Dear Reader,

Welcome to the Fall 2011 issue of the Journal of Undergraduate International Studies at the University of Wisconsin-Madison. We received many impressive submissions, and we are pleased to present an array of pieces on varied topics from undergraduate students across the nation.

I would especially like to draw your attention to our featured piece, "The Legislative Ramifications of an Elected House of Lords," by UW-Madison student Miles Kellerman. You can find this impressive work at the beginning of our journal.

During my first semester as Editor-in-Chief, I have been lucky to work with a dedicated editorial staff, largely composed of new members. All brought their unique perspectives to the completion of this journal, and I thank them for their commitment to making JUIS a success.

I hope you enjoy our Fall 2011 issue!

Aubrey Lauersdorf
Editor-in-Chief
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The cover photograph was taken by Sara Moneta, UW-Madison.

Dehradun, India. This picture shows the view from the train station near Dehradun, in northern India. We had just gotten off an over-night train to see the sunrise over the beginning of the Himalayan foot hills, which are in the background. The trains shown are sleeper trains, which are really cheap and have no covering on the windows.

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his paper proposes that the creation of an elected House of Lords would negatively affect the successful creation and implementation of public policy in Great Britain. It does this in the context of theoretical comparative debates on second-chambers worldwide and the application of such theory to the British Parliament. Central to this analysis is the assumption that the design of political institutions determines political behaviour. Specifically, modes of selection, such as direct election, have the potential to legitimize political institutions, thereby introducing a greater number of veto players into the legislative process. This paper argues that such institutional shift would lessen the democratic accountability of Parliament, undermine the composition and duties of the House, and challenge the legislative primacy of the House of Commons.

Introduction

Political behaviour is continuously affected by the institutional designs of modern government. At one extreme lies the total concentration of power in one institution, most often in the form of a totalitarian dictator with absolute power. At the opposite end of the spectrum lies direct democracy and decision by unanimity—the ultimate devolution of policy-making power, yet one in which stability is threatened and the risk of stalemate increased. Almost every government in history has fallen somewhere in between. Yet the debate between parliamentary or presidential systems is just the tip of the iceberg. The institutional designs of governments vary in such other dimensions as party systems, electoral rules, legislative composition and judicial review. These variations, and the enormous effect they have on political behaviour and the success of public policy, provide ample reason to analyze and discuss the possible institutional ramifications of an elected House of Lords.

Bicameralism, Veto Players and the Separation of Power and Purpose

For the purposes of this paper's discussion on House of Lords reform, emphasis will be given to the systematic commonality of a bicameral legislature within both parliamentarianism and presidentialism.

Bicameralism remains the most popular form of legislature in both national governments and sub-national entities. In parliamentary democracies, bicameralism has historical roots in the class-based separation of society—an upper house of aristocratic, older and well-educated citizens to balance and keep check on the lower house, or, the house of the public will. In federal democracies, upper chambers almost exclusively represent the interests of sub-national entities such as states or regions. Either way, bicameral legislatures generally recognize a need for balance and separation between two chambers. One of the United States’ institutional designers, James Madison, writes:

In order to lay a due foundation for that separate and distinct exercise of the different powers of government, which to a certain extent is admitted on all hands to be essential to the preservation of liberty, it is evident

Miles Kellerman. Born and raised in Newport Beach, California, Miles is a junior at the University of Wisconsin—Madison majoring in Political Science and minoring in European Studies and African Studies. This essay was completed while Miles worked in the United Kingdom’s House of Lords and attended the London School of Economics as part of a study abroad program. He will spend the Spring 2012 semester studying at the University of Sydney and hopes to earn a Masters in International Policy Studies post-graduation.
that each department should have a will of its own… In republican government, the legislative authority necessarily predominates. The remedy for this inconvenience is to divide the legislature into different branches; and to render them, by different modes of election and different principles of action, as little connected with each other as the nature of their common functions and their common dependence on the society will admit.¹

Madison’s reference to the differentiation of ‘will’ and the ‘different modes of election and different principles of action’ offers an important perspective on the relationship between the two houses of parliament and the need for not only separation of selection, but also separation of duty within bicameral legislatures. Haggard and McCubbins build upon this idea, citing that beyond a separation of power, governments must also feature a “…separation of purpose – so that different parts of government are motivated to seek different goals.”²

In this regard, the authors are referring directly to the separation of power between legislature and executive bodies within governments. But we can also apply the separation of power and purpose to the relationship between the House of Commons and House of Lords.

At present, the House of Lords has both separate powers and, most importantly, a separate purpose than the Commons; its most prevalent task is the detailed securitization of legislation. Creating an elected second chamber will inevitably result in a greater number of veto players within Parliament—a game theory terminology proposed by Professor George Tsebelis which refers to a “political actor who may decline a change to the status quo,”³ thus increasing the likelihood of stalemate and paralysis in the legislative process. Such change would create unnecessary replication of the House of Commons by increasing the number of veto players and unbalancing the relationship between the two chambers. The arguments of this paper will continually revert back to these basic themes.

Methodology

The main purpose of this dissertation is to analyze how the implementation of elections, and thereby massive change to the institutional design of the House of Lords, would affect public policy-making in Britain. As previously stated, the design and structure of political institutions has enormous effect upon both political behaviour and the success of public policy. How one defines successful public policy, however, is quite problematic. In terms of institutional structure, the successful implementation of public policy cannot be viewed solely in such measures as Gross Domestic Product, military strength or geopolitical influence; these variables, while important in measuring performance, are subject to secondary factors such as resource allocation and population size. For the purpose of grading institutional structure, and how an elected House of Lords would affect the successful creation of public policy in Great Britain, I will analyze the ramifications of reform in the context of two different criteria:

- Decisiveness; the ability of Parliament to make policy decisions
- Resoluteness; the ability of Parliament to commit to established policy decisions

These measures are based upon Gary W. Cox and Matthew D. McCubbins’ work, *The Institutional Determinants of Economic Policy Outcomes*.⁴ For the purposes of analyzing the ramifications of an elected House of Lords, the arguments of this paper will be discussed in the context of how they affect the ability of British Parliament to make policy decisions and then deliver upon those policy decisions, thus allowing a criteria by which to judge if such reform would have a positive or negative impact on the legislative process.

The Legislative Ramifications of an Elected House of Lords

The creation of an elected House of Lords would have massive consequences not only for the institutional design of the upper chamber, but also for Parliament as a whole. The selection process of legislators is directly correlated with their function and behaviour.⁵ Additionally, in a bicameral parliament major institutional change within one House will inevitably...
have consequences for the other House. Despite that, British Parliament can be characterized as a ‘weak’ parliament, in that the House of Commons maintains supremacy and control over the House of Lords.

Despite this, the cooperation of both is still required in order to pass legislation. Thus the transition from an appointed, scrutinizing body to an elected chamber would radically alter the nature of the entire system.

One of the most popular lines of argument against the current composition of the House of Lords is that it lacks democratic legitimacy. This argument ignores, however, that the current state of the House of Lords, and to a greater extent Westminster parliamentarianism as a whole, guarantees an enormous amount of democratic accountability. The Government in power publishes a manifesto of its goals and can be held directly accountable for the outcomes of policy decisions. In contrast, pure presidential systems such as those in the United States and Argentina divide responsibility by increasing the number of veto players via a separated legislature. This paper, by exploring the comparative nature of bicameral legislatures in presidential democracies and parliaments, will argue that the introduction of elections to the House of Lords would disrupt the natural accountability that the Westminster model provides, rendering it less liable and thus less democratic.

Within the House of Lords, a process of selection based on elections would result in a loss of expertise and an increase in party politics and special interests. Calls for electoral reform, both in 2011 and in past proposals, claim that the role and function of the House can remain the same if members were elected. This simply is not realistic; although elected members could certainly have professional expertise, the demands of constituents, party whips and political competition would lessen the quality of discussion and legislative scrutiny within the House. Additionally, such change would effectively eliminate an institution that continually improves the quality of legislation through detailed scrutiny and debate. Thus the implementation of elections in the House of Lords would lessen the decisiveness and resoluteness of British policy-making.

Finally, the introduction of a second elected chamber in British politics would upset the balance between the two Houses of Parliament. As was expressed in multiple conducted interviews, and further emphasized by the comments of many Peers during the 2011 pre-legislative debate on House of Lords Reform, there remains little justification for an elected second chamber to not enjoy the same powers as the Commons. Appointed life Peers rightly accept subordination to the supremacy of the lower chamber. But, if elected, the House of Lords could gradually demand more legislative power, creating a constitutional crisis. The theoretical implications of this dilemma could result in a legislature similar to the Italian parliament, in which stalemate and indecision between the two legislative bodies undermine the ability of government to create and enact public policy.

**Democratic Legitimacy**

On June 21st, 2011, Lord Strathclyde introduced the Government’s proposals for House of Lords reform. In his opening remarks, he stated:

> This House, although it has many party-political Members, does not have democratic authority from the people it serves. Elections will establish a democratic legitimacy for work to be carried out...the central principal of legitimacy through election should not be forsaken.

Indeed, democratic legitimacy has become the key justification for implementing elections in the House of Lords in both past and present proposals. But what is democratic legitimacy, and how does one measure it? German economist Max Weber divided democratic legitimacy into three categories:

- **Charismatic Authority**: legitimacy
derived from an individual; chieftans, ayatollah or leaders by divine right, for example. Traditional Authority: legitimacy by inertia, derived from longevity and normality

Rational-Legal Authority: derived from public confidence that government power derives from law and custom; this would include representative democracy

French political scientist Mattei Dogan elaborates on this theory in a more modern context. He argues that the Weberian definitions of charismatic and traditional authority are no longer widely applicable, and instead divides Rational-Legal Authority into four categories: Advanced Pluralist Democracies, Authoritarian Bureaucratic Systems, Dictorial/Tyrannical/Totalitarian Regimes and States in which there is “neither acceptance nor rejection of rulership,” i.e. failed states. Dogan’s classification refers directly to political sociologist Seymour Lipset’s widely regarded table connecting legitimacy and effectiveness in political institutions: See Table 1 below.

Lipset notes that Britain, like the United States and Sweden, falls into category A, which he defines as satisfying the:

- basic political needs of their citizens,
- have efficient bureaucracies and political decision-making systems,
- posses traditional legitimacy through long-term continuity of the key symbols of sovereignty, monarchy or constitution, and do not contain any important minorities whose basic values run counter to those of the system.

Thus, according to Lipset's theory that valid authority derives from a proper balance of effectiveness and legitimacy, British Parliament is satisfactory. This, of course, refers only to Westminster as a whole, and not the House of Lords, which is not directly accountable to the people. Former Speaker of the House of Commons, now Baroness Boothroyd, responded to Lord Strathclyde’s belief that the Lords lacked democratic legitimacy on July 21st, 2011, stating: According to Mr. Clegg, our fatal flaw is that we are not directly accountable to the British people. That is absolutely true, but nor are the monarchy, the judiciary, the chiefs of the armed service, the Prime Minister, his deputy Mr. Clegg or – lets face it – the Cabinet directly accountable. Baroness Boothroyd emphasizes that the House of Lords, like many other internal institutions within British government, is not democratically legitimate individually. But as a whole, the system satisfies the criteria of Lipset and Dogan. The legislative procedure between the House of Lords and House of Commons solidifies these criteria via the primacy of the Commons. For any legislation first introduced in the House of Commons, the Lords may only suspend its passage against the will of the lower chamber for up to one year (one month for bills regarding taxations and funding). In addition, any amendments approved by the Lords are ultimately accepted by the democratically elected House of Commons, thus making such legislation democratically legitimate. The sole

<table>
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<th>Legitimacy</th>
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exception to this constitutional agreement regards attempts by a Government to extend its own life; in this case the Lords still holds veto power, a provisional check on the abuse of control within the House of Commons.\(^n\)

It must be noted, however, that the House of Lords may still veto amendments proposed by the Commons if the legislation is first introduced in the Lords.\(^n\) This provision allows for an undemocratically elected body to have final say over certain legislation – the sole instance in which the institutional structure of the UK legislature truly lacks democratic legitimacy. However, in this situation it remains important to differentiate between theory and practice. The overwhelming majority of legislation is first introduced in the Commons.\(^n\)

Additionally, after the enactment of the Parliament Act of 1911, its provisions were only implemented three times until the Parliament Act of 1949, which reduced the Lord’s right of bill suspension from two years to one. Since 1949, the act has only been used four times in Parliament.\(^n\)

**Democratic Accountability: A Comparative Perspective**

It has already been established that despite the House of Lords’ lack of electoral legitimacy, Parliament as a whole, through its institutional legislative structure that supports the primacy of the Commons, is democratically sound.\(^n\) Aside from the debate on legitimacy,

\[
\begin{array}{|c|c|c|c|}
\hline
\text{Collegial Executive} & \text{One-person Executive} \\
\hline
\text{Dependent on legislative confidence} & \text{Not dependent on legislative confidence} & \text{Dependent on legislative confidence} & \text{Not dependent on legislative confidence} \\
\hline
\text{Pure \textit{Parliamentarianism:}} & \text{Switzerland} & \text{No empirical examples} & \text{Lebanon} \\
\text{Most Western European Democracies} & \text{No empirical examples} & \text{No empirical examples} & \\
\text{Australia Canada} & \text{Uruguay (1962-67)} & \text{Pure \textit{Presidentialism:}} & \\
\text{France (1960-66)} & \text{No empirical examples} & \text{Most Latin American Democracies} & \\
\text{India} & \text{Cyprus (1960-63)} & \text{Cyprus} & \\
\text{Israel} & \text{Uruguay (1962-67)} & \text{France (5\textsuperscript{th} republic except 1986-88)} & \\
\text{Japan} & \text{No empirical examples} & \text{Nigeria (1979-83)} & \\
\text{Malaysia} & \text{No empirical examples} & \text{Philippines} & \\
\text{New Zealand} & \text{No empirical examples} & \text{South Korea} & \\
\text{Turkey} & \text{No empirical examples} & \text{United States} & \\
\text{Nigeria (1960-66)} & \text{No empirical examples} & & \\
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However, proponents of an elected second chamber ignore that British Parliament enjoys an enormous amount of democratic accountability. The institutional design of pure parliamentary democracies like the United Kingdom guarantee this; the prime minister may be made accountable to Parliament at any time through a vote of no confidence, and the Government as a whole takes full responsibility for the creation and implementation of public policy outlined in its manifesto. This domination within Parliament, despite appearing undemocratic, actually enhances the democratic accountability of the Government in power by providing an avenue by which to judge the decisiveness and resoluteness of public policy. By analyzing the institutional design of presidential democracies and parliaments in a comparative context, we can judge how the implementation of elections in the House of Lords would affect democratic accountability in the UK.

Democratic accountability is very much connected with institutional design and the number of veto players in government. In pure presidential systems, in which the president is not directly accountable to the legislature, the number of veto players, and thus the number of institutions responsible for the creation and implementation of policy, is increased. In Presidentialism and Majoritarian Democracy: Theoretical Observations, political scientist Arend Lijphart portrays the relationship between executive selection and executive dependence on legislative confidence in the following graph: See Table 2 on page 14.

The structural differences between Pure Parliamentarianism and Pure Presidentialism are directly related to their variation in democratic accountability. One of the often-argued advantages of presidential systems is that it increases accountability by providing one democratically elected individual. Presidents combine the charismatic qualities of the head-of-state and the political power of the executive. This combination makes the nature of the presidency far different from that of the prime minister; public expectation and admiration are doubly enhanced. Political sociologist Karl Marx provides an accurate portrayal of the presidential aura, specifically in regard to the French government of 1852, writing that “The Elected National Assembly stand in a metaphysical relation, but the elected President in a personal relation, to the nation.”

