Mistrust invariably accompanies an autocracy’s rise. China is ascending into a world that is frightened of its intentions and wary of its leadership. Because democratic government functions as a source of reassurance as a new power rises, India encounters few barriers to its ascent. Established powers trust India’s ambitions and expect it to take on a constructive leadership role. However, India will not automatically obtain the influence within its grasp. To become a co-equal partner with the United States and Europe in the management of world affairs, India must first cast off old thinking about its place in the global order.

UNEQUAL ASCENTS
Moments of flux in the hierarchy of nations are fraught with the potential for conflict. Throughout history, new powers have risen to displace dominant states, often resulting in periods of intense rivalry and even war. Yet not all ascents are equal: whether a powerful state’s emergence meets with accommodation or opposition depends largely on its regime type.

Autocratic rule exacerbates the tensions that in the best of circumstances accompany the rise of a new power. Without an independent media capable of extracting information from government authorities, a credibility gap exists between a rising power’s stated objectives and actual intentions, which remain opaque. Moreover, autocracy limits opportunities to influence an ascendant state’s strategic behavior. Pervasive secrecy keeps outsiders from identifying and bolstering moderates among top-level decision-makers. With business and civil society groups relegated to the sidelines of foreign policy and interactions with external powers regulated, there are inherent limits to engaging domestic actors inside an authoritarian state.

In contrast, democratic institutions enable a state to rise and reassure. Democracy clarifies intentions: a free press guarantees that information about a state’s ambitions cannot remain secret for long. In addition, the combination of transparent governance and decentralized authority creates opportunities for outsiders to shape a rising power’s trajectory. Other states can locate and freely engage domestic actors who might influence the foreign policy of the

Why China Will Lose the Contest For Global Influence
By Daniel M. Kliman

Many see China’s authoritarian government as an asset in its rise up the economic ladder, but India’s more open and transparent democracy gives it the edge when it comes to becoming a global power, writes Daniel M. Kliman. Autocracies breed international distrust, while a democracy’s actions are clearer to understand and trust.

IT IS SOMETIMES SAID that India’s rise has occurred in spite of the country’s messy democracy. Bitterly fought elections, political gridlock and a turbulent civil society have all been seen as handicaps that India must overcome on its march to global power. By contrast, authoritarian China’s capacity to implement a national vision of development without the give-and-take of an open society has been a formidable strategic asset. One-party rule has enabled China to rise farther and faster than India and remain ahead in the pursuit of wealth and influence.

This narrative is compelling; it may even explain the relative current positions of India and China. But as a predictor of the future, it contains a major oversight. Regime type shapes the course of power transitions and not in a way favorable to China. Mistrust invariably accompanies an autocracy’s rise. China is ascending into a world that is frightened of its intentions and wary of its leadership. Because democratic government functions as a source of reassurance as a new power rises, India encounters few barriers to its ascent. Established powers trust India’s ambitions and expect it to take on a constructive leadership role. However, India will not automatically obtain the influence within its grasp. To become a co-equal partner with the United States and Europe in the management of world affairs, India must first cast off old thinking about its place in the global order.
As an indicator of hostile intentions. German autocracy also meant that domestic actors that the British could easily engage, such as members of the financial community, had little say over foreign policy decisions. Within Germany, there was a paucity of groups that Britain could work with to restrain the Kaiser, who was regarded as bellicose and mentally unstable. As such, the British opted to resist the growth of German influence by expanding the Royal Navy and deepening military ties with France and Russia. Because it was an autocracy, an ascendant Germany brought about its own strategic encirclement.

CHINA’S AUTOCRATIC LIABILITY

Ignoring the lessons of history, China has attempted to rise and reassure while retaining a system of one-party rule. The leadership in Beijing initially hoped that economic integration with the world would minimize concerns about the growth of Chinese power. They also kept to the maxim articulated in 1991 by Deng Xiaoping: “observe carefully; secure our position; cope with affairs calmly; hide our capacities and bide our time; be good at maintaining a low profile; and never claim leadership.” This reassurance strategy has subsequently shifted as China’s economic and military strength has become unmistakable. While embracing a more prominent international role, the leadership in Beijing has challenged any questioning of its intentions, insisting on China’s commitment to a “peaceful rise” and later, “peaceful development.” In an effort to build confidence, China has also participated in many official dialogues and less formal so-called Track Two initiatives with its neighbors and the US.

However, autocracy has hobbled China’s bid to put a friendly face on its rise. Institutions associated with authoritarian rule such as pervasive state secrecy and official censorship mask China’s ambitions, leading outsiders to focus on what they can easily observe: diplomatic behavior and military capabilities. Beijing’s more assertive rhetoric in territorial disputes coupled with the rapid modernization of the People’s Liberation Army has generated unease across Asia, the US and even Europe. Exacerbating these concerns is the lack of opportunities for shaping China’s future course. With basic information about China’s decision-making process obscured under an authoritarian regime, and domestic actors either co-opted or controlled by the state, outsiders have little capacity to influence Beijing’s foreign policy from within.

