State Transformation and China’s Engagement in Global Governance: The Case of Nuclear Technologies

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Abstract

Debates over the implications of China’s rise for global governance have reached an impasse, since evidence exists to support both ‘revisionist’ and ‘status-quo’ intentions. This means that neither is strictly falsifiable and hence the debate, as currently structured, is irresolvable. However, contradictions are explicable if we recognise that China is not a unitary state. Since the beginning of the reform era, its international engagements have been shaped by the uneven transformation – fragmentation, decentralisation and internationalisation – of state apparatuses. Contradictory international actions thus may reflect not top-down strategic direction, but conflicts, disagreements and coordination problems within China’s transformed party-state. Our state transformation approach directs us away from evaluating China’s approach to global governance in toto – whether it is overall a revisionist or status quo power – towards a detailed analysis of particular policy domains. This is because in each issue-area we find different constellations of actors and interests, and varying degrees of party-state transformation. We
demonstrate the centrality of state transformation analysis for explaining the co-existence of revisionist and status quo behaviours through the apparently hard test-case of nuclear technologies. Even in this ‘high politics’ domain, state transformation dynamics help explain China’s inconsistent international behaviours.

**Introduction**

International Relations (IR) scholars are hotly debating the implications of China’s rise for the international order. Two main positions are evident: some view China as a revisionist power seeking to overturn the United States-led liberal world order and construct an alternative in China’s authoritarian, state-capitalist image, through both peaceful and violent means; others portray China as a status-quo power that will broadly preserve the liberal world order that has benefited it.

The subfield of global governance hosts a significant share of this debate. After decades of disengagement or low-profile, China has become an increasingly active participant in global governance institutions. However, some observers accuse China and other rising powers of causing gridlock in global governance institutions to undermine traditional powers (Hale et al., 2013). China has also constructed new international institutions, most notably the Asian Infrastructure Investment Bank (AIIB) and the New Development Bank. Again, some see a revisionist China establishing institutions to rival established ones (Paradise, 2016; Beeson and Li, 2016), while others note their similarity to extant institutions (Chin, 2016; Wilson, 2017).

The present impasse in this debate reflects the fact that evidence exists for both positions (Goldstein, 2007). For example, on the one hand, China has signed the United Nations Convention on the Laws of the Sea (UNCLOS) and incorporated it into domestic law; on the other, Beijing rejected the jurisdiction of a special tribunal in The Hague, established under UNCLOS, to examine the Philippines’ challenge to Chinese territorial claims in the South
China Sea. And, in practice, there is evidence for both Chinese compliance with, and rejection of, the tribunal’s ruling. To give another example, although the AIIB closely resembles other multilateral development banks, other forms of Chinese development financing clearly diverge from, and weaken, global norms (Hameiri & Jones, 2018). The availability of evidence supporting both ‘revisionist’ and ‘status-quo’ perspectives means neither is strictly falsifiable and hence the debate, as currently structured, is irresolvable. It has also become highly speculative, reflecting less what China is actually doing than what observers think it will do or become in the future (Breslin, 2009; 2017), which ultimately reflects the basic expectations arising from scholars’ preferred theoretical models. Those who expect China to be revisionist explain away inconsistent behaviour as only a temporary accommodation with the status-quo (China is merely ‘biding its time’). Those who expect China to be a status-quo power argue that apparent revisionism only reflects manoeuvres to improve China’s position within the existing order.

We aim to break this impasse and explain the sources and implications of China’s apparently incoherent engagement in global governance with an approach that can explain – rather than explain away – the evidence on both sides of the existing debate. The main problem is that IR studies of rising powers, notably China, tend to treat states as unitary actors. China’s authoritarian, apparently hierarchical, party-state reinforces this perception. Thus, both status-quo and revisionist perspectives concur that China’s international actions reflect strategic calculation by a coherent national leadership. They only disagree on what policy outcomes this calculation entails. It is difficult to explain contradictory actions from this vantage point.

However, contradictions are explicable if we recognise that, just like any other state, China is not a unitary actor. Since the beginning of the reform era, its international engagements have been shaped by the uneven transformation – fragmentation, decentralisation and internationalisation – of state apparatuses (Hameiri & Jones, 2016). Subject to ongoing
piecemeal restructuring, central state agencies have reduced in size, and decision-making authority has become fragmented, overlapping and incoherent. Multiple central party and state bodies are responsible for the same policy domain, often with limited direct authority over implementing agencies. Many large state-owned enterprises (SOEs) have been consolidated and ‘corporatised’ – remaining formally state-owned, but now largely autonomous, self-financing capitalist enterprises. Considerable authority has also been devolved to sub-national governments to facilitate pro-market experimentation and development, over time generating ‘de facto federalism’ (Zheng, 2007), associated with extensive centre-local bargaining throughout the policy formation and implementation process. Party-state apparatuses have often also internationalised, as formerly domestic agencies have increasingly acquired international roles, typically with limited central oversight: provincial governments now control their foreign economic relations, signing international treaties to promote local economic interests; SOEs have been encouraged to ‘go out’, becoming major global actors; regulators have joined transnational regulatory bodies and law enforcement agencies have internationalised to manage transnational security problems like piracy and narcotics.

In this evolving ‘Chinese-style regulatory state’ (Jones, 2018), central party-state managers usually do not control outcomes directly but mainly use various disciplinary and positive mechanisms to ‘steer’ other actors. However, the centre’s will and capacity to coordinate and/or regulate the actors implementing China’s international engagements varies, and is often limited. This means that contradictory international actions may reflect not strategic direction from the top, but conflicts, disagreements and coordination problems within China’s fragmented, decentralised and unevenly internationalised party-state. Nonetheless, because outsiders read strategic intentionality into these actions, the risk of misunderstanding and international conflict is significant.
The ‘state transformation’ approach we adopt directs us away from evaluating China’s approach to global governance in toto – whether it is overall a revisionist or status quo power – towards a detailed analysis of particular policy domains. This is because in each issue-area we find different constellations of actors and interests, and varying degrees of party-state transformation. Naturally, where multiple actors are involved in policymaking and implementation; where conflict is significant over policy aims and how to attain them; and where policymaking actors have limited capacity to ensure faithful implementation by implementing agencies; it is likely that international behaviour will be inconsistent, even contradictory.

To demonstrate our core contention in this paper that state transformation analysis helps explain inconsistent international behaviours, we have selected the apparently hard test-case of nuclear technologies. Arguably, as China is a nuclear weapons state, no other area of policy should demonstrate a weaker influence of state transformation dynamics. This is a quintessential ‘hard’ security and ‘high politics’ domain, where IR theory would conventionally lead us to expect limited dynamics of fragmentation, and centralised top-down control over all aspects of policymaking and implementation (e.g. Keohane & Nye 2012). Yet, we have found that even in this case state transformation has played a key role in explaining policy outcomes.

