Sea. And each of which continue to grow in importance as China increasingly becomes more dependent upon offshore resources (and as Chinese communities of East Asia become increasingly more important [Gilpin, 2000; Chua, 2003]). It's this greater dependence that "should instigate … a drive to ensure that the PLAN is fully capable of defending China's interests" [Cole, 2001] and which western societies should take note as China continues to develop its geopolitical grand strategy through refitting the PLAN (for more information regarding China's PLAN modernization efforts and its direct (and indirect) impact on regional hegemony, security and western societies please refer to my writing [*Feldman*, 2003]).

Even through China is continuing to turn towards the sea for its solutions, the implications of increased grain demand through both an increase in the general standard of living and population growth, combined with a decrease in water supplies (and therefore a decrease in the productivity output of the rural communities that supply this grain within China) and an increase in market liberalization whereby consumers are less sheltered and pay the market-price for goods (in this case grain) poses a grave future for China; specifically their ability to continue to feed their population and maintain a steady increase in the standard of living for its general population.

As mentioned above as a success, one cannot overlook the future stressor China faces with regards to their entering into the WTO, not just with regards to commodity market liberalization, but also their financial industry.

> Chinese authorities were absolutely right to resist the call of US Secretary of the Treasury John Snow for a liberalization of the capital account and float of the currency … because of the danger that liberalization of the capital account would cause many Chinese savers to decide to switch a part of their portfolio to some foreign country, to avoid the fate that may

> befall those holding money in Chinese banks if and when a financial crisis finally hits. [Williamson, 2003]

If the financial market is liberalized prematurely this could trigger an economic collapse of the Chinese market, as happened with the Asian Financial Crisis of the late 90's. Such an effort would prompt massive speculation, magnified by the amount of FDI and foreign aid China presently receives. Therefore, although China has been successful thus far with their efforts to free their markets, in some respects, it's essential they continue to open at a rate that is both sustainable and promotes long-term stability.

China presently faces a multitude of societal stressors ranging from biological threats (such as AIDS and SARS recently "the SARS epidemic demonstrated, China's political system is still opaque and can threaten the economies and livelihoods of its neighbors [and local population]" [Medeiros, 2003]), nutritional (exacerbated by their increase in population growth, higher standard of living, decreases in fisheries' productivity, internal migration from rural to urban areas (specifically along the coastline), water shortages, and the projected increase in the price of grain on the world market), sovereignty claims (internal pressure to reclaim Taiwan for the re-unification of China), and external market demands calling for an increase in market liberalization since their acceptance into the WTO and the increase in foreign investment (both FDI and aid) they currently receive.

> China still faces serious obstacles to becoming a high profile, much less a dominant, player in the international community. For the moment, China's foreign policy still serves the domestic goals of its leaders: namely, strengthening, reforming, and ensuring the survival of a Leninist political system in transition. Even as the country's diplomacy becomes more active, the domestic situation remains uncertain [and unstable], as its leaders grapple with political, social, and economic changes wrought by this transition. [Medeiros, 2003]

China has, over the years, been ruled by a very strict regime that's mandated industrial and societal controls. With the decrease of this structure, through the increased liberalization of their markets, the CCP (China's ruling political party) faces many obstacles that threaten their continued success at the helm and overall future within China.

This threat stems from the fuel of internal unrest of its citizens combined with their internal organizational structure whereby "the [recent] leadership changes elevate[d] civilian party leaders who have little or no military experience and military leaders whose political experience is increasingly limited. The creation of increasingly separate civilian and military leaderships in China will have profound consequences for civil-military relations and for command of the PLA" [Miller, 2002]. If early next year, Taiwan re-elects President Chen Shui-bian and China is unable to reunify mainland China by Taiwan invoking their plan for a new constitution that could lead to Taiwanese voting for their independence, China may become restless, especially with reduced military control and deeply embedded feelings that could prompt rogue military acts.

Furthermore, considering these societal stressors and the rift between the CCP and the CMC the PLA (and PLAN) may be in a position to lead a military regime change. This is especially true if conditions with Taiwan continue to degrade and Taiwan, uncontested, attempts state sovereignty. Throughout history, most rebellions/regime changes have occurred during times of economic downturns. When a state is doing well economically, and its citizens are seeing an improvement in their standard of living peace is stressed and the status quo is maintained. But during times of duress, citizens become restless and seek to improve their situation through means usually by forceful change. "Future wars will be those of communal survival, aggravated or, in many cases, caused by environmental scarcity. These wars will be subnational, meaning that it will be hard for the states and local governments to protect their own citizens physically. This is how many states will ultimately die" [Kaplan, 2000]. China's unique structure, having 3 different potential heads (1 for the CMC, 1 for the CCP and 1 for the PRC) poses a threat to the CCP's continued rule.

Compounding matters, China poses a security threat to the United States and has been confrontational with regards to international trade matters (as noted by China canceling their recent trade trip to the United States in "retaliation for the US quotas on imports of some Chinese textiles" [Reuters, 2003]). This combined with China's social instability and military latitude with respect from the CCP, China is in a position that may warrant US-led regime change to ensure their policies are consistent with the United States global security effort.

> Political warfare was, of course, already a part of the American arsenal, although its application had hitherto been oriented primarily toward offensive operations – covert or clandestine – against governments that were undesirable in the context of the cold war. The US already had a doctrine and an apparatus for the clandestine waging of the cold war, the discipline the armed forces – and the CIA – called UW. It provided a conceptual basis for the unconventional aspects of counterinsurgency doctrine [George, 1991]

This is an issue that China must be wary of, especially with regards to their international diplomacy efforts and geopolitical relations with Taiwan, the Spratly Islands and the United States (which is presently the regional (and global) hegemony).

Forward looking, China is currently confronting a tumultuous next 20 years. Within which they will be faced with many socio-economic and geopolitical stressors all of which pose a security threat to the future of the CCP. During this coming time, its important for China's leaders to consider the not only their regional stability and role, but more importantly their domestic stability and how best to promote growth and social rest.

> Social stability results from the establishment of a middle class. Not democracies but authoritarian systems, including monarchies, create

> middle classes – which, having achieved a certain size and self-confidence, revolt against the very dictators who generated their prosperity [Kaplan, 2000]

China must also continue their international diplomatic reform to further ensure political and economic beneficiary treaties, not only with their neighbors, but the world as a whole. It cannot be ignored, however, that these stressors combined with China's present nuclear-power status, pose a clear and present danger to the future of regional and global stabilization. And China's increase in its economic power will enable them to refit the PLA (and PLAN) and dominate the littoral and blue waters around the region. But as China becomes the hegemony within the region and its military power continues to increase, the threat of a regime change, driven by a decrease in the standard of living for its citizens, poses a security threat not only the CCP, but all of Southeast Asia and its associated SLOCs (Shipping Lanes of Communication).

This poses to destabilize not only the South China Seas, but also the western-dependent SLOCs and conflict over offshore natural resources (specifically the natural gas and oil reserves estimated and fisheries required to feed it's growing population) amongst many of the current Southeast Asian countries claiming rights. Therefore, the world must begin to confront this problem to ensure China's maturing process (including their environmental awareness, societal safety nets, and economic growth) and emerging diplomatic perspectives on global politics are consistent with the requirements of national and global stability and security.

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