In terms of democratic accountability, however, this perceived presidential advantage is inaccurate in two ways. The primary reason relates to the election process, in which a president is essentially required to have no previous political experience. Voters are presented an image during the election produced by the candidate and his campaign staff. Once in power, however, the president has no internal accountability for a set period of time. This allows his or her behaviour in office to deviate dramatically from his or her image as a candidate. In presidential systems with no re-election, this is even more of a risk. There are, of course, methods in such systems for the removal of unsatisfactory executives, often through a veto. But to take the United States as an example, the procedure and political risk of initiating such a move is both technically complicated and politically risky; U.S. presidents have historically exercised their executive power dramatically as a result.

Secondly, because in pure presidential systems the executive is unaccountable to the legislature, the institutional design produces more veto
players, and thus divides responsibility. In Parliamentarianism versus Presidentialism in the Policy Arena, Kent Eaton notes, “Shared legislative authority between two separately elected branches often plays havoc with voters’ ability to identify which actors are most responsible for the policy outcomes that matter to them.” The subsequent nature of bicameral legislatures with two elected houses exacerbates this problem. When judging the decisiveness and resoluteness of public policy, the president can avert blame by pointing towards the lack of support in the legislature, either as a whole, or, more commonly, the house in which his or her political party does not have a majority. Vice-versa, and especially in the case of the United States, the legislature can point toward the president’s veto power or the judiciary body’s power of review as the source of failed public policy. Thus, just as the checks and balances prevent any one branch of presidential democracies from gaining too much power, they also prevent any one branch from facing full responsibility. As Eaton writes in regards to the U.S. budget deficit crisis of the 1980’s, “Nobody was to blame because everybody was to blame.”

In British Parliament, such division of accountability is not a problem. Because power in Britain is centralized, and the executive is merged and directly accountable to the legislature, accountability is centralized as well. As stated earlier, the prime minister retains his or her position from the directly elected House of Commons, and if found unsatisfactory, may be replaced by a vote of no confidence. In addition, the prime minister is not directly elected by the voters, and cannot veto the decisions of Parliament, thereby reducing the number of veto players in government. Although many academics have argued that a ‘presidentialization’ of the prime minister has occurred in recent years, with particular emphasis placed upon the 2010 general election in which David Cameron became the airbrushed face of the Conservative campaign, the institutional design of Parliament has not changed. Thus, the prime minister’s role in the legislative process, and in turn their level of responsibility, has not changed either. The democratic accountability of Parliament is also enhanced through Prime Minister’s Questions, legislative debate and both written and oral inquiries in both the House of Commons and House of Lords. At the end of the day, when judging the quality of public policy, there exists no confusion as to who is accountable – the Government in power.

This natural accountability, however, would be greatly threatened by an elected House of Lords. If such reform was implemented, and the second chamber gradually earned more power in legislative decision-making, major institutional change could occur. In the hypothetical situation that institutional reform led to a federal-style bicameral legislature in which the approval of both houses was needed for the passage of Acts, power, and thus accountability, would be decentralized. If, in such a situation, the Government in power held a majority in the House of Commons but not in the House of Lords, failed public policy could be blamed upon party politics and indecisiveness. This would lessen the responsibility of the prime minister and his cabinet, making government both less effective and less accountable. Power and responsibility in British Parliament are symmetrical; they rise and fall together. An elected House of Lords, and the institutional change likely to occur as a result, would threaten Parliament’s high level of democratic accountability, thus making the creation and implementation of public policy much more difficult.

Elections and the Loss of Expertise

The main purpose of the House of Lords is to scrutinize, critique and amend legislation. Thus, the effectiveness of the House is reliant upon the expertise of its members. Indeed the greatest strength of the Lords is that it represents the most distinguished professionals in a wide variety of fields. Lord Chalfont remarked in 1977, “It is a rare experience to attend a debate in the House of Lords, on any subject from hare-coursing to nuclear strategy, in which there is not at least one participant who can legitimately be regarded as a leading authority on the subject.” Such praise is not universal, however. As Baroness Murphy remarked during interview, “Expertise has an expiration date.” Measuring such expertise, however, is quite difficult as
each individual member has differing interests and levels of involvement. Some continue to practice their profession part-time, while others are content to accept retirement and focus on their legislative duties. In addition, multiple interviewed Peers expressed disappointment at their fellow members’ lack of involvement. Their comments correspond with the low levels of attendance and participation for some members.

Further, the selection process for the House of Lords has been criticized for becoming increasingly politicized; David Cameron appointed 117 Peers as of April 2011, just over 60% of which belong to the coalition government. These criticisms, although valid, do not detract from the overwhelming opinion that the House’s greatest strength remains the quality of its members. Given these circumstances, how would elections, and subsequently the transformation of the House’s institutional design, affect the quality of expertise within the chamber? And further, how would such potential change influence the quality of legislative scrutiny in the public policy-making process?

Reform Versus Abolition

The introduction of elections would have an enormous impact on the House of Lords’ composition. The methods of selection in bicameral legislatures directly correlate with those who pursue the position – party-enthusiastic citizens pursuing a political career are more likely to be found in the House of Commons; members of the House of Lords, however, are mostly distinguished professionals in non-political fields. Introducing elections to the second chamber would therefore have both immediate and long-term negative consequences for the level of expertise within the House. In the short-term, because the overwhelming majority of current members are former or part-time professionals, with little to no political experience, many would choose not to retain their position through election. During interviews, Baroness Hollins, for example, expressed that she had neither the electoral knowledge nor motivation to run an election. This is compounded by the fact that the average of age of members is 69; this is not meant to serve as an underestimate of capability, but rather a recognition that Peers with distinguished careers and, in some cases health conditions, are unlikely to suddenly start making campaign signs and knocking on neighbourhood doors.

Compounding this immediate loss in knowledge would be the long-term introduction of party politics and special interests. At present, one of the celebrated characteristics of the House of Lords is that it remains less distracted by party politics and special interests than the House of Commons. Lord Strathclyde remarked in 1993 on the valued independence of the House, stating, “Members…speak for themselves entirely, not for lobbies, not for groups, not for interests, unions, they’re there on their own behalf.” Party politics do play some role however; Lord Strathclyde’s latest comments on Lords reform ironically contradict his previous statements (no doubt a result of his current position as Conservative Leader of the House, responsible for representing the proposals of the Coalition Government). Additionally, special interests do exist in the House of Lords, although dramatically less so than the House of Commons. The introduction of elections would exacerbate both issues. In terms of the decisiveness and resoluteness of policy-making, the loss of expertise, increase of party politics and rise in special interests would prove detrimental to the legislative process. The primary role of the Lords – the detailed analysis of legislation – would be far less effective. Elected politicians can certainly have professional expertise, but the lack of professional requirement or background for politicians could never match the strict qualifications and accomplishment needed to become an appointed member of the current House. Vice-versa, the nature of elections and party-politics would naturally discourage non-political professionals from pursuing elected office. This would lessen the collective expertise of the House, thereby lessen the ability of members to scrutinize legislation. European Union legislation, for example, is often highly technical, and advanced training in international law is often required to fully understand its provisions. In this specific area, the House of Lords is particularly adept; the Select Committee on the European Union, supported by seven policy-specific sub-committees, analyzes every piece of legislation introduced by the EU. This has been regarded as particularly useful given the lack of such specific knowledge in the House of Commons.
of elections. The successful creation of public policy in British Parliament, which benefits enormously from the work of the House of Lords, would be negatively affected by such changes to the selection process of the chamber. In this we find one of the greatest contradictions not only in the Coalition Government’s 2011 White Paper on Lords reform, but also in past proposals: the assumption that the purpose of the House can remain the same despite the implementation of elections. This is, in a word, naïve. Not because elected politicians cannot revise legislation, create private-member bills and hold the government to account – the House of Commons has done this to an extent since its creation. Rather, such an assumption is unrealistic because the demands of constituents, elections, party-politics and special interests would transform the political behaviour of the House of Lords to such an extent that it would no longer resemble its current state. Institutions matter to political behaviour and elections would represent a massive institutional change to the nature and work of the Lords. These reasons are why an elected second-chamber, in which expertise is sacrificed in return for party politics and special interests, would not reform the House of Lords – it would abolish it, transforming a complementary, scrutinizing body into a replica of the House of Commons.

Awaken the Sleeping Lords: Elections and the Balance of Parliamentary Power

As previously discussed, the selection process of political institutions greatly affects their function, composition and political behaviour. Arend Lijphart, in Democracies, also argues that political power is shaped by the institutional design of legislative chambers, writing, “The actual political significance of second chambers depends not only on their formal constitutional powers but also on their method of selection.” Lijphart goes on to classify the relationships between first and second chambers into three categories: symmetrical, moderately asymmetrical, and extremely asymmetrical. He then differentiates between the selection processes of bicameral chambers, classifying them as either ‘congruent’ or ‘incongruent.’ In terms of grading bicameral systems in the context of these classifications, Lijphart notes that ‘strong bicameralism’ (i.e. effective bicameralism) exhibits incongruent selection, yet symmetrical or moderately asymmetrical powers in the legislative process.

Nicholas Baldwin and Donald Shell, in their comparative study, Second Chambers, provide strong evidence to support Lijphart’s classification. They provide a visual representation of second-chamber power and selection process, reproduced in the following table: See Table 3 on page 19.

In addition, political scientists Coakley and Laver surveyed fifty-eight bicameral legislatures, measuring how the method of selection for second chambers corresponds with the relationship between houses. Their results are reproduced in the following chart: See Table 4 on page 19.

We can draw a number of conclusions from this data. First, Baldwin and Shell confirm that the United Kingdom’s second chamber is not directly elected, yet retains moderate power. Such classification satisfies Lijphart’s definition of ‘strong bicameralism.’ This in itself supports the argument against whole-scale reform; the current system is institutionally sound. Furthermore, Coakley and Laver’s data portray a significant correlation between election processes of second chambers and their political power. Directly elected second chambers are split; thirteen hold greater or equal legislative power than their corresponding first chamber, while eleven
hold less. Yet second chambers either indirectly elected or appointed exhibit a clear pattern—they have less political power than their legislature’s primary chamber, by a count of twenty-six to four. Such data reinforces the notion that the selection process of second chambers determines not only accountability and political behaviour, but also political power. The clear difference in bicameral relationships based on different selection processes is no accident; direct election in many nations gives second chambers direct democratic legitimacy. In the United Kingdom, elections would eradicate the House of Common’s justification for primacy and allow for a more equal distribution of policy-making.

<table>
<thead>
<tr>
<th>Powers of Chamber</th>
<th>Directly Elected?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>Strong</td>
<td>USA, Germany (indirectly elected), Australia, Italy (vast majority elected)</td>
</tr>
<tr>
<td>Moderate</td>
<td>Spain (mostly elected)</td>
</tr>
<tr>
<td>Weak</td>
<td>Poland</td>
</tr>
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<table>
<thead>
<tr>
<th>Method of Selection</th>
<th>Power</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Election</td>
<td>Greater or Equal</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Lesser</td>
<td>11</td>
</tr>
<tr>
<td>Indirect Election</td>
<td>Greater or Equal</td>
<td>2</td>
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<tr>
<td></td>
<td>Lesser</td>
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<tr>
<td>Appointment</td>
<td>Greater or Equal</td>
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<td></td>
<td>Lesser</td>
<td>13</td>
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<tr>
<td>Other</td>
<td>Greater or Equal</td>
<td>0</td>
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<td></td>
<td>Lesser</td>
<td>4</td>
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authority between the two chambers. In all interviews conducted, this notion was confirmed – there is no reason for an elected House of Lords to subordinate themselves to the will of the Commons. In addition, the motivation to pursue such change would be amplified by elections. Because elected office attracts a different type of candidate than independent selection, the Lords’ composition would include far more politically motivated members, eager to gain equal footing with the House of Commons.

**Elected Second Chambers: A Crisis of Dual Democratic Legitimacy**

An old adage regarding Lords reform states that by creating elections, one would ‘awake the sleeping Lords.’ The aphorism has negative connotations for the supposed lack of work in the second chamber, yet it also infers that by granting the Lords greater power via electoral legitimacy, Parliament would awaken a sleeping giant, capable of demanding more authority and instigating stagnation in the electoral process. In this, we come to the widely discussed debate between presidential democracies and parliamentary systems. For our purposes, the comparative dimension can be narrowed to differently composed legislatures.

Juan J. Linz argues that policymaking in presidential democracies is hampered by the phenomenon of ‘dual democratic legitimacy.’ In this, Linz refers most directly to the dual democratic legitimacies of a president and legislature, although the principal can also be applied to bicameral legislatures in which both bodies are elected. His argument stresses that because two branches are directly elected, “…no democratic principle can decide who represents the will of the people in principle.” In the circumstance that such dual democratic legitimacy developed in Parliament from the creation of an elected House of Lords, a constitutional crisis would ensue.

Dual elections within the legislature would represent an enormous challenge to the institutional design of British Parliament. Theoretically, in a legislature with an elected House of Lords, the primacy of the Commons, and in turn the Parliament Acts of 1911 and 1945 which reinforce such primacy, could be determined illegitimate. The Lords would no longer serve as a complementary body, but rather an equal body, to the Commons. In this we see how institutional design defines democratic legitimacy, which in turn empowers the creation of more veto players within government systems. But how would this affect the successful creation and implementation of public policy in Great Britain?

**Stalemate: The Cost of Decentralized Authority in Public Policy-Making**

On the spectrum of power concentration, the creation of a directly elected House of Lords would represent a step towards anarchy. The more democratically legitimate veto players a government allows through its institutional design, the harder it becomes to create public policy. This is, perhaps, the only advantage of authoritarian regimes – legislation is passed quickly due to a lack of opposition. Of course, the balance of veto players, institutions and public policy is delicate; quicker legislation is not necessarily better legislation, and often the redundancy of multiple active entities in the legislative process increases the quality of bills.

Such redundancy, however, and thus the improved quality of legislation, is already satisfied by the current design of British Parliament. As a scrutinizing body, the House of Lords reviews legislation in extreme detail. An elected second chamber, on the other hand, would represent the institutional creation of a second, democratically legitimate body. This has massive potential implications, specifically in regard to political majorities and party politics.

In a British Parliament in which both Houses enjoy equal powers, legislation would be subject to political strategy and stagnation. Exemplified by the Italian Parliament, and most recently the United States’ 2011 debt crisis, disagreement between two equal houses can suspend the passage of crucial public policy. At present, the Westminster model nullifies such disagreement; the House of Commons retains primacy, and, crucially, mechanisms by which it may override the Lords’ power to suspend legislation. This allows the Lords enough power to positively impact public policy and suspend controversial legislation, yet prevents the constitutional crisis of a doubly elected...
legislature.

How Parliament would adjust to two elected, equally legitimate bodies is of course highly hypothetical and thus hard to predict. Yet the creation of an elected Lords would justifiably constitute a second veto player within government, and the possible ramifications of such a development must be carefully considered. In the context of more general institutional design, method of selection directly correlates with the number of democratically legitimate veto players in the legislative process. As legitimacy is multiplied, authority is divided, and cooperation becomes increasingly more difficult. Thus, a House of Lords determined by election would risk the balance and structure of Parliament.