Originally centralised controls have over time morphed into a more diffuse governance arrangement. Internal struggles and diverging interests among the Chinese actors active in this domain have produced inconsistent Chinese engagements in global nuclear governance, oscillating between ‘revisionist’ and ‘status-quo’ behaviours. For example, while China has become increasingly willing to commit itself to nuclear non-proliferation treaties, its nuclear cooperation with countries such as Iran and Pakistan, led by its defence and energy industries, has been undermining the credibility of its promise. Those behaviours are not necessarily a
result of strategic calculation, seeking a revisionist or status quo outcome, but rather the product of conflicts and coordination problems within a fragmented party-state apparatus. Our findings chime with several works in the nuclear studies literature that show that in many states, the fragmentation of policymaking and implementation processes has led to inconsistent international behaviour (Sagan, 1996; Hymans, 2012; Freedman, 1989). However, that these insights have not led to any significant revision of the main IR frameworks, only reinforces our argument in this paper for a state transformation approach.

We begin by briefly describing the IR debate over China’s engagement in global governance. We then proceed to elaborate the state transformation approach we use before providing an in-depth analysis of the role state transformation has played in shaping China’s engagement in the global governance of nuclear weapons.

**Existing perspectives on China and global governance**

Global governance is a contested concept with wide ranging scholarly and practical usages. In its broadest meaning, it refers to the processes and mechanism emerging to govern cross-border relations, flows and challenges (Coen & Pegram, 2018; Hameiri & Jones, 2015). In a narrower sense, more prevalent in popular and academic writing, it refers to the formal, often state-based, institutions – whether organisations or treaties – established to manage global public ‘goods’ and ‘bads’. The number and scope of such international institutions has undoubtedly grown since the end of World War II and especially from the 1980s onwards, as economic globalisation had deepened and intensified. Liberal institutionalist scholars often assume that as states develop shared interests, resulting from deepening economic integration and cooperation, they would delegate authority to supranational institutions that can overcome problems of asymmetric information and collective action (Stone Sweet & Sandholtz, 1997). This expectation has often failed to materialise and global governance is now typically seen as
in crisis and in a state of ‘gridlock’ (Hale, Held, & Young, 2013). Rising powers, especially China, are often blamed for this situation (Patrick 2010; Mead 2014; Haggard 2014), though after the election of Donald Trump to the US Presidency it is unclear whether the US is committed to maintaining the so-called ‘liberal international order’ either (Beeson & Zeng, 2018).

Until the 1970s, the People’s Republic of China (China) was almost entirely cut off from international institutions. In the early 1970s, China joined the UN system, but remained relatively inactive for the following 25 or so years. It was only much more recently that China began taking an active interest in existing global governance institutions, as well as establishing new ones (Shambaugh, 2013, p. 125; Loke, 2017). This general trend manifests in China’s participation in the institutions established to govern nuclear technologies as well. It was not until the early 1990s that China changed its passive and partial participation and started to embrace the global nuclear treaties, of which it was highly critical before.

As with the wider debate over China’s rise, scholars have looked at its growing involvement in global governance and asked whether its behaviour indicated it was a ‘revisionist’ state, seeking to undermine existing institutions and create competing ones, or a ‘status-quo’ state, seeking to preserve existing institutions and establish complementary new ones. Realists have generally argued for Chinese revisionism and liberals for Chinese integrationism, while constructivists and English School authors can be found on either side of the argument. All, however, have noted evidence for both tendencies in China’s global governance engagements. Yet, IR scholars have thus far not modified their frameworks to explain contradictory evidence.

Realists see rising powers as naturally revisionist, though the extent to which they pursue their revisionist intentions may vary (Buzan, 2010). This is based on their assumption that as states become stronger they will chafe against the limitations on their power posed by
the existing great powers. The latter are also likely to become increasingly concerned about their rivals and act to restrain their rise. This produces a situation in which conflict between the great powers is increasingly possible, according to defensive realists (Kirshner, 2010), or practically inevitable, according to offensive realists and power transition theorists (Mearsheimer, 2014; Kennedy, 1988; Gilpin, 1981). Realists’ ‘zero-sum’ understanding of national power means that they see global governance institutions as merely tools in the hands of powerful states pursuing their national interest, or at most as a site of struggle between them (Mearsheimer, 1994). In turn, international institutions’ power over weaker states is not autonomous but stems from the great powers’ agency (Drezner, 2008). Realists’ dismissal of global governance is not surprising since, as Beeson and Zeng (2018, p. 2) argue, it is ‘a predominantly liberal world view and discourse’.

Consequently, it is also not surprising that realists have produced a relatively small literature dedicated to examining Chinese engagement in global governance. Indeed, realists have viewed China’s engagement in global governance as part of its broader strategy to contest, and ultimately supplant, US power. In the typical realist narrative, China historically preferred to ‘free-ride’ on existing institutions, as they benefited its economic development, but as its power has grown it has become more assertive in global governance arenas, promoting its interests and delegitimising US leadership (Schweller & Pu, 2011). This assertiveness is seen as strategic and selective, however, limited to areas in which China possesses comparative advantage, especially in economic matters, and calibrated not to disrupt beneficial arrangements.

Beeson and Li (2016), for example, argue that constructing alternative international institutions is a pillar of China’s ‘grand strategy’, based on emulating US strategy in the postwar era. China’s aim, they claim, is to replace the US as a provider of public goods and thus draw other countries away from the American orbit. James Paradise (2016) examines
China’s ‘parallel institutions’, like the AIIB, which essentially replicate a function already provided by other Western-led institutions. He argues that these institutions indicate that China is no longer a ‘status quo’ power, if that means subscription or supplication to a Western-led system. Schweller and Pu (2011) argue that under the historically unprecedented condition of unipolarity, any attempt to limit US dominance will be read as ‘unlimited-aims’ revisionism. Therefore, aspiring great powers have little choice but to first delegitimise the existing US-led order and its global governance institutions, which is what China appears to be currently attempting.

Liberal IR theories have paid far greater attention to global governance than their realist counterparts. Indeed, the origins of the global governance literature are in the 1980s’ neoliberal scholarship on international regimes (Sinclair, 2012). Neoliberal institutionalists have argued that international institutions are a key means of overcoming the problem of cooperation under anarchy in international relations (Keohane, 1984; Axelrod & Keohane, 1985). Institutionalisation reinforces cooperation and deepens shared interests among states, thus reducing the risk of violent conflict, as states acting rationally will seek to preserve institutions that benefit them.

Accordingly, Ikenberry (2008) has argued that since China has greatly benefited from the liberal international order, it will broadly preserve its core institutions as it becomes stronger. Likewise, Miles Kahler (2013, p. 712) claims:

[T]he impact of the large emerging economies on global governance is unlikely to be revolutionary. They do not differ from other powers, past and present, in wishing to extract as many benefits as possible from their engagement with the international order while giving up as little decision-making autonomy as possible.
Looking at the new institutions established by China, Ikenberry and Lim (2017) contend they are unlikely to undermine the existing set of liberal international institutions. In fact, they argue that China’s multilateral initiatives militate against counter-hegemonic behaviour, as they require buy-in from other states. Similarly, several authors have examined the AIIB, arguably the most important new institution established by China, and have found that it does not threaten the international liberal status quo (Wilson, 2017; Gu, 2017; Chin, 2016). Corroborating Ikenberry and Lim’s argument, Wilson (2017) has found evidence that traditional donor participation in the AIIB has made it more status quo than originally intended.