China’s lack of domestic political reform is now becoming a strategic liability. No matter how many times a rising China reiterates its commitment to “peaceful development,” no matter how many confidence-building dialogues a rising China participates in or free trade agreements it signs, the anxieties generated by its authoritarian system will remain. Rightly or wrongly, China will be mistrusted and even feared.

The leadership in Beijing still fundamentally challenge British interests. US advisors, the British could not discern Berlin’s intentions, which despite sometimes ham-fisted diplomacy on the part of Washington did not fundamentally challenge British interests. US political institutions also created opportunities to shape American foreign policy from within. Britain could cultivate friends in the executive branch, Congress, and the business community, and when necessary use them to stymie or dilute unwelcome US initiatives. The British consequently felt comfortable ceding hegemony to the Americans, first in the Western Hemisphere and then globally. Although sharing a linguistic and cultural heritage with Britain helped, democracy was the primary factor enabling the United States to rise without provoking opposition.

Autocratic Germany in the period before World War I, however, elicited a different reaction from Britain. With foreign policy determined behind closed doors by the German emperor and his advisors, the British could not discern Berlin’s ambitions with any degree of confidence. They had little choice but to treat the buildup and concentration of the German Navy in the North Sea as an indicator of hostile intentions. German autocracy also meant that domestic actors that the British could easily engage, such as members of the financial community, had little say over foreign policy decisions. Within Germany, there was a paucity of groups that Britain could work with to restrain the Kaiser, who was regarded as bellicose and mentally unstable. As such, the British opted to resist the growth of German influence by expanding the Royal Navy and deepening military ties with France and Russia. Because it was an autocracy, an ascendant Germany brought about its own strategic encirclement.

CHINA’S AUTOCRATIC LIABILITY

Ignoring the lessons of history, China has attempted to rise and reassure while retaining a system of one-party rule. The leadership in Beijing initially hoped that economic integration with the world would minimize concerns about the growth of Chinese power. They also kept to the maxim articulated in 1991 by Deng Xiaoping: “observe carefully; secure our position; cope with affairs calmly; hide our capacities and bide our time; be good at maintaining a low profile; and never claim leadership.” This reassurance strategy has subsequently shifted as China’s economic and military strength has become unmistakable. While embracing a more prominent international role, the leadership in Beijing has challenged any questioning of its intentions, insisting on China’s commitment to a “peaceful rise” and later, “peaceful development.” In an effort to build confidence, China has also participated in many official dialogues and less formal so-called Track Two initiatives with its neighbors and the US.

However, autocracy has hobbled China’s bid to put a friendly face on its rise. Institutions associated with authoritarian rule such as pervasive state secrecy and official censorship mask China’s ambitions, leading outsiders to focus on what they can easily observe: diplomatic behavior and military capabilities. Beijing’s more assertive rhetoric in territorial disputes coupled with the rapid modernization of the People’s Liberation Army has generated unease across Asia, the US and even Europe. Exacerbating these concerns is the lack of opportunities for shaping China’s future course. With basic information about China’s decision-making process obscured under an authoritarian regime, and domestic actors either co-opted or controlled by the state, outsiders have little capacity to influence Beijing’s foreign policy from within.

China’s lack of domestic political reform is now becoming a strategic liability. Rightly or wrongly, China will be mistrusted and even feared. Wary of China’s growing power, the US, India, Japan, South Korea, Australia, Indonesia and others will behave in ways that harm China’s interests. Although China will not face a unified alliance like the Soviet Union did during the Cold War, it will confront an international landscape that is increasingly unwelcoming. This forecast is already coming to pass; even Burma, China’s erstwhile ally, is now looking to reduce its reliance on Beijing by opening up to the US.

Over the long term, a system of one-party rule will prevent China from taking a global leadership role that is commensurate with its objective strength. Barring a severe and enduring setback, China will become the world’s largest economy during the first half of this century. Its capacity to provide foreign aid and financially contribute to major global institutions will surely increase. So will China’s capacity to project military power, as demonstrated by the sea trial of its first aircraft carrier in 2011. And yet, authoritarian rule will constrict China’s ability to translate its size and resources into direct influence. On the economic side, the opacity of basic decisions such as the setting of interest rates and currency values will limit China’s ability to become the lynchpin of the global financial order. Militarily, China will suffer from a deficit of allies and meaningful strategic partners due to widespread mistrust of its ambitions. In this sense, an authoritarian system will deprive China of the ultimate capstone of its rise: global leadership.

INDIA’S DEMOCRATIC ADVANTAGE

Although they may regard China’s rise as well ahead of their own, India’s ruling elites should recognize that influence comes not only from wealth and military power but from the capacity to reassure. This is an advantage India enjoys thanks to its democratic institutions and one which is overlooked by many outside observers who see the parliamentary maneuvering and popular protests associated with representative government as a challenge to sustaining India’s economic takeoff. In the short term, the pessimists may be right about the complications democracy introduces to national development. But over the long term, India will successfully manage these complica-
Fear Factor

Weighted average of responses to a 2009 Center for Strategic and International Studies poll asking:
Which country poses the greatest threat to peace and stability in Asia in the next 10 years?