Conclusion

Since the collapse of the Soviet Union and end of the Cold War, democratic governments have dominated the debate on institutional structure. Although there remain notable exceptions, the vast majority of modern governments emphasize capitalism and free-market economics within the sphere of democratic institutions. The way in which states organize such institutions, however, is hardly identical. Democracies vary in such aspects as presidentialism versus parliamentarianism, bicameral versus unicameral, and federal versus unitary. The debate on House of Lords reform encompasses this variation in both broad, theoretical concepts of institutional design, and in the detailed analysis of second chambers worldwide.

While a comparative analysis of governments provides a theoretical lens in which to judge British institutional structure, the unique characteristics of the Westminster Model must also be considered. The effect of elections on the second-chamber of Great Britain will have different outcomes than they would in the Japanese Sangiin or German Bundesrat. The arguments of this paper have taken this into account by analyzing the specific legislative processes of British Parliament within the broad context of institutional theory.

Central to this theoretical context is the idea that institutions determine political behaviour and the success of public policy. In this we can make comparisons between presidential systems and parliamentary legislators, unicameral chambers and bicameral houses, and the varying designs of upper-chambers. Specifically, by analyzing the effect of elections on the successful creation and implementation of public policy, I highlight the significance of selection method. The institutional design of legislatures directly determines the modes of selection, and in turn the modes of selection can alter institutional design. In addition, the nature of selection greatly affects the nature of chambers; direct election provides democratic legitimacy, and thus legislative authority. This has direct implications for accountability and the balance of power within bicameral legislatures. The more veto players a government (or legislature) has, the more authority is widened, and thus accountability divided. Secondly, the number of veto players determines the difficulty of passing legislation – the more players, the harder the cooperation.

Specific to British Parliament, elections would result in major institutional change via the implementation of a new method of selection. This would have immediate impact upon the composition and political behaviour of the House. Appointed professionals with distinguished careers have little motivation or incentive to pursue elected office, and the pressures of party politics, special interests and campaign culture would transform the inner behaviour of the chamber, thereby dissolving expertise and thus the effectiveness of the Lords. Additionally, the long-term consequences of creating a second, democratically legitimate chamber would be twofold. First, this would threaten Parliament’s high level of democratic accountability; the introduction of an additional veto player would decentralize power, thus decentralizing responsibility. Secondly, the introduction of a new veto player would challenge the primacy of the Commons, risking political stalemated and stalled legislation. In the context of the decisiveness and resoluteness of public policy making, such consequences demonstrate that the creation of an elected House of Lords would negatively impact the legislative process.

Prospects, Predictions and Alternative Proposals

As stated above, the basic institutional design of Parliament has
remained unchanged for over 600 years. This is no accident. As both Lord Norton and Lord Ribeiro emphasized, the House of Lords has implemented a number of reform measures throughout its history. What it has avoided, quite affectively, is abolition. The classification of the latter coincides with the arguments of this paper; that elections would transform the institutional design of the House to such an extent that it would no longer resemble a complementary, scrutiny-based body, but rather a carbon copy of the House of Commons.

Indeed, small-scale reforms have been abundant throughout the House’s history. The Parliament Acts gradually reduced the chamber’s power to suspend legislation. The Peerage Acts allowed female members and created Life Peers. And New Labour’s 1999 House of Lords Reform Bill reduced the hereditary population of the chamber drastically, leaving just 92 birthright Peers as members. But, the House is not without its faults. Perhaps most pertinentely, the number of Lords and Baronesses is far too large. This is connected with a flawed appointments commission, which places far too much power in the politically minded hands of the Prime Minister. The amount of Peers also correlates with the Lord’s inability to retire – an illogical impediment to maintaining workable numbers. Another issue of contention is the ability of members to retain their title and position despite serious criminal offences. Further, the Lords Spiritual will continue to incite annoyance with non-Anglican citizens, and the continued presence of the hereditary Peers, fair or not, will continue to undermine the credibility of the House for many critics. Thus, although the functioning of the Lords works relatively well, and elections would prove detrimental to its function, ‘Keep Calm and Carry On’ isn’t quite the appropriate answer either.

The future of reform, as it has for over a century, will most likely come in the shape of small-scale changes meant to improve the workings of the current House. Direct election has enjoyed mixed political motivation, and by all accounts little public interest. When asked about the future of the 2011 House of Lords Reform Bill, Peers interviewed expressed somewhat differentiating sentiments. The overall message, however, was clear: despite one’s opinion towards reform, the specific proposals of this bill are questionable, and it will face enormous challenges throughout the course of its debate and analysis. Regardless, the House of Lords will survive in some form. It has evolved as the concept of institutional design and democratic theory has evolved; the chamber is a physical representation of re-invention, yet continued tradition. In this sense, the House of Lords is the embodiment of English politics – deep respect for custom and convention, yet flexible enough for evolution and improvement. The House of Lords will continue to tread this awkward space between traditional concepts of bicameralism and the ever-changing definition of democracy, all the while enhancing the public policy of Britain, and thus the state of Britain itself.

Members of House of Lords interviewed

Baroness Hollins of Wimbledon and Grenoside (Cross-bench)
Baroness Murphy of Aldgate (Cross-bench)
Lord Norton of Louth (Conservative)
Lord Ribeiro of Achimota and Ovington (Conservative)

Endnotes

4. Cox and McCubbins original framework is constructed in the context of presidentialism and the separation of power and purpose between varying branches of government. They argue that the separation of power and purpose within presidential governments results in multiple tradeoffs. Primarily, tradeoffs between decisiveness (i.e., the ability to make policy decisions) and resoluteness (i.e., the ability to commit to established policy decisions). The balance of such tradeoffs, according to the authors, is heavily dependent upon the number of veto players within presidential governments. This paper adapts their theorem for the purpose of grading the effectiveness of public policymaking in British Parliament.
5. Linz, Juan J. "Presidential or Parliamentary Democracy: Does It Make a Difference?" The
8. Linz, ibid.
15. Lipset, 92.
18. Shell, 190-207.
19. ibid.
22. Based upon the collective criteria of Dogan and to a great extent Lipset.
23. Linz, 6-10.
25. Linz, 6-7.
26. ibid.
27. Linz, 8.
29. ibid.
30. Shell, 66.
31. Murphy, Elaine. Personal interview. 28 June 2011.
35. Shell, 19.
36. Watts, 30.
38. House of Lords Reform Draft Bill, s 1.
40. ibid.
41. ibid.
42. ibid.
43. Norton, Philip, Sheila Hollins, Bernard Ribeiro, and Elaine Murphy. Personal interview.
44. Linz, 6.
45. ibid.
46. Based upon the criteria of Lipset and Dogan.
47. In 2011, the United States budget deficit approached the debt ceiling defined by US law. In the negotiations between Democratic President Barack Obama, and Republic Speaker of the House of Representatives John Boehner, party-politics and the approaching 2012 presidential election were often cited as an impediment to cooperation, and thus the passage of emergency legislation.
50. Shell, 14-15.
52. Norton, Philip, Sheila Hollins, Bernard Ribeiro, and Elaine Murphy. Personal interview.

Bibliography


Can China’s Fledgling Legal NGOs Leave the Nest?

by Jisoo Lee

China’s central government has increasingly emphasized the implementation of the rule of law and rights protection over the past two decades, NGOs dedicated to legal aid, legal research, and law reform have emerged alongside the governmental legal aid system. However, since the concept of pro bono has yet to take root among state-employed lawyers in China, legal NGOs raise awareness of and promote commitment to public interest work. Compared to the state legal aid system, they are able to provide more specialized legal aid services and have less rigorous conditions for potential clients. However, further capacity building is required because many legal NGOs are insufficiently funded and backed by the government and remain vulnerable to China’s political climate and stringent regulations.

Introduction

Although legal aid is a relatively new concept in China, demand for it has soared over the past two decades. Since the opening up and reform policies of the late 1970s set modernization efforts and lightning fast economic growth in motion, the number and scope of disputes, inequalities and vulnerable social groups have multiplied. The law has become an important mode of addressing these inequalities and new social relationships. Under China’s planned economy (1949-1978), social welfare was the government’s responsibility, leaving no role for nongovernmental organizations (NGOs). With the role of the state reduced after the economic reforms, citizens could organize civil society institutions designed to protect those whose economic difficulties or lack of rights awareness prevented them from defending their own rights. Since the early 1990s, the government has increasingly emphasized the implementation of the rule of law and rights protection. In the past two decades, the establishment of governmental legal aid and legislative organizations has been paralleled by a growth in NGOs dedicated to legal aid and services, legal research and law reform.

The Beginnings of the Chinese Legal Aid System

Challenges arising from rapid social and economic change have pressured China’s laws and legal institutions to evolve and keep pace. In the mid-1990s, increasing numbers of Chinese citizens sought legal remedies but could not afford legal advice. The Ministry of Justice formally proposed the establishment of a legal aid system in 1994 and subsequently conducted experimental legal aid work in selected cities. In 1996, a statute called the Lawyers’ Law set the legal foundation for legal aid services.¹ The statute states that legal aid is to be provided to citizens requiring legal assistance in civil or criminal cases due to financial reasons, and that all licensed lawyers have a duty to provide legal assistance to those in need in accordance with state regulations.

Even with the legal foundation for legal aid services in place, in the early stages, establishing a legal aid center at the local level was a complex process in practice. Tony Chen, who established the Urumqi Legal Aid Center (ULAC) in 1999 and acted as executive director...

Jisoo Lee. Jisoo Lee is a junior at Amherst College, where she is majoring in history and toying with the idea of pursuing journalism or law school after college. Born in Korea but largely raised in the megalopolises of Bangkok and Beijing, she began this study as an intern at the Yilian Legal Aid and Study Center of Labor.
until 2008, discussed the challenges of forming ULAC in the early stages of the state legal aid system. After completing his law degree, Chen served as a consultant at the Department of Justice in Urumqi, Xinjiang province, and worked with local lawyers and clients in need of legal aid. These interactions drew him to public interest work, a concept that was still new in China in the 1990s. ULAC began with three staff members but by 2009 had forty-three staff members. It currently handles 1,500 cases each year, about half of which are criminal lawsuits.

"Although the process of gaining local support and funding for legal aid institutions was difficult, the legal aid system has come a long way since its inception two decades ago."

while the rest are in labor, family, and civil law. The current success of ULAC was contingent, however, on securing funding and government support at a time when few local government officials understood the concept of legal aid services.

Securing funding and government support for ULAC was a tricky process. One of ULAC’s first tasks was to raise awareness of legal aid among judges, scholars, and local government officials to persuade them of the importance of legal aid for the local people. Advocacy work included trainings, conferences and seminars, as well as garnering local media coverage. Chen noted the latter was crucial. ULAC invited the media to report the center’s activities so that a wider Chinese audience could better understand the role of legal aid lawyers and the situation of the disadvantaged.

ULAC built relations with local courts and organizations such as workers’ unions, women’s federations, and children’s associations by establishing stations that provided legal counsel within the associations. In 2005, ULAC signed an agreement with the local government that brought in support and funding and was additionally funded by the central government and the Legal Aid Foundation. Although the process of gaining local support and funding for legal aid institutions was difficult, the legal aid system has come a long way since its inception two decades ago.

The governmental legal aid system is now well instituted on multiple administrative levels. There are four levels of governmental legal aid offices in China. National and provincial level legal aid offices focus on research, policymaking and building relationships with other governmental departments. At the city and county or district levels, legal aid offices provide services through hotlines, mediation and litigation. Currently, thirty percent of legal aid cases are handled by 6,000 publicly employed lawyers from legal aid institutions, thirty-five percent by 140,000 public notaries, and thirty-two percent by 90,000 grassroots legal workers. Legal aid foundations such as the China Legal Aid Foundation and Beijing Legal Aid Foundation manage domestic and foreign endowments and support legal aid organizations. According to the Ministry of Justice, governmental funds for legal aid in China surged to 1 billion RMB in 2010, marking a 32.8 percent increase from the previous year. In addition, the central and provincial governments have amplified support for legal aid in poverty-stricken areas. Over 3,200 governmental legal aid institutions exist and are located in all administrative regions in China. In 2010, legal aid lawyers handled more than 700,000 cases.

Challenges remain despite the rapid development of the state’s legal aid system from inception to a relatively extensive system that operates on national, provincial and local levels. According to a study of the Chinese legal aid system conducted in 2007 by the Harvard Law Review, the legal aid system is constrained by the limited number of lawyers per capita in China. With less than one lawyer for every 10,000 Chinese (compared with one lawyer for every 300 Americans), there is a gap in the supply and demand of legal aid that limits Chinese citizens’ prospects in seeking justice. Tony Chen estimates that only half of legal aid needs are met. Lawyers also tend to converge in urban centers, while most of China’s poor live in rural areas. According to Chen, most lawyers who
work with legal aid issues are state employees affiliated with the Ministry of Justice’s National Legal Aid Center. Professional lawyers in China are not fully aware of or committed to public interest work, and pro bono work is still a new concept to them. Many lawyers believe that they fulfill their duty to the public by only undertaking the pro bono work mandated by the government. Licensed lawyers must accept at least one legal aid case per year, though the quota varies for different provinces. However, since some lawyers practice only commercial or corporate law, a law firm with twenty lawyers can satisfy requirements by delegating all twenty legal aid cases to a few of its lawyers. It is helpful to conceive of four types of legal aid NGOs existing in China, a framework suggested by Mao Sumei, Deputy Director at the Beijing Yilian Legal Aid & Study Center of Labor (北京义联劳动法援助与研究中心) (Yilian). The first type is composed of NGOs that are ‘symbols of government policy.’ The Beijing Zhicheng Migrant Workers Legal Aid and Research Center (北京致诚农民工法律援助与研究中心) and Beijing Youth Rights Legal Center (北京青少年法律援助与研究中心) (BYRLC) are registered as NGOs, but such organizations are not truly non-governmental. Funded by the Beijing and Fengtai District local governments, Zhicheng’s founder and senior staff are members of the All China Lawyers Association of China, a governmental organization. The second type includes university supported legal clinics that cannot practice or research independently of the state system given their university affiliation. Grassroots NGOs, the third type of legal aid NGOs, are most prevalent in southern China’s coastal cities, where high demand for cheap labor.

The Role of Legal Aid NGOs: Closing the Gaps

Legal aid and research NGOs have the potential to fill gaps in the state legal aid system by building a commitment to public interest work among lawyers, providing specialized legal aid services in fields such as labor or women’s rights, sustaining independence from government interests and maintaining less rigorous conditions for those who need legal aid. Legal aid lawyers were recruited in the past five years and require training and value building, according to Tony Chen. Lawyers who undertake legal aid cases incur high personal costs because they are not adequately compensated for the amount of time and energy they commit to the case. Because the conditions for provision of legal aid are so stringent, many disadvantaged people who seek legal aid are ineligible for it. In criminal lawsuits, legal aid is provided only to children and those involved in death penalty cases or disability cases. In addition, Mr. Chen believes more experts are needed for the different areas of legal aid, as state legal aid often has no specialization or professional focus. A more comprehensive legal aid system is needed to support the government system.

"Legal aid and research NGOs have the potential to fill gaps in the state legal aid system by building a commitment to public interest work among lawyers, providing specialized legal aid services in fields such as labor or women’s rights, sustaining independence from government interests and maintaining less rigorous conditions for those who need legal aid."
attracts millions of vulnerable migrant workers. These NGOs primarily handle legal casework. They receive overseas funding, as they usually cannot obtain government funding or support and do not share the government’s information or resources due to the difficult NGO registration process. Some NGOs are set up by migrant workers themselves who are unable to provide donor funds but provide labor voluntarily or for low wages. The fourth model is the independent, grassroots, free legal practice that also conducts research and works to influence government policy. Such NGOs acquire overseas grant funding and their leaders have no history of involvement with the government, but unlike many category three organizations, these NGOs maintain the backing of the government. These models are fluid, however, as the role and status of NGOs in China continue to evolve.