Alongside rationalism, a sizable constructivist and English School scholarship has also emerged. Constructivists have examined Chinese engagements in global governance through the lenses of socialisation, identity, and norms, with some reaching revisionist, and others status quo, conclusions. Earlier scholarship noted the socialising effects of Chinese engagement in international institutions on China’s international behaviour (Johnston, 2008). Beverly Loke (2017) has argued, however, that socialisation is now a two-way process, with China acting as both norm-taker and norm-maker, suggesting binary accounts of China, as either revisionist or integrationist, are problematic. She argues that active engagement in global governance has, however, become critical to China’s identity and its positioning within the international order. Amitav Acharya (2011), on the other hand, sees rising powers’ leadership aspirations in global governance to be limited by their normative commitment to non-interference, which stems from their colonial histories. Larson (2015) uses Social Identity Theory to examine China’s developing identity as a great power. She argues that Chinese identity manifests a ‘social creativity’ strategy, whereby an aspiring great power avoids direct competition with, or emulating, leading states, instead focusing on developing its own strengths and attaining pre-eminence in different areas of global governance. This means China’s rise need not be ‘zero-sum’ with US power. Pu (2017, p. 139), meanwhile, focuses on China’s
confused identity and 'status signalling' – is China a ‘socialist country with Chinese characteristics'; a developing country; a rising power; a great power; or an Asian regional power? These mixed signals, he argues, reflect confusion in China about its own identity, as well as growing expectations and suspicion regarding China’s global governance role internationally.

Practically all studies of Chinese engagement in global governance are aware that actual behaviour displays both apparently revisionist and status quo tendencies. Realists and liberal institutionalists alike explain inconsistencies in their argument as stemming from Chinese leaders’ strategic calculations. But their understanding of leaders’ calculus is based on little more than the basic assumptions of their theories regarding international relations – whether they view relations between states as inherently ‘zero-sum’ or as potentially mutually beneficial. Realist studies view examples of Chinese status quo behaviour as China ‘biding its time’, waiting for its power to grow before attempting a more significant challenge to US dominance. Thus, Fareed Zakaria (2014), argues in relation to the BRI and AIIB: ‘China has begun a patient, low-key but persistent campaign to propose alternatives to the existing structure of international arrangements in Asia and beyond. There are those in Beijing who want to move from being anti-American to post-American’.

Liberals have also pointed out the selective and strategic, even instrumental, nature of China’s engagement in global governance to-date (Lye, 2017; Wouters & Burnay, 2012; Shambaugh, 2013; Li, 2011; Gu, 2017). Wouters and Burnay (2012), for example, argue that although instrumental calculations are the primary driver of Chinese engagement with multilateral institutions, China’s increased engagement with the WTO dispute resolution mechanism shows the success of the process of its integration into existing global governance mechanisms. Likewise, Shambaugh (2013) also describes China’s disposition as ‘selective multilateral’, and while noting its rejection of Western liberal norms, he nonetheless argues
that China is almost fully integrated into the international institutional architecture. Liberal studies of selective Chinese engagement, much like their realist counterparts, emphasise the strategic nature of this selectivity, as China seeks to maximise benefits from global governance platforms. They differ, however, in their expectation that rather than undermine the liberal international order, this benefit-maximising approach will likely reinforce it. Most famously, Ikenberry (2008) has argued that the international liberal order can survive the decline of American hegemony, because it is so beneficial to China and other rising powers. These conclusions are based on a different theorising of international politics, not on the availability of different evidence than the realists possess.

To be sure, not all liberals are optimistic about the preservation of the global governance status quo. This is especially true for those who view domestic characteristics, such as regime type or values, as shaping international behaviour. Jessica Weiss (2013), for example, argues that the patriotic education campaign the CCP launched in the 1990s has entrenched a virulent nationalism among the wider Chinese population that now constrains China’s foreign policy choices and channels them in more aggressive directions. Others point to the relationship between China’s growing domestic economic challenges and its more assertive posture internationally (Krolikowski, 2017). Haggard (2014) also questions the veracity of the institutionalist and interdependence arguments. Growing rising power recalcitrance in international institutions suggests cooperation is becoming harder to attain, while the liberal interdependence thesis ignores the prospects for Chinese efforts to reduce its economic dependence on the US, or indeed, as we have recently seen, the possibility of American efforts to reduce economic interdependence with China. Nonetheless, ‘pessimistic’ liberal accounts still struggle to systematically explain evidence for both revisionist and status quo behaviour.
The constructivist and English School scholarship is somewhat distinct from the rationalist accounts in that it does not view Chinese engagement in global governance as necessarily stemming from strategic calculation, though it continues to see China as a unitary actor. Rather, China’s engagements are seen as products of deeper processes of identity-formation and socialisation. It is still problematic from within this framework to explain the co-existence of revisionist and status-quo behaviours, however. Pu’s (2017) notion of a competition between different Chinese identities is one potential explanation, which usefully points to possible internal disagreements within China over foreign and security policymaking. It is not clear from Pu’s analysis, however, why and how different identities are linked to particular kinds of international behaviour. Given the high level of variegation in Chinese engagements, sometimes even within a single area of policy, we need to adopt a lens capable of more precise analysis of the dynamics shaping Chinese engagements than that afforded by the notion of competing identities.

State Transformation and Chinese Engagements in Global Governance

If we forego the assumption that China is a unitary actor in international politics, it is possible to make better sense of various Chinese engagements in global governance and transcend the debate’s current impasse. In this section, we draw on the approach elaborated by Lee Jones (2018) for studying rising powers’ foreign and security policies under conditions of state transformation to explain China’s complex interactions with global governance.

Two interrelated aspects of the shift towards ‘post-Westphalian’ statehood are particularly pertinent: First, administrative reforms designed to spur market-led development have often fragmented policymaking processes, producing more diffuse, networked, multiscalar and multi-actor forms of governance, which replace or complement more hierarchical forms of government in many states (e.g. Rhodes, 1997). Second, under
globalisation the assumed separation of domestic and international politics has blurred, such that the fragmentation of policymaking and implementation is also manifesting internationally. Whereas foreign policymaking was conventionally the domain of a small number of elite actors – top leaders, diplomats, and generals – increasingly, a growing number of hitherto domestically focused or newly established agencies have come to operate internationally, or make policy with international consequences. These include regulators, police agencies, state-owned companies, subnational governments and others.

The IR literature on rising powers has tended to ignore these insights, or see them as irrelevant for rising powers, like China (see Hameiri and Jones, 2016). IR accounts have often been constrained by the ‘territorial trap’ – the tendency to view the national territory as a natural container for social and political processes (Agnew, 1994), often as a ‘black box’ (Glassman, 2010). Hence, they often ignore what happens inside China when evaluating Chinese international actions, under the assumption that states’ international behaviour is shaped mainly by international systemic pressures. Alternatively, some IR scholars argue that domestic politics shapes states’ international behaviour in a ‘two-step’ process or ‘two-level game’, thus notionally accounting for domestic processes but preserving the demarcation of domestic and international political arenas (Legro & Moravcsik, 1999; Putnam, 1988; cf. Go & Lawson 2017). Similarly, the subfields of Foreign Policy Analysis and ‘bureaucratic politics’ have continued to focus on traditional foreign policymaking bureaucracies, affording limited attention to how globalisation has transformed foreign policymaking and implementation processes (see Jones, 2018).