NB: Excludes those answering all listed countries equally or none and those answering “don’t know.”

South Korea 0.5%  Singapore 1%  Japan 2%  India 3%  Russia 5%  United States 13%  North Korea 21%  China 38%

Another way in which India’s open political system reasserts itself is through creating opportunities for outsiders to influence the direction of its rise. Characteristics of democratic rule such as decentralization of authority empower groups outside the Indian government. As a 2011 study by the Lowy Institute notes, India’s internationally minded business community and vibrant news media have become major forces in the making of its diplomacy. These domestic groups provide points of entry for external powers looking to shape India’s foreign policy from within. It would be a mistake to exaggerate the impact of foreign efforts to cultivate powerful constituencies inside India, but these efforts reassure outsiders that their perspective will at least receive a fair hearing.

By functioning as a source of reassurance in the ways outlined above, democratic government facilitates India’s ascent. Despite India’s testing of nuclear weapons in the late 1990s and accelerating military buildup, mistrust of its intentions remains low. In a 2009 survey of Asian and American strategic elites conducted by the Center for Strategic and International Studies in Washington, less than 5 percent of all respondents listed India as the greatest threat to regional peace and security in 10 years time. China, by contrast, was cited as a future threat by 38 percent of all respondents. The strategic advantage conveyed by democratic rule is particularly evident in the case of India’s relationship with the US. While the world’s sole superpower has hedged against the rise of China, it has accommodated India’s emergence without residual misgivings because of the multiple reassurances about China have informed America’s approach to India. However, the United States has embraced India’s emergence without residual misgivings because of the multiple reassurances that democratic rule conveys.

Democratic institutions have allowed New Delhi to circumvent the cycle of mistrust, reaction, and counter reaction that ordinarily accompanies a new power’s rise. A case in point is the growth of the Indian Navy. Given India’s geographic position, its new maritime capabilities directly affect the many countries that rely upon the sea lines of communications linking the Persian Gulf to the Strait of Malacca. Conceivably, India could one day utilize its expanding navy to disrupt freedom of navigation in this vital stretch of ocean, yet observers have sufficient insight into New Delhi’s thinking to dismiss such a scenario as implausible. Again, the contrast with China is instructive. Foreign analysts have interpreted Beijing’s naval buildup and aggressive rhetoric in the South China Sea as a harbinger of expansionist ambitions because an autocratic system obscures

3 For example, speech of Foreign Secretary Shivshankar Menon at Jamia Milia Islamia, “India-Pakistan: Understanding the Conflict Dynamics,” April 11, 2007, Press Information Bureau, Government of India, “PM addresses the Chinese Academy of Social Sciences,” Jan. 15, 2008; Lecture at the Institute for Defence Studies and

4 Ashok Malik and Rory Medcalf, India’s New World: Civil Society in the Making of Foreign Policy (Sydney: Lowy Institute, 2011).

information that might provide a more nuanced perspective on Chinese actions.

As India emerges as a great power, only two countries harbor serious concerns. The first, Pakistan, is no surprise. Since partition and independence, it has fought multiple wars against New Delhi. Now India’s ascendance has transformed what was already an imbalance of power into a devastating inferiority. The only other country alarmed by India’s growing strength is China, which for decades has armed Pakistan in the hope of confining New Delhi to the subcontinent.

THE LOOMING CHOICE FOR INDIA

The way is clear for India to rise into a position of global leadership. Trusting India’s intentions, the world’s established powers are ready to welcome it as a co-equal partner in sustaining the rules-based system that has underpinned international peace and prosperity for more than 60 years. If India decides to fully cast off old frames of reference with regard to the West and the rest, it can attain a level of influence that China, with its current political system, will never equal. India has yet to make this choice. Its foreign policy retains at least three distinct and sometimes conflicting elements: a growing globalism, a residual desire for autarky and a sense of commonality with other emerging powers.

On the negative side, India remains reluctant to open up major segments of its economy. This was reflected in New Delhi’s reversal of an earlier decision to grant foreign retailers greater access to its domestic market. Lingering protectionism has also led India to become one of the major obstacles to the successful conclusion of the Doha Round of multilateral trade talks. New Delhi has expressed opposition to further sanctions against Iran over its nuclear program, abstained from voting in the UN Security Council on the Libya resolutions, and on occasion touts a history of non-intervention. On climate change, India has joined a bloc of emerging powers insisting that developed countries assume primary financial responsibility for climate change mitigation and adaptation.

India’s position in world affairs can remain mixed for only so long. As its rise accelerates and its influence expands, a decisive choice will become inescapable. Democratic institutions place India in an enviable position compared to China, which confronts a path to global leadership that is strewn with obstacles. It would be a shame if India squanders this opportunity.

Dr. Daniel M. Kliman is a Transatlantic Fellow for Asia at the German Marshall Fund of the United States (GMF). He recently completed a book manuscript on the rise and engagement of new powers.