Maintaining strong relations with the Chinese government is crucial for the success of NGOs. China’s first non-governmental legal aid center, the Wuhan University Center for the Protection of Rights and Disadvantaged Citizens, was founded by law professor Wan E’Xiang in 1992. The Wuhan Center is a litigation center that enjoys relative independence from the government and acquires funds from a variety of private, mainly international, sources. This degree of independence allows the Wuhan Center to handle administrative law cases against the government, which state-run legal aid centers and private attorneys avoid.

Nevertheless, the Wuhan Center has maintained strong ties with the government through E’Xiang, who is Vice-President of the Supreme Court of China. With this combination of features, the Wuhan Center does not fit neatly into the category of university-affiliated legal NGOs proposed by Mao and represents an evolution of that type of organization towards a category four independent grassroots NGO. Indeed, Mao suggests that university-affiliated legal NGOs represent a stage in the development of legal NGOs in China rather than a lasting model.

University legal clinics fulfill the important role of exposing students to the concept of public interest work and to the difficulties that people in rural areas face in asserting their rights. The Wuhan Center is organized by law school professors and accepts student interns and volunteers. In the summer of 2005, Zhu Yingkun—a former law student at Wuhan University—participated in a project jointly organized by the Wuhan Center and The Rights Practice. The Rights Practice is a British organization dedicated to promoting human rights and public participation in China by forming local partnerships with NGOs, universities, research institutes, and lawyers. Teams of six were trained to visit remote areas in Hubei province in order to spread awareness of human rights and to assist with legal disputes. Zhu believes that the project was a meaningful experience for all parties, as disadvantaged citizens were informed of their rights and students were exposed to problems concerning the vulnerable in rural areas. Although he now works in commercial law, Zhu expressed a desire to become involved in public interest work in the future, as he believes it is essential for aiding the vulnerable. Zhu further believes that programs such as those run by the Wuhan Center are invaluable for instilling an interest in and commitment to public interest work among students and expressed a desire to encourage other universities in China to establish similar clinics.

"University legal clinics fulfill the important role of exposing students to the concept of public interest work and to the difficulties that people in rural areas face in asserting their rights."
an important role in raising public interest consciousness among receptive students so long as the commitment to public interest work remains lean within the legal profession. It is also a promising sign that even those who have chosen a different career, like Zhu, maintain an awareness of public interest work. As this consciousness takes root over the coming years, more law students may begin to consider public interest work as a career in itself or engage in larger-scale pro bono legal work.  

An independent grassroots NGO that works to influence government policy, the Beijing Yilian Legal Aid and Study Center of Labor was established in 2007 by director Huang Leping, who suffered a work-related injury and underwent a lengthy compensation process. Yilian works to advance labor rights and improve labor law, providing free legal aid services to workers, conducting public policy research, drafting legislation and carrying out public advocacy projects. Financially independent, Yilian receives overseas grant funding, but it has simultaneously invested in building a strong relationship with the government. Yilian harbors long-term goals to build on its legal practice experience and research to become a think tank. Mao Sumei believes that that the conversion of practice to policy is essential in China’s context as without it, the work of other grassroots legal NGOs will remain difficult. 

NGOs such as Yilian can cultivate specialists who have the professional skills and dedication to effectively require further capacity development and funding. The Shanghai Non-Profit Incubator (上海浦东非营利公益组织发展中心) provides support for newly established NGOs and social enterprises, though it has yet to give much support to legal aid NGOs. A similar incubator committed to fostering non-governmental public interest law institutions with professional skills and sustainability would be beneficial.  

**Political and Bureaucratic Challenges**

It remains difficult for legal aid NGOs to achieve the relative autonomy and success of the Wuhan Center and Yilian due to limited sources of funding and resources. These sources constrain the abilities and long-term sustainability of NGOs, many of which rely on government funding to some degree. Others rely almost entirely on the Ford Foundation, a private American foundation that provides funds to organizations focusing on reducing poverty and injustice, strengthening democratic values, and promoting human rights. International sources of funding are limited in supply. Government funding may bring greater supervision while foreign sponsorship may limit an NGO’s ability or incentive to create innovative programs because foreign organizations tend to fund familiar models. A greater number of stable sources of funding are needed to make China’s legal NGOs sustainable in the long term.

The difficult official registration process and the risks of handling politically sensitive cases are
Legal Research and Services Center is a case in point. Established in 1995, the Women’s Legal Center was the first public interest organization in China committed to providing women with free legal advice and had gained international recognition for its dedication to promoting women’s rights and gender equality. The Women’s Legal Center had established a collaborative network of legal aid practitioners in China that engaged over 300 lawyers from law firms in 28 provinces. In March 2010, it lost its affiliation with the university for controversial work in which it was allegedly involved, exemplifying the constraints that working within the system places on university-affiliated NGOs. Although the Center was not shut down, its dissociation from the Beijing University Law School was a major obstacle.

NGOs are regulated by the local government’s civil affairs office and a supervisory institution that acts as a sponsor. NGOs without sponsors are permitted to operate only at the grassroots level, which excludes them from a range of fundraising activities. Affiliation with a university allows an NGO to bypass the tricky process of registering as an NGO with the Civil Affairs Bureau while enjoying legal protection from its connection to a government-backed institution. The Women’s Legal Center seems to have overcome the registration obstacles. Registered as a company with the Bureau of Industry and Commerce, the Women’s Legal Center is now called the Beijing Zhongze Women’s Legal Counseling and Service Center. Zhongze operates with the same upper management as before and continues to provide the same scope of services, such as providing free legal advice to women through a telephone hotline and advising groups conducting legal research on women’s rights. It is increasingly active in bringing public interest lawsuits related to discrimination and domestic violence. Nevertheless, its registration as a company means that the Center is now vulnerable to government pressure in the guise of company law prosecutions.

Many other NGOs have registered as companies, an arrangement that constrains funding potential because of private company tax regulations. Shortly after the outbreak of the Xinjiang riots in July 2009, the Gongmeng Group—a legal aid and research NGO registered as a company—was fined 1.42 million RMB on tax evasion charges. Gongmeng lawyers were known for taking on human rights violations cases, including providing legal assistance to Tibetans who were detained in connection with the March 2008 protests. With the 60th anniversary of the establishment of the People’s Republic of China approaching, the authorities launched a crackdown on lawyers handling politically sensitive cases such as the tainted milk scandal and Tibetan and Uighur rights. In the same month, Yirenping—an anti-discrimination legal aid NGO for women, homosexuals, and HIV patients registered as a company—was raided and fined. Yirenping lawyer Lu Jun suspected that his center’s anti-discrimination activities had offended big corporations, government officials and wealthy businessmen. For these reasons, Chinese NGOs may aspire to register as ‘people-run non-enterprise units’ (民办非企业单位) rather than register as companies, but this form of registration is not always an option available to grassroots organizations.

**Conclusion**

Legal NGOs underpin the Central Government’s efforts to implement the rule of law. They fill the gaps in awareness of and commitment to public interest work and legal services for those without access to the justice system, especially when pro bono work has yet to flourish in China. While their capacity to engage in legislative and policy development is underused, university legal clinics have the essential role of promoting awareness, a sense of civic duty and an interest in public interest work among university law students, a vital
service for the development of the legal NGOs. University-affiliated organizations and grassroots organizations strive to provide critical legal aid, research, legislative counsel, and rights awareness promotion. They work to develop professional legal aid skills and specialized legal aid services and maintain less rigorous conditions for those in need of legal aid. However, NGOs require further capacity building to realize their full potential because many are not sufficiently funded by government or philanthropic resources and lack the autonomy that might stem from better relations with the government. These organizations remain vulnerable to the political climate and stringent registration regulations. As China’s civil society continues to develop, governmental agencies and legal NGOs must provide mutual reinforcement to protect the rights of Chinese citizens.

Endnotes
iii. Ibid.
vi. Ibid.
ix. Ibid.
xii. Ibid.
xv. Ibid.
xvi. At the time, Yilian was still in its prototype form, the Beijing Yishe Labor Consultation Center.
xii. Ibid.
xiii. Ibid.
xiv. Ibid.
xvi. Ibid.

Bibliography
Han, Shichun. Interview by Jisoo Lee. Beijing, July 22, 2011.
The educational system of the Russian Federation is failing to produce globally competitive students prepared to enter the modern workforce. The problems that Russian education faces today are the result of its failure to transition from an inefficient and rigid Soviet system to a modern system. This failure to transition can be blamed on a multitude of factors, the most convincing of which is the low priority education reform received after 1992. I argue that Russia’s political system is responsible for this disadvantageous prioritization.

Introduction

After 20 years of transition away from the rigidly bureaucratic educational establishment of the USSR, post-Soviet Russia’s general education reform has failed to produce a globally competitive schooling system that adequately prepares students for the 21st century job market. While the advice of foreign economists in the 1990s emphasized crucial macroeconomic tasks of transition, the question of educational policy reform did not fit neatly into any broad goal of transition. Educational institutions provide a service to the individual student by equipping him with the human capital necessary for increasing his competitiveness in the labor market. Education also functions as a social service by increasing long-run economic productivity, reducing social problems, and developing the reasoning faculties of young persons. Since the institution of education has attributes both of an enterprise and of a government welfare program, it is susceptible to both political and economic disturbances.

In this paper, I explain why Russia’s secondary schools are failing to produce quality education by examining what prevented Russia’s schools from fully transitioning into a system comparable to the rest of the developed world following the break up of the Soviet Union. In the next section, I briefly outline Russia’s educational problems to illustrate why I believe Russia’s education reform can be described as a stalled or failed transition. I then introduce four independent variables as potential barriers to transition and analyze the causal validity of each barrier.

First, I present the “shock therapy” approach to educational reform as an independent cause, which I reject as significant. In the same section I examine the effect of a conservative backlash against “shock therapy” and also reject the hypothesis. In the following section, I discuss the validity of macroeconomic conditions and reject the variable as an independent cause but posit it as a confounding variable to my main argument. I conclude that political prioritization, strongly influenced by the presence of a centralized political structure and partially influenced by macroeconomic conditions, provides the strongest explanation for the outcome of Russia’s educational transition.

Issues of Quality

Russia’s education system lags behind the rest of the developed world in producing students who possess the knowledge and skills that are essential for full participation in society. In 2009, the Organization for Economic Cooperation

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and Development Program (OECD) for International Student Assessment (PISA) surveyed the educational quality of 65 OECD and OECD partner countries by assessing secondary school student performance on a standardized reading, math, and science exam. The results of the survey revealed that mean scores of Russian students fell below OECD and OECD partner mean scores in each section of the exam (Table 1). Within the OECD, Russia’s mean reading score exceeded that of only Chile and Mexico, well below the mean scores of formerly communist Poland and Estonia, and noticeably below Hungary, Slovakia, Czech Republic, and Slovenia (Figure 1).

In the classroom, Russian students are heavily tested in accordance with traditional Russian pedagogy but under-evaluated. The Russian practice of daily oral exams does not function as an adequate instrument for assessing student progress and teacher competence. Administrators at the national and regional level consequently lack universal standards of output quality criteria necessary for effectively analyzing the success of educational policies.

"In the new market economy, employment is competitive and schools must cater to demands of employers in the labor market by supplying students equipped with market relevant human capital."

<table>
<thead>
<tr>
<th>Sample</th>
<th>Reading</th>
<th>Math</th>
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<tr>
<td>RF</td>
<td>459</td>
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<td>OECD</td>
<td>493</td>
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<tr>
<td>OECD and Partners</td>
<td>492</td>
<td>488</td>
<td>496</td>
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Mean score of all students

Figure 1: OECD Mean PISA Reading Scores and Russia
Russian schools also seem to be disconnected from the labor market. Graduating students have skills that are not demanded by the labor market. Employers are more interested in experienced specialists with occupational-specific knowledge. Some of the disconnect can be blamed on the short-term demand side of the labor market, especially under adverse economic conditions. Yet, the long-run gap between the supply of graduates and demands of employers suggests a problem with the school system’s ability to respond to demands of an evolving labor market. Prior to the collapse of socialism, schools were responsible for supplying labor for a planned economy where employment was guaranteed. In the new market economy, employment is competitive and schools must cater to demands of employers in the labor market by supplying students equipped with market-relevant human capital. Russian schools do not appear to have adjusted to their economic role as a supplier of skilled labor.

Russia’s general experience with decentralization saw the creation of local authorities with very little autonomy, functioning largely as administrative units of the central government. In the case of education specifically, local school administrative bodies lack substantial control over curriculum and pedagogy. While curriculum is no longer institutionally confined, with teachers instructing students to memorize a prepackaged curriculum passed down from the central government, a student completing the free, compulsory education curriculum is nonetheless ill-equipped to begin a career. Despite decentralization, current pedagogical methods and curriculum resemble the Soviet Union’s rigid structure, now regulated by multiple levels of government instead of the central ministry. Low levels of government investment in education reinforce this structural rigidity, providing schools with neither the necessary capital nor the incentive to innovate.

The federal and regional governments jointly fund education, with the federal contribution in the form of a block grant to the regions. However, whatever funding is nominally allocated in each budget, the education system is funded residually. Funding from the government is contingent upon regional tax revenues, creating a problem of regional inequality as resource-rich regions receive disproportionately more money than poorer regions. This positive feedback loop will lead to sizeable inequalities in the long run as the effects of education on productivity materialize. Some of this disparity is already visible in the distribution of Russia’s PISA scores. Regions neither compete for funds on a performance basis nor receive funds according to need. The lack of competition between schools and regions tempers potential market signals for vital inputs such as capital investment and teacher wages, resulting in inefficient investment and resource allocation.

Similarities to the United States’ education system can be drawn from this survey of the Russian system’s funding process. While funding is decentralized in both countries, a distinction must be made concerning the overall degree of regional autonomy. Russia’s central government still regulates curriculum to a restrictive extent. In the United States, the Department of Education has the legal right to withhold funding if a school does not comply with the No Child Left Behind Act (NCLB). Requirements from NCLB, though, are largely concerned with performance standards and not individual school curriculum. Moreover, the majority of a state’s educational funding comes from within the state. Consequently, municipalities are largely free to pursue educational policies in accordance with the amount of funding received. That is, schools facing a shortage of funds can make a cost-benefit analysis concerning what programs are truly essential. In Russia, a school facing a similar shortage of funds would have few options but to reduce the quality of all programs equally. The economic impact of such an inefficient system of education on the long-run health of Russia will be harmful, especially as the country faces a declining population.

Stalled Transition

Currently, Russia’s education system appears to be a hybrid of partial reform and old Soviet structures, incapable of producing a large quantity of high-quality students prepared to enter the 21st-century workforce and secure Russia’s global competitiveness. The reformation of Russian primary education seems to have stopped short of a complete transition to a modern system. It remains structurally rigid, funded residually with poor teacher wages and subpar educational infrastructure.
relative to the OECD. This incomplete transition results in low quality education compared to other post-communist states and a gap between graduates of general education and the labor market. Below, I explore several possible causes of this incomplete transition, examining the influence of rapid reform and conservatism, macroeconomic conditions, and political prioritization as barriers to transition of the Russian education system.