In proximate fields, however, there are now decades of research on new modes of governance and ‘post-Westphalian’ statehood. To be sure, the notion that any state has ever truly approximated the Weberian hierarchical ideal or been a hermetically sealed ‘container’ on social and political processes has always been a myth. Yet, this idea was closer to empirical
reality during the decades immediately after World War II, when the concentration of power, authority and resources in the national scale had reached its apogee (Agnew, 2009; Jessop, 2009). Since the onset of globalisation, however, the distance between the myth of nation-statehood and reality has been growing all over the world, albeit unevenly, and China is no different (Agnew, 2009; Hameiri & Jones, 2015; 2016).

One of the chief insights of the literature on new forms of statehood is the shift from top-down, hierarchical models towards ‘regulatory statehood’. In regulatory states, core executives no longer determine policymaking and implementation via ‘command and control’ processes but rather set broad targets and guidelines to shape the behaviour of a wide range of quasi-autonomous national, subnational, and private bodies to follow (Majone, 1994; Dubash & Morgan, 2013). This has had significant consequences for foreign and security policymaking and for international relations, as many hitherto domestically oriented agencies have developed their own international policies, breaking the monopoly of foreign and defence ministries (Hill, 2016; Jayasuriya, 2001). Alongside traditional diplomacy and summits, we have seen the emergence of many transgovernmental networks and multilevel governance arrangements to manage transnational flows and problems. These modes of governance reflect and further propel changes in the ways that states are internally structured, and interact with each other (Slaughter, 2004; Cerny, 2010). As mentioned, IR scholars have variously ignored these processes, view rising powers like China as excluded from them, or claim that rising powers are reversing earlier trends, leading the world ‘back to Westphalia’ (Flemes, 2013, pp. 1016–17).

By contrast, China specialists have been keenly aware of transformation in the Chinese party-state over recent decades. Under Mao, foreign policymaking was tightly controlled by top leaders, while China’s autarkic economy helped direct relations and activities inwards. Since the onset of capitalist ‘reform’ in 1978, however, Sinologists have documented the
fragmentation of policy regimes and pluralisation of agency through endless and going changes to central ministries and agencies and to party-state relations (Leiberthal, 1992; Mertha, 2009; Andrews-Speed, 2010), and the decentralisation of authority to sub-national governments (Zheng 2007). Many IR scholars continue to treat leaders’ authority as absolute. In reality, however, top leaders in the CCP often do not control policy implementation and outcomes directly, but rather seek to shape the conduct of other actors within the wider party-state through regulatory mechanisms. This primarily involves issuing broad guidelines for policy and establishing coordinating mechanisms, like ‘leading small groups’ (LSGs), in the politburo or State Council to coordinate the activities of diverse actors, or more recently via Commissions in the Central Party Committees (Jones, 2018). In turn, subordinates engage policymaking and implementation via one, or more, of the ‘three Is’ – influencing, interpreting and ignoring (Jones 2018).

Many recent major policies, such as the Belt and Road Initiative (BRI), operate in this way. Leaders’ statements contain little detail beyond headline aspirations. Subordinate agencies seek to influence policy directions by lobbying top leaders and central agencies. The vagueness of top leaders’ statements provides them with considerable scope to interpret leaders’ intentions, often in ways that suit their sectional agendas. More rarely, some even ignore vague central guidelines to pursue their own interests (Jones and Zeng, 2019; Zeng, 2019a; Holbig, 2004; Van Aken & Lewis, 2015). During the tenure of Xi Jinping’s predecessor Hu Jintao, this ineffective central governance was reflected in the popular Chinese saying that ‘government decree does not travel outside Zhongnanhai [the CCP’s central headquarters]’. It is precisely because of this ineffective central governance that Xi Jinping has launched a series of significant reforms trying to centralise political power and strengthen the authority of the top party leadership. Nonetheless, those efforts are still unable to fully eliminate the fragmentation of the Chinese political system (Jones & Zeng, 2019).
Increasingly, some Sinologists have recognised the implications of China’s fragmented party-state for its foreign and security policymaking and implementation, including the growing international footprint of China’s SOEs, regulators, and provincial governments, which operate internationally with considerable latitude (Jones & Zou, 2017; Bell & Feng, 2013; Chen & Jian, 2009; Chen, Jian, & Chen, 2010). Although they rarely engage in IR debates and IR scholars tend to ignore their findings, the evidence Sinologists provide suggests China is not immune from ‘post-Westphalian’ transformation, including under ‘strongman’ Xi (Jakobson & Manuel 2016). The top party leadership is clearly aware of the problems associated with the fragmentation, decentralisation and internationalisation of China’s foreign policymaking and implementation. In the latest party-state restructuring in March 2018, a new coordinating mechanism, the Foreign Affairs Commission of the Central Party Committee, was announced. In the Commission’s first meeting on 16 May 2018, President Xi called for ‘enhancing the centralized and unified leadership of the CPC [Chinese Communist Party] Central Committee over foreign affairs’ (Xinhua, 2018). This statement only makes sense by reference to the historically fragmented nature of foreign policymaking and implementation in China. The extent to which the top leadership can successfully centralise policymaking is uncertain, however.

To be sure, senior leaders retain important and powerful mechanisms to rein in subordinate actors that stray too far from their intended policies, or which produce adverse outcomes (Jones, 2018). They can discipline or purge cadres, issue tighter guidelines, and recentralise authority. Purges of junior and some senior cadres have intensified since Xi came to power (Jones & Zou, 2017, pp. 754–5). Senior leaders’ coordination mechanisms can never fully eliminate the problems associated with the party-state’s fragmentation, decentralisation and internationalisation, however, manifesting in poor implementation of core Xi policies, for example on environmental protection in China (The Economist, 2016). As a result, the process
of policymaking and implementation can often generate outcomes that were not foreseen or
desired by centrally located actors or top leaders, prompting attempts to rein in other agencies,
clarify guidelines, or recentralise authority. The actual output of Chinese foreign and security
policy, then, is shaped by this ongoing ‘tug of war’ between actors within the transformed
party-state, which has no decisive resolution (Jones, 2018).

While the discussion above describes the general attributes of the Chinese party-state,
the dynamics of particular policy domains may be dissimilar, owing to the different
constellations of actors and interests. Some policy areas manifest relatively low levels of
pluralisation, with only a handful of agencies involved in policymaking and implementation,
while others exhibit very high levels of pluralisation, with literally hundreds of agencies and
SOEs involved (the BRI is a clear example). The degree of pluralisation in the policy-making
and implementation processes is important, as the involvement of many actors naturally makes
coordination and coherence more difficult than in situations where fewer actors are included.
This is particularly the case in market or heterarchical governance arrangements, in which clear
relations of authority are absent (see Rhodes, 1997; Pierre & Peters, 2005; Jessop, 1998).
Indeed, in China it is common for multiple functional ministries and agencies to govern the
same policy domain with fuzzy demarcation of responsibilities and authority, as we will show
in the case of nuclear governance.

But state transformation does not merely throw up technocratic problems of steering
and coordination – it is first and foremost a political process, shaped by power relations. The
existence of significant social, political and ideological cleavages in China is masked by the
appearance of top-down CCP rule and the, somewhat ironic, elimination of almost all
references to class and class conflict in the notionally Marxist-Leninist party’s official
discourse from the 1980s (So, 2013). Instead of a powerful and independent bourgeoisie
driving capitalist transformations, the CCP has remained central to China’s capitalist economy,
not only through the still-significant state sector, but also through the incorporation of the emerging capitalist class, via Jiang Zemin’s ‘three represents’, following the economic reforms of the late 1970s (Fewsmith, 2003). Consequently, struggles over state transformation in China often manifest within the party-state either through factional struggles or bureaucratic politics.

One example is the relationship between provinces. To promote economic growth, China’s provincial governments were in the 1980s given responsibility for provincial economic development, as well as considerable scope to pursue foreign economic relations. Consequently, provinces were in the 1990s described as ‘duke economies’, better integrated into regional and international value chains than with each other (Goodman & Segal, 1994). This situation largely persists today. Provinces compete with each other fiercely over funding from Beijing, investment opportunities and foreign contracts, and play a significant role in shaping Chinese foreign policy through their lobbying of the central government and direct engagements abroad (Wong, 2018; Jian, et al., 2010; Cheung & Tang, 2001). Likewise, the country’s remaining national and provincial SOEs have been corporatised in the 1990s and also compete hard for contracts and projects (Jones & Zou, 2017).

Central Beijing agencies are known to struggle over turf and often over the overall direction of policy, which to be sure is hardly unusual in bureaucratic settings (e.g. Allison and Halperin, 1972). These struggles often reflect, however, significant socio-political divisions associated with the country’s economic transformations of the past few decades. For example, the People’s Bank of China (PBC) has been a staunch supporter of renminbi internationalisation, as part of its broader, ideologically driven, push to liberalise the Chinese economy (He, 2015). Under current circumstances in the global economy, currency internationalisation can only truly take off when the currency-issuing economy generates global demand by running trade, current account and/or balance of payments deficits. China’s political economy, however, is ‘structurally biased towards the creation of overcapacity and
excess exports’ (Germain & Schwartz, 2017, p. 782). Renminbi internationalisation has thus faced stiff resistance from the National Development and Reform Commission, local governments, the real estate and construction industries, as well as exporting firms and SOEs (He, 2015). These interests benefit not only from lower exchange rates but primarily from a repressed financial system funneling household savings into cheap credit for international expansion (Germain & Schwartz, 2017; McNally, 2015). Consequently, despite apparent support from the top leadership, renminbi internationalisation has proceeded slowly.

As we can see, the divergence of interests within the party-state carries serious implications for policy choices and their outcomes. State transformation has internationalised this process. It is no longer satisfactory to assume that disagreements over policy directions are worked out internally to produce a unified national position on particular issues. Rather, as more agencies now act internationally quasi-autonomously, China’s international behaviour often reflects different positions and agendas.

We now proceed to describe how state transformation has shaped China’s engagements with the global governance of nuclear technologies. This is an apparently hard test-case, given it is arguably the clearest ‘hard security’ domain, where IR scholars typically expect centralised, top-down controls and high-level strategic direction to persist, even as other domains fragment and pluralise (e.g. Keohane & Nye, 2012). Here too, however, we find that foregrounding state transformation dynamics, especially bureaucratic inter-departmental struggles and the activities of lightly regulated nuclear SOEs, helps explain the apparent co-existence of revisionist and status quo Chinese behaviours internationally.

**China and Global Nuclear Governance**

China has been a key player in shaping the global nuclear order from the creation of this order (1945-1970s), its consolidation (1980s-90s) and current period of maintenance and uncertainty
(Horsburgh, 2015). Yet, China’s attitude towards global nuclear governance has significantly shifted, transiting from an outsider to an insider in the past few decades (Zhou, 2003). Between 1964 (when China tested its first nuclear device) and 1983, China was mainly critical of the international treaties on nuclear governance and thus had maintained minimum participation with key nuclear institutions. After Mao Zedong passed away, Deng Xiaoping’s reform and opening up agenda encouraged China to ‘join the world’. On the nuclear governance front, China increased its engagement with global institutions but still remained a passive and partial participant from 1983 to 1992. However, since China joined the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) in 1992 and the Comprehensive Nuclear Test Ban Treaty (CTBT) in 1996, it has shifted to active and full participation in global nuclear governance regimes. All of those factors have moved China’s nuclear governance towards the ‘post-Westphalian’ statehood. Consequently, we mainly focus on this era of Chinese participation in global nuclear governance in the late 1990s and the 2000s and analyse how state transformation has shaped Chinese engagement with the global nuclear order.

China’s behaviour in global nuclear governance is clearly inconsistent. On the one hand, regarding nuclear non-proliferation, for example, China has become increasingly willing to improve and clarify its commitments, as demonstrated by its participation in the NPT and CTBT (Yuan, 2002). Furthermore, notwithstanding their actual impact, China has taken a leadership role in hosting the Six Party Talks to deal with North Korea’s nuclearisation, in order to defend non-proliferation. On the other hand, China’s transfer of nuclear technologies and exports of nuclear goods to Iran and Pakistan have been widely denounced as proliferation activities (Kan, 2015; Stewart, 2015). Chinese actions – including: opposition to the Proliferation Security Initiative; inaction to ratify the CTBT; limited cooperation in negotiations relating to the Fissile Material Cut-off Treaty; caution, even opposition, towards intensifying sanctions against Iran and North Korea – have also undermined global, and its
own government’s, efforts to promote nuclear non-proliferation. Thus, some have argued that there is a gap between China’s words and deeds and questioned the sincerity of China’s nuclear commitments (Yuan, 2002).

Chinese behaviours in global nuclear governance provide evidence for both revisionist and status quo arguments, such that identifying a clear orientation is difficult, as Johnston (2013) recognises. As we have seen, this situation is in fact common across issue-areas and policy domains in China. Explanations for the co-existence of both tendencies have either drawn on constructivist frameworks emphasising China’s shifting identity or focused on conflicts between domestic actors. Following the constructivist approach, Zhou Baogen (2003), for example, has explained China’s increased cooperation with global nuclear governance as relating to the transformation of state identity from ‘special nuclear state’ to ‘normal nuclear state’, such that China has come to gradually identify its interests with other nuclear states. Li Shaojun (2001) has pointed to the impact of China’s unique strategic cultural traditions, which are said to distinguish Chinese actions from Western nuclear states. These studies treat China as a unitary actor, however, and hence struggle to explain the co-existence of revisionist and status quo behaviours at the same time, as opposed to in different historical moments.