**Barriers to Transition**

“Shock Therapy” and Conservative Reaction

Both excessive speed of transition and conservatism have been blamed for the education system’s shortcomings. The Russian movement for education reform began with considerable momentum and government encouragement during the late Soviet era but slowed down significantly after 1992, shifting away from a rapid “shock therapy” approach midway through the process of transition. While official educational policy noticeably shifted toward reform and then back again, conservatives and liberals worked side by side in the same administrations during the entirety of the reform era.

The reform movement began during perestroika in the mid 1980s, when reformers voiced their opinions about how to reform Russian pedagogy and school structure at local meetings of parents and local teachers and in the country’s educational newsletter, Uchitelskaya Gazeta (Teachers’ Gazette). The VNIK-Shkola, an ad hoc advisory council composed of reformers, advised the Gorbachev administration that students needed to be taught critical thinking and the humanities instead of a prepackaged ideological curriculum from the central government. On the other hand, the official educational policy arm of the USSR, the Academy of Pedagogical Sciences (APN) remained a bastion of conservatism during the late 1980s. In 1988, the APN and the VNIK-Shkola simultaneously released reports on the state of Russian education and policy plans to improve the system. The state adopted the more radical plan produced by the VNIK-Shkola. In the spirit of glasnost’ and perestroika, reformers in the council proclaimed that education could transform Soviet society, recommending regionalization and democratization that would permit local authorities to implement new pedagogical initiatives centered on the needs of students.

The reform movement received official sanction when educational historian and former head of the VNIK Shkola, Eduard Dneprov, was appointed to Minister of Education of the Russian Republic in 1990. Dneprov’s appointment coincided with Boris Yeltsin’s maneuvering for Russian independence, which then granted the Ministry of Education substantial power over reform, something it had not possessed previously. After the collapse of the USSR, Dneprov pushed for a three-stage process of decentralization: conceptualization, legislation and implementation. Yeltsin supported Dneprov’s reforms and even declared education a top priority of the Russian state in Presidential Decree No. 1. The educational reform movement culminated in the 1992 Law on Education, which ordered the decentralization, democratization, and diversification of Russia’s educational structure and curriculum. After the law was passed, Dneprov was removed from his post following conservative calls for his resignation. The Ministry of Education lost a considerable amount of power and influence after Dneprov’s removal. His successor, Evgenii Tkashenko, did not continue to pursue a radical reform agenda, focusing instead on implementing the 1992 law as the Ministry of Education became less relevant in the midst of...
The critics of “shock therapy” claim that too much change was implemented prior to developing institutions for coordination and support of a newly decentralized system of education. “Shock therapy” appears to have some validity as an explanation for the problem of quality standardization in the short run. However, after the chaos that accompanied rapid decentralization, a federal regulatory structure emerged with the federal government at the top of the decision-making hierarchy. According to the plans of the reformers who implemented rapid reform, the control over curriculum should have become the responsibility of the regions along with funding. This asymmetric decentralization appears to be a consequence of an uneven application of “shock therapy” to different tenets of reform, not a result of rapid comprehensive decentralization. Moscow controls too much of what it should not control, playing more of a dominating rather than coordinating role in educational federalism. The problems associated with decentralization today are problems of quality of the federal structure of coordination, not the absence of such a structure.

The shift to conservatism in 1992 came after the implementation of radical reform and at the onset of a severe economic depression. Each side took advantage of opportunities brought on by external causes to push its point of view, but cultural and ideological forces can easily be overemphasized as drivers of educational problems. During the reform decade, competing ideas developed the de facto policy of mixed reform, which combined elements of conservatism and liberalism. Although the two sides of the debate never deliberately merged the two schools of thought into one moderate policy, Gorbachev and Yeltsin included liberal and conservative experts in the official structures of education. The period after 1992 was not a reactionary backlash against liberal reformers but a period of moderate implementation of a plan and of coping with the larger economic and political problems facing the Russian education system.

**Macroeconomic Conditions**

The massive decline in output following the collapse of socialist planning and the subsequent implosion of state revenue led to a severe decline in funding to all government programs, especially education. By 1992, education spending made up only 3.4% of GDP, declining 29% nominally between 1991 and 1992 to a level one third of that spent by the United States, the United Kingdom, and France. In 1995, education spending as a percent of GDP was 3.5%, rising to only 3.8% by 2002 and remaining at a slightly higher level throughout the remainder of the decade. This sustained underfunding of Russian education extended the impact of problems that needed to be addressed from the Soviet Union, particularly the physical conditions of Russian schools. As recently as the late 1980s, Soviet era schools frequently lacked central heating, indoor plumbing and access to recreational facilities. Computer technology lagged significantly behind the United States and Western Europe. Accelerated technological change combined with underfunding widened...
this gap throughout the 1990s.\textsuperscript{42} Some education officials estimated that schools received less than half the sum needed for minimally effective schooling.\textsuperscript{43}

In addition to declining state revenues during the output decline, rapid inflation diluted the value of investments made in education and reduced the real wages of teachers. For the last quarter of 1994, teacher wages fell below minimum wage.\textsuperscript{44} Poor wages and working conditions jeopardized the long-term health of the teaching profession as qualified potential teachers moved into different areas of the economy.\textsuperscript{45} Controlling for other factors, shortage of teachers has been associated with lower student performance and is a significantly robust predictor of education quality.\textsuperscript{46}

The dismal education budgets and inflation of the 1990s prolonged problems such as the lack of building repairs, textbook shortages, and low teacher salaries.\textsuperscript{47} These were not the problems of a reformed, former world power, but of a developing nation. However, funding-related problems were not prevalent throughout the post-communist world. The proportion of government spending on education in the former communist bloc, with the exception of Russia, Albania, and Romania, was comparable to OECD averages, despite the decline in output.\textsuperscript{48}

Macroeconomic conditions alone cannot describe why Russia failed to make the transition to a system funded on par with the rest of the developed world since similar post-socialist states made the transition amidst similar economic depressions. A correlation logically exists between the severity of economic depression and the resulting decline in nominal funding of education but says nothing about the proportion of GDP spent on education in real terms or causality. A rudimentary empirical analysis of Russia’s funding of education as a percent of GDP shows no significant independent relationship between education spending and economic conditions (See Figure 2 on page 36). The correlation between education spending as a percent of GDP and year over year percent change in real GDP varies between slightly negative and slightly positive with the curtailing of high and low outliers in a variety ways.\textsuperscript{49} If output were in fact a strong independent cause of low funding, correlation would presumably vary between somewhat positive and very positive.

In observing worldwide transition from socialism and the low correlation between funding and GDP decline, macroeconomic conditions do not appear to be strong independent causes of stalled transition and subsequent poor school performance. The causal validity of inflation and depression as barriers to transition is significant only as a potential positive confounding variable to the following explanation.

**Political Prioritization**

The appropriation of scarce resources within the structure of a political system that makes leaders sensitive to a wide electorate will tend toward projects that yield short-term visible benefits at the expense of long-run disperse benefits.\textsuperscript{50} Education investments do not provide an immediate positive effect on output whereas temporary fiscal stimulus can directly improve short-run economic conditions in a matter of months.\textsuperscript{51} Since politicians cannot reap a useful short-run political benefit from implementing educational policies with a long-run payout, educational investment is assigned a low priority status relative to short-run spending that has an immediate effect on voters. As mentioned in the above section, poor macroeconomic conditions make this prioritization more significant by siphoning off funding from long-term initiatives and by reducing the total real amount of state revenue upon which the education system depends.\textsuperscript{52}
This phenomenon of prioritization can be illustrated by the Yeltsin administration’s response to widespread teachers salary arrears on the eve of the 1996 presidential election. During Yeltsin’s first term, which coincided with economic crisis, education was officially funded residually. Consequently, teacher wages fell dramatically to levels below 75% of workers employed in industry. By 1995, teachers were not being paid regularly and often worked without pay for months at a time. In 1996, education was in the midst of a full-blown crisis, receiving barely enough money to survive as an institution. A series of teacher strikes in 1995-96 investment in educational infrastructure.

In this example, a combination of factors altered the political cost-benefit analysis of funding education to allow for diversion of funds that could be spent elsewhere to pay outstanding debts to teachers. The public attention paid to the education crisis and the existence of a large block of unpaid state educational employees threatened to further dampen public opinion prior to the 1996 election, making the short-run opportunity cost of continued neglect great enough to prompt action. Note that the major target of the 1996 funding was teacher pay, an investment bearing a short-run tangible benefit, which would translate into political benefit relative to inaction for the Yeltsin administration.

A similar phenomenon occurred shortly before the 2004 presidential and Duma elections. The 2003 budget nominally increased, by an average of 33 percent, the salary-rate portion of pedagogical workers starting and the doubling of college students’ stipends. These politically beneficial pay increases were made at the expense of spending that would benefit the development of the educational system, including new equipment acquisition, student meals, and remodeling of educational facilities. Prior to the 2003 stipend hikes, the previous increase occurred in the similarly politically expedient summer of 2000.

The problem of short-run government programs siphoning resources from long-run capital investment should be a consistent problem across state boundaries, not only in the former socialist sphere but in the developed world as well. Why were some post-communist nations able to overcome this barrier to educational transition while Russia was not? Economic conditions offer one plausible explanation, as noted earlier. Russia’s depression after the collapse of communism was exceptionally large, presumably strengthening the influence of macroeconomic conditions on prioritization. Many Eastern and Central European countries, however, have achieved education-spending levels and internationally standardized test scores on par with the OECD and European Union despite suffering similar declines in output.

Since the influence of economic conditions on prioritization seems to be rather weak, the most plausible explanation for why Russia fell victim to the prioritization barrier, while many other post-Communist countries did not, is its political structure. A political system concentrated in one or a few individuals subject to an electorate should be more vulnerable to the harmful effects of short-run prioritization. The logic is that in a parliamentary or extensively federal
system in which political gains and losses from policies are more dispersed, the costs to the individual politician of substituting short-run for long-run investments fall below the benefits. When politicians represent local interests and are subject only to that electorate, long-run investments also produce short-run visible benefits. A local representative can achieve short-term political gain from securing the installation of air conditioning units in a provincial secondary school whereas a president cannot.

Comparing Estonia and Russia provides insight into how political structure appears to be a stronger causal factor than economic conditions. Estonia and Russia had similar output declines during the 1990s, dropping well below real GDP in 1990 and remaining below that level throughout the decade.63 Despite similar economic depressions, Estonia’s 2009 PISA scores exceed most EU nations (Figure 1) and education funding as a percent of GDP is on par with the OECD average. The two countries’ political systems, on the other hand, diverge according to the model just described. Since 1993, Russia has been a semi-presidential state with substantially more power concentrated in the executive than the legislature.64 Since 1992, Estonia’s government has been a parliamentary system with proportional representation where the head of state is elected by the legislature.65 Applying the logic of my argument to this situation explains why the Estonian education system did not fall victim to harmful funding prioritization while the Russian education system did in the 1990s.

The Russian experience in the 2000s also fits with my argument. Education funding gradually increased throughout Putin’s two terms in office to levels higher than during the 1990s, though still below the OECD average.66 It is important to take into account both of the political factors I have attributed to unfavorable prioritization when analyzing this apparent uptick in prioritization. Short-run prioritization should be most severe when power is concentrated and politics are highly democratic. For example, a powerful president elected by popular vote every two years in a society with no suppression of opposition candidates would be the most unfavorable political system for long-run investment, such as education. Under Putin, authority in Russia became more centralized in the president and Russia became less genuinely democratic.67 Consequently, the costs of substituting long-run investment for short-run spending diminished, increasing the priority of the education system relative to its priority in the highly democratic 1990s. This led to a more stable and investment focused pattern of funding observed in the 2000s.

**Conclusion**

The current problems in Russian education are well known and widely discussed in the pedagogical press and academic literature. After observing commonly identified problems with the Russian education system, I concluded that the system did not transition, as other post-socialist states did, to a model comparable to the rest of the developed world. The purpose of this paper has been to present this assessment of Russian education and then examine what prevented the transition from occurring. My conclusion is that Russia’s political system, especially during the 1990s, led to cost-benefit calculation by policy-makers that made educational reform and funding a low priority.

**Acknowledgments**

I am grateful to Angela Linhardt, Mr. Andrew Spencer, Dr. Yuri Maltsev, Professor Scott Gehlbach, Professor Mark Johnson, Mrs. Julie Gibbs, Ms. Jessica Francar, and Mr. Michael Van Dyke for assisting me in researching and writing this paper.

**Endnotes**

6. Enterprise attributes include input costs, output quality and quantity, wages, and capital investment. Welfare attributes include promoting sector-wide productivity growth, supporting underprivileged children, and instilling a common morality and identity in young members of society.
7. Throughout this paper, I use the term “shock therapy” to describe the process of rapid educational reform. The term in common usage is applied the general process of transition. In this paper, I use the term exclusively applied to education and not the broader political and economic transition to market.


9. N. Troshkina, Учительская Газета, 10 January 2000, p. 10


16. J. Sutherland, Schooling in the New Russia, 129.


18. OECD Program for International Student Assessment


20. See previous section.


23. Note that long run potential economic output is a function of factor growth and productivity growth. Population is a large determinant of factor growth and education is a significant determinant of productivity growth especially in a modern, increasingly technology based economy.


25. VHIK-Shkola stands for Временный научно-исследовательский коллектив «Школа» or temporary research staff for schools.


27. Ibid., 50.

28. S. Webber, 17.

29. S. Kerr, 50.

30. B. Eklof, L. Holmes, and V. Kaplan, 8.


33. B. Eklof, L. Holmes, and V. Kaplan, 8.

34. S. Webber, 56.

35. Ibid., 141.


37. Liberals or conservatives usually dominated one of a handful of educational institutions responsible for advising the president on educational matters. The APN and VNK-Shkola illustrate this. Similarly, after his replacement as Minister of Education by Evgenii Tkashenko and a more conservative cadre of deputies, Eduard Dreipov became a personal advisor to Boris Yeltsin.


39. J. Sutherland, 115.


42. Ibid.

43. Ibid.

44. J. Sutherland, 129.

45. Reviews Of National Policies For Education: Russian Federation.


47. J. Sutherland, 120.


49. For this analysis, I compiled education spending data from The World Bank, UN, Russian Ministry of Education, and the OECD. Several discrepancies were present among the sources. When such discrepancies existed, I first checked for excessive variance and observed one such statistic in 2000. In 2000, the World Bank and UN reported the same figure while an official from the Ministry of Education in Учительская Газета reported a much higher figure. I threw out this higher figure. Second, I checked what figures were cited in the literature and added those figures to my data set unless there was significant variation from the data I had already compiled. Third, I averaged the figures I had for each year to consolidate my data. I acquired data for GDP growth from the World Bank. With all the data in my dataset r= .038, I then removed what appeared to be outliers at (-8.7, 2.75) and (-12.6, 4.4) and produced r= .014. I again tested the correlation, this time removing only (-12.6, 4.4) resulting in r=.24. Removing only (-8.7, 2.75) resulted in r=-.33. With such a small sample size, correlation coefficients are easily distorted.
Observing the plot in Figure 2, provides the best picture of the weak correlation between education funding and GDP. R-values have been presented instead of r2 values in order to show the negative and positive fluctuations.