More helpful are explanations that pay attention to Chinese domestic politics, on which we draw to make our own argument (Gill & Medeiros, 2000; Medeiros, 2007; Swaine & Johnston, 1999; Horsburgh, 2015; Kent, 2007; Lewis, 2007; Foot & Walter, 2011). While offering many useful insights, these studies often retain a ‘two-step’ analysis and thus see domestic struggles as leading to the formation of a unified foreign policy. Although several studies note that Chinese nuclear companies have operated abroad without Beijing’s knowledge, our state transformation approach locates such instances and behaviours within the context of China’s wider transformative processes of the past several decades, and thus identifies their significance for IR debates over China’s engagement in global governance.
State transformation and China’s Engagement in Global Nuclear Governance

In the early 1980s, China’s limited participation in global nuclear regimes and simple arms control policy required little bureaucratic expertise on arms control and disarmament. The relevant policymaking was primarily handled by the Ministry of Foreign Affairs’ (MFA) International Organization Department (Swaine and Johnston, 1999). As Swaine and Johnston (1999, p. 115) point out ‘the job was a relatively easy one – criticize the United States and Soviet Union and stick to vague and impractical proposals’. Since, several key factors have transformed decision-making and implementation from a centralized towards a more diffuse process, thus producing inconsistent behaviour.

First, the increasingly technical nature of the global nuclear agenda has brought more actors into China’s domestic decision-making process, making it more fragmented and pluralized. From the mid-1980s, the arms control agenda has expanded to include test bans, nuclear winters, and chemical weapons issues, generating a growing need for technical expertise. The MFA was thus forced to work with experts, based in a wide range of institutions, including the People’s Liberation Army (PLA), the China Academy of Engineering Physics, the Commission for Science, Technology and Industry for National Defence and the Institute of Applied Physics and Computational Mathematics, as well as seismological and chemical experts (Swaine and Johnston, 1999). These actors’ interests have not necessarily been commensurate with the MFA’s, and their technical concerns have often conflicted with its diplomatic agenda. For example, in the internal debate on whether China should sign the CTBT in late 1990s, the military-technical voice, led by the PLA, raised concerns about the Treaty’s negative impact on China’s nuclear deterrence and future development of its nuclear technology, while the MFA strongly advocated signing the Treaty for the sake of diplomatic
interests (i.e. improving China’s national image on the international stage in this case), despite the military concern (Gill & Medeiros, 2000).

As the increasingly technical global nuclear agenda moved closer to the PLA’s areas of expertise and competencies, the MFA’s limited expertise restricted its capacity to ‘argue about the technical merits of an agreement or process’ (Gill & Medeiros, 2000; Fravel & Medeiros, 2010; Johnston, 2013, p. 116). Given the general paucity of military-technical expertise on nuclear issues within China (Fravel & Medeiros, 2010), the PLA’s influence has expanded through its intellectual power. A significant number of scientific institutions and strategic research organisations are directly associated, or have close ties with, the PLA, including the General Staff Department, General Armaments Department (restructured as Equipment Development Department of the Central Military Commission in 2016) and the Academy of Military Sciences. China’s military-technical community has often leveraged its expertise to advance its preferred position and reject alternatives, as reflected in its role obstructing China’s ratifying of the CTBT (Swaine, 1999, p. 117-8).

Second, China’s expanding arms control and nuclear non-proliferation community has over time developed direct links with foreign governments and international agencies. As China has become a more active participant in global nuclear regimes since the 1990s, Chinese agencies have engaged with the international nuclear policy community via funding, international conferences and exchange of research ideas. Evidence shows that those contacts did have an impact on Chinese decisions regarding how to engage global nuclear treaties such as NPT, CTBT and the Fissile Material Cut-off Treaty (Swaine, 1999; Gill and Medeiros, 2000; Medeiros, 2007). Thus, many security experts consider official and unofficial contacts with China’s academic and policy community as a viable way to influence China’s nuclear policy (Swaine, 1999; Gill and Medeiros, 2000). Yet, state transformation dynamics mean that
influencing one Chinese agency does not necessarily indicate changing the entire policymaking and implementation apparatus’ outlook.

Third, China’s market reform has played a key role in transforming Chinese nuclear policymaking and implementation processes. From the 1980s, Chinese military spending was de-prioritised as resources were focused on promoting domestic economic development, leading to a steep decline in the Chinese defence budget. According to World Bank data, Chinese military expenditure declined from around 2.5 per cent of gross domestic product in 1989 to only 1.67 per cent in 1997 (World Bank, n.d). As a leading Chinese nuclear expert describes, ‘during this period, China’s national defence industries experienced severe pressure to survive’ (Fan, 2016, p. 206). The financial austerity forced China’s defence industry to raise its own funds through exports of nuclear materials, and the expansion of civilian use of nuclear power, within and outside China. These activities have often not been coordinated with China’s diplomatic efforts and have in some cases been seen to undermine the global non-proliferation agenda.

Since China’s military technology was uncompetitive at the time, in an already established international nuclear market, the Chinese defence industry had to explore selling to countries with poor relations with the West (Fan, 2016, p. 203). This kind of nuclear trade has been often criticised as proliferation activities, producing international backlash that the MFA has had to reluctantly manage. For example, while China’s transfer of technology to Iran generated income for the defence industry, the MFA was forced to manage international denouncements and sanctions, especially from the US (Gill & Medeiros, 2000). Thus, China’s diplomatic and PLA/defence communities were again pitted against each other, with the latter’s commercial interests ultimately trumping the MFA’s diplomatic agenda (Gill & Medeiros, 2000; Medeiros, 2007).
Reflecting China’s wider transformation and marketisation processes, the trade in nuclear materials has also been affected by other commercial interests within the party-state. In the case of Iran, for example, the involvement of the Chinese energy industry has been crucial. As Iran became a key oil supplier to China, the large and powerful Chinese national oil companies have invested extensively in Iranian energy resources. Again, China’s energy companies had entered a market dominated by Western rivals and were therefore willing to work in riskier political environments, such as in Iran, Sudan and Venezuela. Their involvement has undermined international sanctions, testing China’s official diplomatic commitment to nuclear non-proliferation.

China’s defence industry has also heavily promoted the military-to-civilian conversion of Chinese nuclear technologies (Gill and Medeiros, 2000; Fan, 2016). This led to the rapid development of China’s civilian nuclear industry, intensifying the already significant problems of managing nuclear security and exports of nuclear materials. The governance of civilian nuclear technologies in China is highly fragmented. The civilian nuclear industry is primarily regulated by the China Energy Administration, under the National Development and Reform Commission, and the State Administration of Science, Technology and Industry for National Defence, under the Ministry of Industry and Information Technology. Yet, relevant governing responsibilities also reside in the Ministry of Science and Technology, Ministry of Public Security, Ministry of Heath, Ministry of Land and Resources, Ministry of Energy, Ministry of Communications and the General Administration of Customs and Civil Aviation Administration (Li et al., 2012, pp. 10-14). As mentioned, such fragmentation and overlap are not unique to nuclear issues, but common in the Chinese party-state (Hameiri & Jones, 2016).

According to the report of the Natural Resources Defence Council:

Compared with other major nuclear power, the management structure of the Chinese nuclear industry is more complex. It regularly throws up problems such as unclear and
overlapping division of duties and low management efficiency…The nuclear security supervision is also not centralised and effectively managed. For example, the civilian use of nuclear facilities is supervised by the National Nuclear Safety Administration under the Ministry of Environmental Protection, while military nuclear facilities are supervised by the Department of National Defence, Science and Engineering, under the Ministry of Industry and Information Technology. This not only makes it impossible to secure independence, but also renders the already limited supervision and technical resources more decentralized (Li et al., 2012, p. 11).

This fragmented governance system has made supervision and law-enforcement quite difficult, providing room for Chinese state-owned and private companies to export both licit and illicit nuclear materials. For example, when a Chinese nuclear company’s magnet sale to a Pakistan research lab raised US concerns about its function in late 1990s, MFA officials privately acknowledged that they had no prior knowledge of this deal (Medeiros, 2007). Additionally, China’s law enforcement authorities typically lack political capacity and, often, will to regulate the exports of nuclear materials and technologies unless significant forces intervene to change the political balance.

For example, in 2016, the local Chinese Public Security Department in Dandong announced it would investigate Hongxiang Industrial Development Corporation for ‘grave economic crimes during trading activities’ with North Korea after the Chinese government faced considerable pressure from the US Department of Justice (Perlez & Buckley, 2016). As a ‘commercial empire accounting for a fifth of trade’ between China and North Korea (Myers, 2018), Hongxiang was believed to be involved in smuggling nuclear materials to North Korea (Perlez & Buckley, 2016; Thompson, 2016). Hongxiang’s trade activities with North Korea were apparently known to local authorities who lacked motivation to regulate them, not only because of Hongxiang’s contributions to the local economy, but also due to the sophisticated
political network the company had built. Hongxiang’s owner, Ma Xiaohong, was selected as a delegate to the provincial People’s Congress and was recognised by Dandong authorities as one of the city’s top ten outstanding women, suggesting she was highly valued by the local government. Many similar stories, of Chinese nuclear companies trading with North Korea, Pakistan and Iran, have been reported, raising ‘questions about Beijing’s ability to monitor the actions of its nuclear enterprises’ (Medeiros, 2007, p. 66).

Above factors reflect the aforementioned shift towards ‘post-Westphalian’ statehood in the domain of China’s nuclear governance. The introduction of market reform in China’s nuclear industry combined the corresponding administrative reforms have fragmented and diffused the original hierarchical forms of nuclear governance in China. In the meanwhile, China’s participation in global governance – from joining global nuclear regimes, signing global nuclear treaties to exchange knowledge of nuclear governance at global stages - has blurred the line between domestic and international nuclear governance. Consequently, the decision-making has been shifted from a relatively small group of military and diplomatic elites in Beijing to a wide range of domestic and international stakeholders including SOEs, global nuclear regimes, academic and policy community of nuclear technologies, and various local and central civilian authority in China.

Nonetheless, we are not suggesting that China’s nuclear governance is the same with that of Western states. After all, there are obvious notable difference – the omnipresent role of the state. In the wider context, this situates in the difference between Chinese and Western approach to global governance (Zeng 2019b; Zeng, Stevens & Chen 2017). In the Western democratic context, the rise of neoliberalism, NGOs and civil society has made non-state actors a key force of governance. As such, a key theme of governance in the Western context is “governance without government” (Rosenau and Czempiel, 1992). However, such neoliberal imperatives are at odds in the Chinese context. In nuclear governance more specially, nuclear
NGOs such as anti-nuclear organizations and Arm Control Association that play a significant role in the West are quite irrelevant in China. Chinese media is subject to strict censorship when it comes to high politics and national security matters such as nuclear technology. As we will discuss later, China’s Atomic Energy Law is unable to pass due to disagreement within the state not between the state and society or legislative power. This is obviously different in the Western liberal democratic societies, in which elected legislators and social power are crucial in deciding and supervising those matters.

While state transformation and global capitalism has not changed the nature of China’s nuclear governance i.e. the strict state controlled industry, this does not mean that we can ignore the shift of nuclear governance in China. As this paper shows, there are enormous changes in the operation of China’s nuclear industry and decision-making mechanism. While the control of the state remains, the fragmented state interests and bureaucracy has made China’s nuclear governance more complicated than ever before. In facing such complicated governance challenges, China has launched waves of administrative reforms in nuclear front but yet to prove its success.

**Bureaucratic Fragmentation and China’s Atomic Energy Law**

The highly fragmented, decentralised, and often ineffectual mode of governance we describe is widely recognised in China. Chinese media reports and academic studies has frequently described it as manifesting ‘unclear division of responsibilities’, ‘overlapping of responsibilities’ and ‘low management efficiency’. It is also widely acknowledged in China that conflicting departmental interests are the principal obstacle to reforming this problematic governance system. This has resulted in periodic institutional reforms, which have thus far been unable to resolve problems of coordination and regulation in the nuclear sector.
One particularly instructive example is the prolonged, and to-date unsuccessful, attempt to develop an appropriate legal framework for nuclear technologies in China. Although a major global nuclear power, China does not even have an Atomic Energy Law – the most elementary and fundamental law to regulate the use of nuclear technologies – due to conflicting bureaucratic interests.

As early as 1984, when the National Nuclear Safety Administration (NNSA) was established, Chinese officials began to prepare a draft of the law. The context of the NNSA’s creation is noteworthy, as it reflects the wider dynamics of China’s nuclear governance. In 1980, China officially joined the Geneva Conference on Disarmament; however, as a late-comer to global nuclear governance, its bureaucracy’s shortcomings were quickly exposed as existing institutional arrangements were unsuited to engage the various international treaties and fora that China had previously ignored (Horsburgh, 2015). Later, in 1984, when China joined the International Atomic Energy Agency, the NNSA was created in response to China’s membership of international institutions. The NNSA’s establishment was also motivated by the desire to pursue international economic opportunities in the nuclear domain. In late 1980s, the Chinese government sought to sign several bilateral trade deals (including with the US) and thus considered the NSSA useful for improving the credibility of China’s nuclear industry (Medeiros, 2007). In reality, the fledgling agency was unable to leverage these circumstances to strengthen its status within the Chinese bureaucracy.

This became clear during the initial drafting of the Atomic Energy Law. The process was mainly handled by NNSA, the former Ministry of Nuclear Industry, and the Ministry of Public Health. However, as the proposed law touched on the interests of a wide range of agencies and SOEs, it generated disagreements and opposition. In the late 1980s, for example, the China National Nuclear Corporation and the former Ministry of Energy openly rejected the NNSA’s draft version of the law. As the NNSA lacked sufficient influence to coordinate the
diverse interests of different departments or overwhelm the opposition, the draft became stranded.