50. I assume reelection is highly valued by leaders.
52. In the case of Russian education, this phenomenon applies to federal appropriation of block grants.
53. Teacher salary data suitable for statistical calculation has not been compiled. I thus present two cases to illustrate the phenomenon of prioritization rather than monthly mean teacher over time. If such data were available, spikes in teacher wages would presumably be observed prior to elections.
54. J. Sutherland, 129.
55. Ibid., 128.
56. Ibid., 159.
57. Ibid., 161.
58. Ibid., 160.
59. The April 1996 payment plan did not end the crisis by any means. The crisis continued to draw public attention throughout the rest of the year. The focus in this section of my argument is not on the results of the government’s action but on the action itself.
60. J. Zajda, 406. The author mentions costs and benefits of education funding in normal circumstances.
62. Ibid.

Bibliography


Troshkina, N. Учительская Газета, 10 January 2000.


y signing the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the International Covenant on Civil and Political Rights (ICCPR) in the late 1990s, China appeared to be moving toward human rights reform, particularly in the Tibet Autonomous Region (TAR), where it has historically paid little attention to ethnic minority rights. However, little progress continued to be made in the TAR, despite public statements suggesting intent to reform. China’s behavior can be largely explained as that of a rational actor attempting to garner the political benefits of verbally promoting minority rights, without bearing the cost of following through.

**Introduction**

Since the founding of the People’s Republic of China (PRC) in 1949, the PRC government has had a controversial record on the protection of the rights of its ethnic minorities, particularly in the Tibet Autonomous Region (TAR), which has been under China’s control since 1950. One area of special concern is language rights. The PRC has been eager to prevent Tibetan minorities from learning their own language and to promote assimilation into the Chinese language. Although China acceded to the International Convention on the Elimination of All Forms of Racial Discrimination (ICERD) and passed domestic laws to protect the rights of its autonomous regions, its reluctance to promote minority rights has been evident in its hesitancy to sign other important multilateral human rights treaties. Consequently, when the PRC signed both the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the International Covenant on Civil and Political Rights (ICCPR) in the late 1990s, it was indicative of a possible desire for change in PRC policy in the TAR and other autonomous regions. However, when one examines the actual progression of Chinese treatment of Tibetan rights in the five years subsequent to the country’s signing of these important international treaties, one finds a minimum of improvement in PRC behavior toward ethnic minorities, despite periodic verbal commitments to enforcing minority rights. This paper finds that the PRC acts primarily as a rational actor. It weighs the international benefits of its commitment to human rights against the domestic costs of implementing such policies rather than policies that would unify China.

This paper will utilize the constructivist and realist frameworks of international relations to suggest why China has renewed its commitments to the international human rights regime. Second, this paper will examine the history of the PRC’s participation in multilateral human rights treaties, as well as Chinese treatment of TAR minority rights prior to its signing of the ICESCR and ICCPR. Third, it will look at the terms of the ICCPR and the ICESCR, as well as at empirical evidence of Chinese policies from 1997 until 2002. Next, it will show that China’s behavior has been the result of a rational consideration of its international and domestic circumstances. Finally, the conclusion of this paper will consider implications for the interaction between international

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human rights law and domestic policy.

**The Political Science Literature on Human Rights Regimes**

Although the issue of human rights has historically been one of the most difficult areas for international relations and international law to regulate, political scientists have put forth a number of explanations on when and how treaties and multilateral regimes can be effective in creating and enforcing norms on countries. These explanations and mechanisms come from a few basic theoretical perspectives, which will help to generate this paper’s hypotheses about the results of China’s verbal reaffirmation of its commitment to human rights.

The first perspective is that of constructivism, which holds that the act of joining and participating in international regimes facilitates incremental changes in state behavior in line with the norms prescribed by those regimes. The second perspective is that of rationalist theories, and it assumes that states make choices based on a logical analysis of the costs and benefits associated with a change of behavior. Third, domestic factors may also play an important role in enforcing the PRC’s obedience to its legal obligations by determining how attentive the state is to its domestic constituents.

Constructivism attempts to show that “the role that culture, institutions and norms play in shaping identity and influencing behavior,” and constructivist theorists explain this shaping of identity through a number of causal mechanisms. Downs, Danish, and Barsoom have put forth the Transformational Model of regime design, in which a state enters a multilateral regime, or a set of multilateral institutions, and learns how to initiate progressive change, while changing its worldview through participating in continued dialogues with other states in the regime. Thus, experience and participation in international regimes causes states to alter their behavior. Similarly, Risse and Sikkink pinpoint institutional bargaining between actors on moral terms as keys to influencing the behavior of a state that has joined a human rights regime. Both explanations expect states that join a human rights regime or sign a multilateral treaty to become more likely to comply with international laws through participation and interaction with other states in the regime. If the PRC changed its behavior to follow the treaty’s laws, then constructivists would have a strong case for explaining that China had moved toward a human rights norm because of its entry into a multilateral human rights regime.

In contrast to constructivism, rational theories of international relations do not conclude that states will necessarily change their behavior if they join multilateral regimes. Instead, they posit that a country such as China will adopt norms only if the norms coincide with its pre-existing interests or otherwise maximize its preferences. China will only initiate reform if it has sufficient practical reason, whether because of threats to the state or ample international pressure. A realist theorist might look at diplomatic demands on China and compare them to Chinese changes in policy in order to determine the significance of foreign influences. In addition, if the PRC felt that it could reduce international scrutiny by adopting less costly reforms elsewhere than in Tibet, then it would also attempt that strategy. In contrast, if other nations consider PRC minority rights violations to be of paramount importance and impose sanctions or other signs of disapproval because of this issue, the impact on Chinese domestic policy would be greater than if other countries focus their diplomacy on Chinese commerce or security.

Another rationalist factor that could influence the behavior of the Chinese government would be its concern for its reputation in the arena of human rights. According to this mechanism, states follow through on their international obligations in order to avoid being seen as untrustworthy, as the appearance of dishonesty or noncompliance may reduce the incentives of other states to cooperate with them on other issues. Downs and Jones modify this argument in explaining, “Other states will revise their estimates of [a given state’s] reliability but only in connection with agreements that they believe (1) are affected by the same or similar sources of fluctuating costs and (2) are valued the same or less by the defecting
In the case of China and the TAR, whether the PRC defects from commitments to the UN human rights regime may depend on how much it regards its human rights reputation as relevant to its overall reputation. By Downs and Jones’s assertion, other countries will not take the Chinese treatment of ethnic minorities into account when discussing trade or political relations.

In addition to considerations of international pressure and reputation, the legally binding nature of a treaty may influence a state’s actions. A state that signs a treaty has affirmed that it “agrees in principle with the essence of the treaty,” but this is not legally binding. By contrast, a state that ratifies a treaty becomes an official party by obliging itself to enforce and uphold provisions of the treaty. In China’s case, the signing of the ICCPR was more indicative of the intent to follow the convention’s general precepts than of the full commitment implied by immediate ratification. The signing of the ICCPR indicates the PRC at this time wished to announce to the international community its intent to honor human rights, without a legal bending. Thus, China would be legally free to follow its policy independent of international law, while signing treaties would restrict its behavior.

Finally, domestic influences are often just as important as international pressures on state behavior. Because it is an autocratic regime, China may be less prone than some other states to being swayed by factors such as changing domestic levels of protest or change in leadership in the top levels of the regime. First, the state’s response to discontent is as important as the amount of discontent itself, so the influence of domestic dissent is an important factor. For instance, if dissenters have power over the government, then the government is much more likely to comply, even if it considers the costs of compliance to be higher than the benefits. In addition, if a shift in the PRC’s political leadership is present, it may be the cause of changes observed in the Chinese government’s attitudes and policies.

A Brief History of Chinese Treatment of Human Rights in the Twentieth Century

China has made a number of international commitments to the protection of human rights, although it has not always enforced these commitments. Several months prior to the end of the Chinese Civil War in 1949, the Chinese government voted along with a majority of the United Nations General Assembly in favor of adopting the Universal Declaration of Human Rights (UDHR) on December 10, 1948. Nevertheless, the UDHR is not a legally binding treaty, and China has largely felt free to ignore a number of the tenets of the UDHR, such as those dealing with education and minority rights.

Dealing specifically with the subject of education is Article 26 of the UDHR, which states, “Education shall be directed to the full development of the human personality and to the strengthening for human rights and fundamental freedoms. It shall promote understanding, tolerance and friendship among all nations, racial or religious groups.” Despite the phrasing of Article 26, which would also imply the importance of education for minority ethnic groups in China, the PRC has had a long record of discrimination against ethnic minorities such as the Tibetan people in the Tibet Autonomous Region.

China’s wariness about international norms for human rights has extended to its historical unwillingness to sign a number of United Nations conventions surrounding human rights. For example, Taiwan, or the Republic of China (ROC), signed the ICERD when the UN General Assembly adopted the treaty on December 21, 1965, with the intent to have it enter into force on January 4, 1969. The convention sought “to prohibit and to eliminate racial discrimination in all its forms and to guarantee the right of everyone, without distinction as to race, colour, or national origin, to equality before the law.” Among the minority rights mentioned in this document are “the right to education and training,” and “the right to equal participation in cultural activities.” However, the PRC rejected the treaty when it gained the ROC’s seat in the UN, and it did not accede to the ICERD until December 1981, partly due to its reluctance to sign multilateral human rights treaties.

Although the PRC continued much of its former practical discrimination against ethnic minorities in its autonomous regions, official Chinese
domestic policy toward these groups did change soon after the PRC’s accession to the ICERD. Notably, in 1984, the National People’s Congress adopted the Regional National Autonomy Law (RNAL), which legally guaranteed “the freedom of the nationalities in these areas to use and develop their own spoken and written languages and their freedom to preserve and reform their own folkways and customs.” By the terms of the RNAL, the PRC was required to reduce unequal treatment of the Tibetan language as well as provide funding for schools in regions such as the TAR. The RNAL could be seen as a positive response to the requirements of the ICERD, as international law came to influence domestic law.

In addition, China signed the United Nations Convention on the Rights of the Child (CRC) in August 1990, and it ratified the CRC on March 2, 1992. The CRC reiterates the importance of the right to education. Article 30 adds, “A child belonging to such a minority or who is indigenous shall not be denied the right, in community with other members of his or her group, to enjoy his or her own culture, to profess and practise his or her own religion, or to use his or her own language.” By signing and ratifying the CRC, the PRC wished to convey its apparent concern for minority rights.

Despite several token nods by PRC law to the education needs of its autonomous provinces, the PRC’s mistreatment of Tibetan minorities since the passing of RNAL included a number of policies and actions regarding language and education rights that substantially favored the Chinese ethnicity and language over others. In 1997, The Tibetan Centre for Human Rights and Democracy (TCHRD), a non-governmental organization that investigates Chinese treatment of Tibetans, reported a continued lack of education for minorities in the previous year, particularly in the area of Tibetan culture and history. In October 1996, the PRC declared its aim to have eighty percent of school age Tibetan children receiving compulsory education by the end of the decade, although at the time, the primary schools in the Tibet Autonomous Region (TAR) consisted of two types of schools that received highly unequal treatment. The first type of school, the Mangtsug, which existed in the primarily Tibetan rural villages and which received no state funding, educated its children poorly and rarely sent students to middle school. By contrast, the Shungtsug Chinese government schools received better funding and gave better education to students in the primarily ethnic Chinese towns and urban areas in the province. As a result, students who reached higher levels of education tended to be Chinese rather than Tibetan. Although PRC law technically promoted the use of Tibetan in government positions within the TAR, Chinese remained the preferred governmental language.

The ICESCR, the ICCPR, and Subsequent Treatment of Ethnic Minorities in the PRC

While the PRC ratified the Convention on the Prevention and Punishment of the Crime of Genocide (CPPCG) two years after acceding to the ICERD, the next major steps in Chinese commitment to human rights in the UN did not occur for another decade and a half. Upon replacing the ROC in the UN, the PRC repudiated the International Covenant on Economic, Social and Cultural Rights (ICESCR) along with the ICERD and other multilateral treaties. It did not agree to sign the ICESCR until October 27, 1997, and it did not successfully ratify the treaty until March 27, 2001. Article 13 of the ICESCR states, “The States Parties to the present Covenant . . . agree that education shall enable all persons to participate effectively in a free society, [and] promote understanding, tolerance and friendship among all nations and all racial, ethnic or religious groups.” Signing this convention reaffirmed such domestic laws as the RNAL and suggested a possible change in PRC policy toward the education and language rights of its ethnic minorities.

In addition to the ICESCR, China’s signing of the International Covenant on Civil and Political Rights (ICCPR) a year later reaffirmed its declared commitment to human rights. As it had done with other ROC multilateral treaties, the PRC repudiated the ROC’s signing of the 1966 ICCPR and did not sign it until October 1998. Furthermore, as of April 2010, China has not yet ratified the ICCPR,
which among other things states, “In those States in which ethnic, religious, or linguistic minorities exist, persons belonging to such minorities shall not be denied the right . . . to enjoy their own culture, to profess and practice their own religion, or to use their own language.”

Prior to this point, the PRC’s treatment of its ethnic minorities had largely reflected its reluctance to join international human rights regimes, and the lack of ratification of this treaty indicates that some of the reluctance remained. However, its agreement to sign these two treaties suggests the potential presence of major changes in governmental policy towards human rights in general and minority rights in particular.

From 1997 to 2002, over the course of the five years subsequent to China’s signing of the ICESCR and the four years subsequent to its signing of the ICCPR, the Tibet Autonomous Region saw a number of domestic laws that contradicted the possible presence of change in the PRC’s approach to minority education and language. Prior to the PRC’s signing of the ICESCR, the actions of the Chinese government had made token nods to human rights law without necessarily giving equal treatment to minorities in practice. However, by contrast, in April 1997, the TAR government issued a policy statement explaining that primary schools in the TAR would no longer use Tibetan as the main language of instruction and that Chinese might completely replace the use of Tibetan in these schools.

The annual report of the Tibetan Centre for Human Rights and Democracy suggests that the authorities desired to implement this policy as a reflection of the TAR Communist Party Secretary Chen Kuiyuan’s intent to prioritize “political and ideological work in the schools” over more strictly educational goals. In addition, Tibetan schoolchildren continued to face systemic discrimination and harassment from teachers and schools, without any response from the government. As the local government coupled problematic policies with continued discrimination against Tibetan minorities, the strength of Chinese commitment to the tenets of rights to education and equality of language appeared tenuous.

By 2002, the PRC’s treatment of education in the TAR did not appear to have substantially changed, despite China’s international commitments to the ICESCR, the ICCPR, and other such multilateral treaties. In fact, in the case of educating schoolchildren in the Tibetan language, the PRC’s policy had actually backtracked, as the PRC chose around this time to withdraw support from Tibetan language courses with the reasoning that it was “a drain on government resources.” Given the inadequacy of this reasoning, one can conclude that the Chinese government did not wish to further the education of Tibetans in any way that would not promote assimilation into the Chinese culture.

In addition, as a party to the Convention on the Rights of the Child, China was to have submitted a report every four years to the United Nations to report on its progress in developing child rights such as those of educating children in their original language and culture. However, China had not complied with this rule since 1996, and it would not do so until 2005. In addition, although China ratified the ICESCR in 2001, the state did not file an initial report with the Committee on Economic, Social and Cultural Rights (CESCR) until 2004, to be considered in the CESCR’s 2005 session. These indications of Chinese reluctance to comply with international law suggest that the signing of the ICESCR and the ICCPR did not in fact herald domestic change.

Despite the lack of actual improvement in education and language rights in the TAR, Information Office of the State Council of the PRC occasionally released White Papers that reaffirmed its interest in following international human rights norms. The PRC published White Papers every several months in order to address and clarify important issues of government policy, and the recurring mention of events in autonomous regions such as Tibet highlighted the significance of these regions to China. In 1999, China published a White Paper on Minorities Policy to show its intent to make its ethnic minorities “of paramount importance to the improvement of the quality of the minority population and to the promotion of economic and cultural development in ethnic minority areas.”