Rapid administrative reshuffles have made the task of drafting and advocating for the law even harder. When the NNSA was initially created in 1984, it was governed by China’s State Scientific and Technological Commission, but in 1988 it was transferred to the State Environmental Protection Administration. The other major law-drafting agency, the Ministry of Nuclear Industry, was restructured into the China Nuclear Industry Corporation (中国核工业总公司) in 1988. This corporation was further restructured into two corporations: the China National Nuclear Corporation, and the China Nuclear Engineering and Construction Group Corporation Limited, during the institutional reform of the State Council in 1998. At the same time, the new Commission for Science, Technology and Industry for National Defence was created to govern China’s nuclear industry. This commission was restructured into the State Administration for Science, Technology and Industry for National Defence, under the governance of the then newly established Ministry of Industry and Information Technology, which was made responsible for governing China’s nuclear industry in 2008. These reshuffles have increased confusion over whose role it is to develop the Atomic Energy Law and how to implement it.

That China desperately needs an Atomic Energy Law is held in general consensus among China’s academic, media and policy communities. Nonetheless, beyond this basic consensus, Chinese bureaucratic actors agree on little else. While many Chinese experts continue to call for central coordination from the top (China’s Nuclear News, 2015), some blame this endless process on ‘ineffective coordination’ from the top (Feng, 2014). Even requests from China’s top leaders have so far failed to break the impasse. In 2014, for example, President Xi openly requested to complete the law-making process, but so far with no tangible outcomes. It is difficult to conclusively determine why Xi’s orders have not been implemented,
but it seems the fragmentation of the policymaking process is a key reason. Recent significant reforms of the State Council in March 2018, which again included the amalgamation of agencies and ministries, suggest that the problem of poor coordination and fragmentation had, at least to that point, not been satisfactorily resolved.

Finally, this situation undermines the credibility of China’s official rhetoric on the international stage. To be sure, we see considerable diversity of national atomic legislation frameworks around the world. Yet, as a major nuclear power and the country with the most nuclear power plants under construction in the world, the absence of a national Atomic Energy Law in China has proven problematic. By contrast, Japan, which does not have nuclear weapons, passed its Atomic Energy Basic Law in 1955, and India in 1962. At the 2014 Nuclear Security Summit, for example, China’s President Xi Jinping solemnly affirmed his country’s progress in enhancing nuclear security and safety and elaborated on China’s approach to nuclear security. Xi made a similar pledge to strengthen nuclear security and safety in the following Nuclear Security Summit. However, the fact that China has not yet developed a basic legal framework to regulate its use of nuclear technologies flies in the face of such public pronouncements. Many Chinese experts jokingly call the rapid growth of China’s nuclear industry over the past few decades, in the absence of a basic law ordering nuclear governance, as akin to ‘streaking’ (China, 2015). Under these legal and regulatory circumstances, companies have had considerable liberty to pursue their own commercial interests in ways that often undermine official commitments and China’s diplomatic agenda, as we have already seen (Zhang, 2019).

**Conclusion**

China’s engagement in global governance has been characterised as displaying both ‘revisionist’ and ‘status quo’ behaviours. Existing accounts in IR struggle to systematically
explain this variation, typically interpreting it via the core assumptions of their theories. Thus, realists, who presume rising powers are naturally revisionist towards the international order led by the current hegemon, see status quo-oriented behaviour as little more than temporary accommodation, until Chinese national power grows. Liberals often expect status quo behaviour from a China that has benefited from the existing international order handsomely. Therefore, revisionist behaviour is interpreted as limited efforts to enhance Chinese influence within global governance. Constructivist and English School approaches are less committed to these basic positions, but nonetheless continue to attempt uncovering China’s overall disposition towards global governance.

By contrast, we argue that it is possible to make sense of Chinese actions if we do not view China as a unitary actor in international politics. Although often portrayed as the quintessential Westphalian state, China has undergone significant processes of fragmentation, decentralisation and internationalisation since the beginning of the reform era in the late 1970s. As a result, in many policy domains we find multiple agencies at various scales participating in policymaking and implementation. These agencies’ interests are often at odds and they are also often poorly coordinated and/or regulated by central agencies. Since many of these agencies are now also active across borders, this results in apparently incoherent Chinese international behaviours, manifesting both revisionist and status quo tendencies. Hence, to understand China’s orientation towards global governance, it is essential to examine each domain separately: the particular composition of actors active in the domain, their interests, relationships and capacities to act internationally, and the outcomes of their activities.

To demonstrate just how important state transformation is for China’s engagement in global governance, we have selected an apparently hard case study – the governance of nuclear technologies. Given that nuclear weapons and technologies are seen as matters of ‘high politics’ and national security, IR scholars would typically expect tight centralised controls over this
domain. By contrast, we have shown that China’s actions, displaying both revisionist and status quo tendencies, are best explained by reference to its state transformation processes. Foreign policy relating to nuclear matters was until the 1980s controlled by the MFA. From the 1980s, however, this arena has vastly expanded leading to less coherent international behaviour. The growing complexity of international negotiations has necessitated incorporating new actors, many of which are associated with the PLA, such that the MFA rapidly lost its position as the expert agency in the Chinese bureaucracy and hence its capacity to shape important policy agendas. Chinese agencies have also developed direct relations with international counterparts, shaping their outlook and interests. Most importantly, perhaps, the defence establishment’s efforts to secure new funding sources has led to the sale of nuclear technologies and materials to countries, like Iran and Pakistan, which was widely condemned as proliferation. These activities were not coordinated with the MFA and undermined the credibility of China’s official stance. Relatedly, the PLA has promoted the development of a civilian nuclear industry in China. This industry is regulated poorly by a highly fragmented and decentralised system, permitting considerable scope for companies to operate abroad independently in ways that cause headaches for Chinese diplomats and leaders (see Zhang, 2019). So fragmented and contested is this governance domain that China still lacks a national Atomic Energy Law, although it has now been drafted for over three decades and despite exhortations from top leaders, including recently Xi Jinping.

This study carries significant implications for policymakers outside China. Assumptions that Chinese actions necessarily reflect strategic direction from the top leadership are, as we have shown, highly problematic. This is especially the case for so-called ‘low politics’ domains, like the implementation of the BRI, where thousands of agencies and companies are involved. Recent studies find that local and subnational actors have taken advantage of their high level of discretion to advance their own agendas in the name of implementing the BRI
The fierce regional competition among those actors and weakness of central-local coordination suggest that the BRI is far from a coherent, geopolitically driven grand strategy. But, as we have seen, ‘high politics’ domains are not free from the effects of state transformation processes. It is, therefore, essential to develop fine-grained analyses of each policy domain, as well as sophisticated ways of engaging Chinese agencies that take the dynamics of state transformation into consideration. Not to do this would be to risk overreaction and unnecessary conflict.

Finally, our insights are not limited to China. Similar processes of state fragmentation, decentralisation, and internationalisation, have taken place in other rising power states, including India, Brazil, Russia, Indonesia and South Africa (see Hameiri et al. 2019). Likewise, state transformation processes have been shown to shape the foreign policy making and implementation processes of Western states (e.g. Krahmann, 2018). It is time for IR scholars to let go of state-centric models and develop perspectives on international politics that do not reify a problematic distinction between internal and external dynamics, but which seek to directly grapple with recent transformations in statehood and the global political economy.

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