In addition, in February 2000, a PRC White Paper on Human Rights reported on areas in which China had supposedly improved, including children’s rights and funding for the education of minorities, while a 2001 White Paper on Modernisation in Tibet claimed, “The enrollment ratio of school-age children has increased to 85.8 percent, the illiteracy rate had declined to 32.5 percent.” Although these White Papers did not
reflect the reality of inadequate numbers of schools in rural areas or the unaffordable fees required to enroll children in school, they did display the PRC’s desire to appear interested in upholding the standards of the ICESCR and other multilateral treaties.

In 2001, although the PRC continued to omit reports to the Committee on the Rights of the Child, it did submit reports to the Committee on the Elimination of Racial Discrimination (CERD) that further indicate the state’s attitudes toward the TAR. By ratifying the ICERD, China had a legal obligation to file reports on its progress in furthering human rights, although the report filed in 2001 was actually a substitute for two consecutive reports that were due in 1997 and 1999 respectively. In its report, the PRC mentioned the presence of positive developments in a number of areas, including domestic laws to improve life in autonomous regions such as the TAR and funding for the modernization of these regions.

Notably, however, China’s interest in developing the TAR does not seem to have been matched by its interest in educating Tibetans in their own language and culture, perhaps because China wished to encourage identification of Tibetan residents with the overall Chinese culture. The CERD’s concluding observations on the report reflect this dichotomy, as they commend the PRC for its efforts to promote development in areas such as Tibet but also state, “Economic development in minority regions does not, ipso facto, entail the equal enjoyment of economic, social and cultural rights.” The committee also noted the disparity between Chinese pronunciations of increased schooling in minority regions and outside reports of the reality within Tibet.

In conclusion, the TAR saw very limited improvement in the PRC’s treatment of ethnic Tibetans by the early 2000s, although this lack of improvement occurs simultaneously with continued efforts by the Chinese government to portray itself as having liberal policies. In contrast to the original hypothesis of this paper, these results and reports from Tibet indicate that the PRC had little interest during this period in proving its dedication to human rights beyond affirmations of its good intent.

Possible International and Domestic Explanations for China’s Non-Compliance

Constructivists argue that the act of joining international regimes of multilateral treaty law causes changes in the values of a state that reflect their commitments and their willingness to conform to the values of the regime. However, slim evidence exists to support this prediction in China’s case. The PRC’s signing of two major United Nations multilateral treaties largely failed to influence its behavior positively with respect to Tibetan minority rights. As the TCHRD has reported, “Independent studies and anecdotal evidence from all over Tibet reveal that there is minimal educational development in the ‘TAR’ as well as in provinces of Qinghai, Gansu, Sichuan and Yunnan which now incorporate most of the traditional eastern Tibetan provinces of Kham and Amdo.” In contrast, by constructivist expectation, China’s participation in international bodies such as the Committee on Social, Economic and Cultural Rights (CESCR), which consists of representatives from parties to the ICESCR, should have given it experience with human rights that would have translated into domestic policy changes. This process did not occur, nor does it appear that China solidified its human rights institutions from having its moral consciousness raised or from an international dialogue about rights.

While factors more significant than constructivist adaptation to new norms seem to have been at work in the PRC during the period between 1997 and 2002, it may explain why China often tried to create the impression that it intended to promote education in autonomous regions such as Tibet, although its enacted statements and laws were often contradictory. China periodically published White Papers on human rights, minorities, and related subjects as a response to criticisms by foreign countries and NGOs. Given that the PRC State Council releases a limited number of White Papers with which to clarify government policy each year, the fact that human and minority rights received an abundant amount of attention suggests that the PRC government was paying a great deal of attention to the issue. In 1999, China released only one White Paper, which dealt with its national minorities policy. This focus on explaining China’s past and future human rights progress suggests that the PRC may have internalized a new awareness of the importance of human rights, even though the presence of new norms had not yet made a difference in policy. Because the White Papers are a sign of dialogue within the national government about
human rights, one may consider any progress in Tibet after 2002 to be related to constructivist mechanisms of change. Nevertheless, the signing of the ICESCR and the ICCPR did not appear to signal an immediate institutionalization of norms.

Whereas constructivist theory explains relatively little of the story in the case of minority ethnic rights in China, a rationalist look at international pressures may better explain both China’s lack of reform in the TAR and its occasional declarations of commitment to human rights. Since the early 1990s, the relationship of the United States with the PRC has become increasingly important to both countries. Therefore, an examination of the level of American criticism of China is a good way to estimate how effective foreign scrutiny has been on the latter country’s observation of rights and international law. The PRC’s decision to sign the ICESCR and the ICCPR in 1997 and 1998 coincided with a thawing of relations between the United States and China, which occurred as the two nations began to hold high-level summit talks during President Clinton’s second term. Positive relations between the two countries further increased in the first term of President George W. Bush’s administration. However, the increased cooperation between the two nations may have led to a reduction of United States criticism of PRC policies, giving the latter country decreased incentives to respond with reform in the TAR.

Although United States criticism of Chinese humanitarian violations did not cease entirely during the period from 1997 to 2002, the PRC nevertheless saw extremely sporadic amounts of international pressure to change its policies toward its minorities. In many cases, countries such as the United States wished to encourage changes in PRC behavior but often were hesitant to apply real pressure for fear of disrupting other improvements in their relations with China.

The 1998 Human Rights Watch (HRW) report notes, “Despite China’s ongoing violations of human rights, the international Community with few exceptions continued to let itself be intimidated into silence by threats of commercial sanctions.” China at this time was increasingly turning into an economic powerhouse, and its major trading partners had to tread a fine line between asking the Chinese government to improve its human rights practices and the possibility of alienating the PRC. Thus, because other states themselves did not wish to risk their own prosperity, China was often able to escape major international scrutiny.

Another rationalist predictor of state behavior, the incentive of reputation and its separation into separate spheres of influence, may also help to explain why China had not initiated any great changes in its practices in the TAR, despite possible concerns about damaging its reputation from refusing to comply with the standards of the ICESCR, ICCPR, and the earlier ICERD. That is, China may not always feel obliged to follow through on its international commitments because the negative effects of noncompliance affect its human rights reputation, but not its economic or security reputations.

For instance, China at the turn of the century was seeking to enter the World Trade Organization (WTO) as a full member. In 1999, the United States agreed to support its bid for membership, which it received in December 2001, even though it remained simultaneously concerned about China’s regard for human rights. The U.S. displayed this behavior because it had no reason to assume that China’s lack of minority rights progress would affect its economic assurances. Similarly, by 2002, the PRC and the U.S. were increasingly beginning to cooperate on security and counterterrorism issues, despite continuing difficulties with China’s human rights record. In turn, because China’s reputation on matters of commerce and security did not directly relate to its reputation on human rights, and because China only wanted U.S. cooperation in the economic sphere, the PRC may have felt little obligation to maintain its humanitarian reputation.

One other possibility for the apparent lack of response in the PRC is that Chinese authorities initiated improvements in other areas such as its legal system rather than in the TAR in order to appease any international calls for change at less cost to itself. As Hauger-Burton notes, “Some dampen down only those abuses that help them to dodge blame for other violations they intend to continue.” China displayed this behavior in 2001, when Human Rights Watch noted, “Chinese authorities showed no signs of easing stringent curbs on basic freedoms,” but that “On the positive side, Chinese authorities continued to reform the legal system.”

Since the PRC considers stifling protest and enforcing its rule in Tibet to be an important goal, it would have considered
changing policy to support human rights to be too costly, whereas better institutional design for the courts, training for its judiciary, and informing citizens about the reform would entail considerably fewer costs. China’s use of low-cost pronunciations of intent to improve minority social and cultural rights also continues this behavioral pattern, since it allows China to avoid implementing the more costly action of actual reform.

One can see a similarly rational balancing of improvement and stagnation in China’s investment in Tibetan modernization, since modernization would eventually benefit the state’s agenda of national unification whereas reforms in education rights would not. China’s 2001 CERD report hints at China’s preference for economic reform over social and cultural reform, since it emphasizes the first goal far more strongly than the second one. This difference aligns with the PRC’s initiation of a project to build a Qinghai-Tibet railway, which would develop Tibet economically while connecting it more closely with the rest of China. Comments by TAR leaders suggested that preventing Tibetan separatism was related to the economic integration of Tibet as twin goals for the Chinese government. Increasing connections between the TAR and the rest of the country was a first step to making Tibet a part of China rather than an autonomous region with nationalist sentiments.44

By contrast, increasing the cultural education of the Tibetan minority might encourage Tibetans to retain an identity separate from that of China. Consequently, the Chinese government chose to blunt criticism over its treatment of minorities by increasing funding in areas that would further the ends of assimilation and largely ignore areas that are more costly to the state’s goals, such as reforming minority language and educational rights.

Finally, if international factors have been insufficient to explain China’s noncompliance on human rights, then domestic factors led to its continued lack of progress and occasional negative progress. One domestic factor that explains the ongoing discrimination against ethnic minorities, but that does not entirely explain any backpedaling on policy, is the lack of any major changes in the PRC government or the affiliated Communist Party of China around this time. The five years from 1997 to 2002 were also the second half of China’s leadership under Jiang Zemin, who was the General Secretary of the CPC from 1989 to 2002 and the President of the PRC from 1993 to 2003. Thus, the lack of change in political leadership would have been an obstacle to change in domestic policy. Meanwhile, China’s desire to appear cooperative with foreign countries such as the United States could have incentivized it to offer potentially empty declarations of support for humanitarian regimes.

A second domestic factor that had important significance in the TAR was the interaction between varying amounts of ongoing protest by Tibetans against PRC policies and the state’s responses to these protests. In general, protest in Tibet had been mostly peaceful during this period, whereas the government response was often swift and violent. For example, since 1999 was the 50th anniversary of the PRC’s founding, the 40th anniversary of an uprising in Tibet, and the tenth anniversary of the Tiananmen Square protests, the government feared disruptions in the country’s stability. As a result, it chose to increase its control over potential dissidents rather than grant any concessions to change.45 Because the exiled Dalai Lama continued his criticism of China while abroad, the government continued to view all protests in Tibet as a secessionist threat to its control of the TAR.46 China may have viewed the cost of treating Tibet as a separate culture with a separate identity as too high. If the flourishing of the Tibetan language and culture in schools could encourage separatist movements, then this policy would be too great of a sacrifice in China’s eyes.

Based on analysis of constructivist and realist factors, a number of variables have come to the forefront as explanations for the PRC’s ongoing discriminatory practices in the TAR. First, examination of the evidence suggests that any processes of institutionalizing new norms from participation in the international human rights regime have been slow to gain traction, although the focus of the PRC’s White Papers on human rights indicates the possible beginnings of change. Thus, the applicability of constructivist mechanisms remains in question, although they may have had a subtle contribution that will appear more clearly in future years. Meanwhile, rationalist arguments that consider the costs and benefits of various policies, whether in the domestic or in the international realm, are most persuasive in explaining China’s behavior because they provide insight into why the PRC would retain its discriminatory practices.
Implications of Chinese Minority Rights for International Human Rights Regimes

The PRC's treatment of its minority autonomous regions highlights the difficulties faced by the United Nations and other international bodies in enforcing its human rights regimes through multilateral treaties such as the ICESCR and ICCPR. The fluctuation of international pressure on China from countries such as the United States suggests that other nations often have less of an incentive to focus on rights than they do on practical matters of economics and international security. Although outside states showed the desire to promote minority rights in China, they were content during the late 1990s to encourage PRC reform in promoting a limited form of capitalism. China was thus able to better its relations with other major countries while avoiding confrontations on the subject of human rights, whereas noncompliance on issues of defense or commerce often has more immediate reactions by other states as well as clearer consequences in terms of sanctions and other types of enforcement. Using human rights regimes to institutionalize desired state behavior is a difficult task when the enforcing states have to balance human rights against other priorities, such as national unity.

China's lack of compliance suggests that states will often respond more in the short term to rational costs and benefits than to the habituating of norms that result from committing to the principles of a multilateral treaty and participating in the regime. The PRC's policy, for example, tended mainly to reflect its ongoing goal of assimilating Tibet into China and suppressing separatist sentiments, with some verbal declarations in favor of minority rights and carefully chosen economic reforms in order to appease criticism. The case of China emphasizes that the act of signing multilateral treaties does not necessarily generate change in countries that are not already inclined to liberal reform. Rather, it gives these states an avenue to assert their intent to support human rights, which may allow the state to defuse criticism over its policies while devoting more energy to other avenues of international relations, such as trade. In the long-term, states such as China may come to truly institutionalize the norms of treaties such as the ICESCR and the ICCPR, but they may require incentives that are more powerful.

As of the writing of this paper in 2010, the Chinese government still displays many of the same impulses as during the period from 1997 to 2002 in the Tibet Autonomous Region. China ratified the ICESCR in 2001 and thus has been bound to it by law for nearly a decade, and it continues to trumpet its promotion of minority rights. However, Tibetans still face discriminatory practices from the Chinese government. Teaching practices still favor Chinese students and Chinese speakers over Tibetans, and efforts to segregate Tibetan and ethnically Chinese students into different schools have continued.47 As long as the PRC's domestic politics emphasizes national unity over human rights, there will continue to be a disconnect between stated Chinese policy and its actual implementation of minority rights.

Endnotes

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10. Office of the United Nations High

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The European Union (EU) established its first peacekeeping operations in 2003. This is a particularly interesting phenomenon since the EU was founded on political and economic cooperation. This paper analyzes the security factors that lead to the establishment of peacekeeping operations (PKOs) by analyzing the EU PKOs in the Democratic Republic of the Congo and the Former Yugoslav Republic of Macedonia. The findings reveal that security interests, particularly the desire to maintain peace and increase international recognition, influence the EU’s decision to intervene by framing the way in which it deals with humanitarian crises and human rights violations.

Introduction

Although established under the Maastricht Treaty in 1992 to secure lasting peace through regional economic and political cooperation, the European Union (EU) has more recently been a predominant actor outside of its own borders, particularly through peacekeeping operations (PKOs). The EU’s new role in PKOs is, therefore, becoming an increasingly important topic to understand in light of international cooperation and conflict resolution.

Most scholarship regarding PKOs focuses on why specific countries intervene in a conflict area, what peacekeeping operations do on the ground, and in what aspects these operations succeed or fail to establish and maintain peace.1 Scholarship is focused on why states decide to take political and military action through the auspices of international organizations (IOs).2 Research on why IOs themselves – including the EU – decide to intervene in conflicts is lacking. This paper focuses on the IO itself and asks which security factors lead to the decision by the EU to establish PKOs. A better understanding of these factors will provide a foundation upon which to further study PKOs as a whole, as well as how to improve them in the future. This paper looks at the possible security interests that may have influenced the establishment of a PKO in FYROM and the DRC in the following two case studies:

1. The 2003 EU intervention,3 Operation Concordia, during the Macedonian Conflict (2001-2003) in the Former Republic of Macedonia (FYROM);

While economic interests of the EU should not be overlooked, this paper only analyzes its security interests in light of the organization’s developing Common Security and Defense Policy. This shows, through a cost-benefit analysis, that security interests influence the way in which the EU, and by extension other IOs, deal with conflicts and human rights violations.

Theory, Hypotheses, and Methodology

While several forms of peace support operations exist, including humanitarian intervention, peace

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enforcement, peacekeeping, peacemaking, and peace building, this study focuses simply on PKOs. The other forms of PSOs are not discussed, not because they are less important than peacekeeping, but because the differences between them are often minute, unclear, and disputed among scholars. In addition, EU missions tend to involve several of the various forms of intervention; the organization itself, however, generally refers to all operations as PKOs. This paper addresses these missions in the same way as the intervening organization while noting that many cases, particularly in the DRC, are not simply PKOs; they take on characteristics of other forms of intervention as well. For this reason, the study strongly argues for the necessity of a critique regarding the way in which the EU and other IOs frame their intervention operations and evolving mandates.

Because PKO mandates have changed throughout the years and peacekeeping in itself is a complex topic it is unnecessary to define the term, “PKO.” In general, “peacekeeping is a technique designed to preserve the peace, however fragile, where fighting has been halted, and to assist in implementing agreements achieved by the peacemakers.” Traditional, or first generation, peacekeeping – referred to by Dag Hammarskjöld as “Chapter Six and a Half” missions – involves only military tasks, including observation and supervision. Multidimensional, or second generation, peacekeeping is intended to build sustainable peace through humanitarian, economic, political, and social components. These components can include “helping build sustainable institutions of governance, human rights monitoring, security sector reform, disarmament, demobilization and reintegration of former combatants.” Although discussions remain regarding what exactly constitutes a peacekeeping force, scholars generally accept certain functions as being key aspects of any PKO.

First, PKOs are undertaken under the consent of the parties involved in the conflict. Second, PKOs are launched in order to maintain peace, not to restore peace. In other words, peacekeeping forces are intended to ensure a level of peace already established under a peace agreement. This paper regards these two criteria as given. While PKOs carry a variety of objectives, for the purposes of this paper peacekeeping is considered a multidimensional approach. Three functions are necessary in order to be considered a PKO: (1) Observation, monitoring, and reporting; (2) Liaison with the parties involved in order to facilitate a peace agreement and ensure the protection of human rights; and (3) Operational support to local law enforcement, through training, to ensure the rule of law. All of these criteria are found in the FYROM and DRC case studies.

These cases are useful for several reasons. First, the cases are both post Cold War-inspired interventions. In other words, they represent interventions in which the main cause was not based on promoting a certain political ideology within the Cold War context. Second, major human rights violations were present. In both cases, Human Rights Watch (HRW) and Amnesty International (AI) reported three types of violations: (1) Civil human rights violations, such as arbitrary arrests, denial to a free trial, and extrajudicial executions; (2) Violence and abuse violations, including torture and cruel, inhuman, and degrading treatment; and (3) Civilian massacres, arbitrary killings, and ethnic violence. Even while the cases present many similarities, they also provide important variation to the study. While these human rights violations were cited in the official documents calling for intervention in the DRC, they were not alluded to as great an extent with regards to FYROM. The two case studies also represent internal conflicts in two separate areas of the globe. This variation provides insight into possible
similarities and differences in the EU’s reasoning behind establishing PKOs in conflicts with varying degrees of violence and in different parts of the world. To further examine each case study, this paper looks specifically at the EU in order to gain a better understanding of why it established these PKOs.

The main argument of this study is that consequential rationality influences the way in which the EU views its role and identity as an international actor. Based on James March and Johan Olsen’s logic of consequences, the idea of consequential rationality argues that IOs are rational actors that make decisions based on expected outcomes. Proponents of the logic of appropriateness, however, maintain that these same actions are the result of “senses of identity,” i.e. social norms and values, regardless of the possible outcomes. Recognizing that one process cannot take place without the other, this study looks at relationship between the two logics, the former influencing the extent to which the latter is considered when establishing a PKO.

Thus, when security benefits outweigh the costs of intervention, the EU would be more likely to heed its role as an IO and establish PKOs in order to protect civilians and ensure future prosperity. If, on the other hand, security costs outweigh the benefits of intervention, it would be more likely to overlook its identity as an international actor and fail to establish a PKO. In other words, security factors would determine the way in which the international community views and deals with humanitarian crises and human rights violations, which are generally used to provide legitimacy to a PKO.

In order to assess the specific factors behind the dependent variable, i.e. the establishment of PKOs, four independent variables are looked at within the larger scope of security interests: status quo interests, balance of power interests (BoP), the level of violence, and the quest for international recognition. First, how does the level of violence taking place in the conflict zone affect the decision to intervene? The level of violence is measured by using another study by the International Peace Research Institute in Oslo. Armed conflict is divided into three categories: Minor Armed Conflict, Intermediate Armed Conflict, and War. Minor Armed Conflict is defined as having at least 25 battle-related deaths per year, but fewer than 1,000 battle-related deaths during the entire course of the conflict. Intermediate Armed Conflict is considered as any conflict with at least 25 battle-related deaths per year, a total of at least 1,000 deaths during the entire course of the conflict. The level of violence is measured by using the language used in official reports by the Council of the EU, the body that deals with establishing PKOs, in order to determine whether a country is of high or low strategic interest. High status quo interests, i.e. the desire to maintain or establish peace, should lead to a higher chance of PKOs (hypothesis 2); high BoP interests should also lead to a greater likelihood of intervention (hypothesis 3).

Finally, this paper analyzes how the quest for increased international recognition leads to PKOs. International recognition is operationalized by the potential political benefits (internationally) gained from establishing a PKO. In order to further operationalize potential political benefits, the paper looks at two criteria: whether the PKO could positively affect the EU’s – and its individual member states – zone of influence, and whether intervention could help the EU gain international clout. This paper analyzes international recognition interests and their role in establishing PKOs by reviewing the international political scene at the time of intervention. The study hypothesizes that the EU is more likely to intervene in conflict situations
in order to establish, maintain, or increase international political clout (hypothesis 4) (See Appendix A).

Role of Identity

When considering the factors involved in the decision to establish a PKO, the role of the EU’s identity cannot be overlooked. Many scholars argue that, due to changing morals and values throughout history, the international community views humanitarian purposes as a major source of legitimacy for intervention. In the EU’s founding document, the Treaty on European Union, member-states highlight their “principles of liberty, democracy and respect for human rights and fundamental freedoms and of the rule of law.” This identity is centered on the maintenance of peace and diplomacy between nations, the protection of human rights, and trade with like-minded countries. Because human rights, democracy, fundamental freedoms, and the rule of law were clearly absent in both FYROM and the DRC, the two conflicts were clearly examples of what the EU is supposed to circumvent within its own borders. More interesting, however, is why the EU decided to intervene in two conflicts outside of its own borders. Intervention in these cases allowed the EU to show the world that it was a world power with clear economic, political, and foreign policy objectives. While humanitarianism was certainly an important factor in creating a PKO in each respective conflict, the EU had other interests that helped determine and shape its role and its identity within the international community.

Case Study: Former Yugoslav Republic of Macedonia

With the fall of the Soviet Union, relations between the various ethnic groups within the Balkans began to disintegrate as Serbia increasingly asserted its dominance within the federation. With the secession of Slovenia and Croatia in 1991, and the subsequent reaction by the Serbs, the region was thrown into several ethnic conflicts, referred to as the Yugoslav Wars. Ethnic tensions between Macedonian Slavs and Albanians flared up in 2001, culminating in EU peacekeeping efforts through Operation Essential Harvest and Operation Concordia. Maintaining peace and stability, however, was so important that it largely overshadowed human rights violations in the country. Western diplomats argued that the “Macedonian military had shown restraint in their operations, which were judged to be ‘proportional’ to the threat from the ethnic Albanian insurgents.” In fact, the official EU document establishing Operation Concordia in Macedonia does not mention any human rights concerns, pointing to the influence of security interests in establishing PKOs. The EU intervened in Macedonia regardless of the ongoing level of violence, therefore providing inconclusive evidence in support of hypothesis 1. Instead, it is more likely that the EU intervened in the country because of the concern of rising violence and the desire to increase its international presence.

Status quo and Balance of Power:

The EU regarded the situation in FYROM as a regional security issue and was interested in maintaining peace and security in order to “help contribute towards a peaceful, democratic and prosperous country, where an international security presence is no longer needed.” There was feasible cause to believe that the conflict might escalate into a regional conflict, hurting the EU both politically and economically. Since the beginning of the 1990s, the events in FYROM had been framed in terms of regional peace and security implications. In 1998, the Minister of Foreign Affairs, Blagoj Hanziski, wrote to the UN Secretary General, describing the importance of the unstable border regions with Kosovo and Albania as having “dreadful consequences for
the peace and stability in the whole of Europe. These regional security concerns had not subsided by the time Operation Concordia was launched in 2003.

The potential regional security implications of a large-scale conflict in Macedonia were huge. These included the possible instability associated with refugees and the migration of people across borders, including the spread of conflict and a lack of resources due to overcrowding. The PKO was largely a preventative operation to ensure that violence did not escalate to the point that it could threaten European peace. Maintaining peace in the region was a very high strategic interest for the EU and helps explain why the EU took over the NATO mandate on March 31, 2003. Therefore, the EU mission in Macedonia supports hypothesis 2.

BoP interests, and the potential shifts within this balance, were also very much a concern when it came to FYROM. A Western-led regional PKO would ensure that Russia – a staunch supporter of Macedonia since its independence in 1991 – and its recently elected president, Vladimir Putin (who was very interested in increasing Russia’s international position), stayed out of the Balkans. More importantly, it firmly established the Balkans under EU jurisdiction and influence. Greece, as a member of the EU, was particularly concerned with not only maintaining peace in the region, but also maintaining a European influence in the Balkans, which act as a geographic link between Greece and the rest of Europe. Operation Concordia also ensured the non-participation of Serbia and the prevention of another war in the Balkans. Thus, Operation Concordia supports hypothesis 3. The decision to establish a regional PKO was very much a strategic decision by the organization.

International Recognition: The EU was clearly influenced by the quest to actively increase its international recognition. The EU is very clear about its intentions for FYROM and the region; a PKO in FYROM would “facilitate closer integration with the EU,” opening up relations with FYROM and the region that would eventually lead to EU membership. It also wanted to “facilitate closer relations with the EU and NATO” and worked with NATO forces in the establishment of Operation Concordia.

It is clear, however, that the EU was also interested in asserting its influence in Europe outside of NATO. In the previously mentioned document, plans to assert its independence and its status as a world power. Operation Concordia was very much a rational step in its larger foreign policy plan – the establishment of a common EU foreign and defense policy, EU independence from NATO and the US, and EU enlargement – more than it was lending a helping hand to FYROM.

Creating a larger EU with a common foreign and defense policy would, in turn, help it gain international political clout if it succeeded in this mission. Furthermore, the EU, tarnished by its earlier failure to create peace in the Balkans, wanted to show the world that it was capable of military intervention; Operation Concordia became its first solo mission without an official UN mandate. Concordia demonstrated that EU intervention could, in fact, take place independent of the UN and NATO. In regional affairs, legitimacy did not always have to stem from the UN. In essence,
that the EU was concerned with the consequences involved in intervention.

The EU intervened in FYROM despite low levels of violence, suggesting that it was much more influenced by the presence of status quo and BoP concerns, or the implications of intervention and non-intervention (i.e. the logic of consequences), as well as hopes for international recognition. This case study therefore supports the main argument that the decision to establish Operation Concordia was a rational decision based on the consequences involved and how these consequences affected the organization’s identity.

Case Study: Democratic Republic of the Congo

The DRC was thrown into crisis after the Rwandan genocide of 1994, when approximately 1.1 to 1.25 million Hutu refugees, including former soldiers and militiamen, were forced out of Rwanda to settle into refugee camps in the North and South Kivu provinces of the DRC. Hutu militiamen and soldiers began using refugee camps to attack Rwandan and Congolese Tutsis. External countries, including Rwanda, Uganda, and Angola, intervened (not under UN auspices) in the DRC, taking Mobutu Sese Seke, a Hutu supporter, out of power and installing Laurence Kabila. Under Kabila, however, violence in the region continued to escalate, culminating in the Second Congo War (August 1998 to July 2003).

Although human rights, including the issue of refugees and access to humanitarian assistance, seem to have been a more relevant concern in the DRC, security concerns were also prevalent, shaping the way in which the EU approached human rights violations. Official EU documents regarding the DRC reveal a changing conception of its role as international peacekeeper. The EU was just beginning to establish itself internationally. Even though it expressed a willingness to support activities aimed at establishing political and economic stability, it continued to view the conflict as largely an African problem that required an African solution. At the request of the UN, however, the EU temporarily took over the mission in the DRC in 2003 through Operation Artémis.

Level of Violence: Gleditsch et al. categorizes the conflict in the DRC as War from 1998 to 2000 and Intermediate Armed Conflict starting in 2001. Though the level of violence had declined to an Intermediate Armed Conflict, it still affected the EU’s decision to establish Operation Artémis in the DRC in 2003. Although there was no mention in the mandating document of violence being targeted towards peacekeepers or humanitarian workers, there was international outcry of the risk of genocide in the region. The EU launched Operation Artémis on 5 June 2003 in accordance with UNSC Resolution 1484 in order to protect civilians and “promote the peace process at the national level.” The EU operation was a continuation of the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC), taking over during a time when the UN was being criticized for its failure to end the violence. In other words, continuing intermediate levels of violence led to the establishment of Operation Artémis. Operation Artémis supports hypothesis 1; medium to high levels of violence are more likely to lead to peacekeeping operations by the international community.

Status quo and Balance of Power: In the case of the DRC, the international community changed its perception of status quo and BoP interests within the DRC. Though this conflict was originally viewed as a humanitarian situation and a regional problem, the EU saw an opportunity to expand its foreign policy past its own borders. Thus, while the conflict in the DRC did not pose a great direct security threat to Europe, in the end, the security implications associated with non-intervention forced the international community to take action. The rationale behind this final action is again evident in official documents concerning the DRC.

The events taking place in the DRC were initially of low strategic interest to the EU. In 1995, however, the EU Summit in Madrid officially sanctioned security problems in Africa as a concern for Europe. The Directorate-General for development within the EU also began focusing on conflict prevention in the region, including “strengthening African capacity for conflict management.” These developments point to an increased concern for peace and stability in Africa. The EU began to increase its influence abroad.
by spreading EU values of democracy
and human rights. In 1999, it supported
the Lusaka Agreement, as well as the
UN and OAU PKOs, expressing its
“support for activities which contribute
to political stability and the alleviation of
economic and social problems which
contribute to instability in the Great
Lakes region.” Even though it was
only willing to intervene in the DRC with
a UN mandate, the EU was obviously
concerned with changing the status
quo from one of instability to one of
stability, further supporting hypothesis
2. However, while the EU was
concerned about human rights in Africa, this concern was partly due to its desire
to increase its global presence.

Because of the nature of the EU, it was interested in changing the BoP
by asserting itself as a valid IO and
increasing its international status.
Additionally, national interests played a
dominant role in the establishment of
Operation Artémis. France in particular viewed the Congo, the biggest country in the francophone world, as a vital
tool to continuing the francophone culture and French dominance on the
African continent. France had also
undergone much international critique after its failed intervention in Rwanda
and wanted to prove itself as a military actor. It also simply wanted to show
that France was still an important and
relevant player in international relations.

Planning a mission named Operation
Mamba when the “French President
Chirac realized this intervention would
be the ideal case to prove the capacity
of the EU to act autonomously from
NATO.” This conclusion supports
hypothesis 3.

International Recognition: The
originally planned French mission was
thus “Europeanized” and renamed
Operation Artémis. France, however,
remained the leader in the operation,
which was largely influenced by the
country’s desire to increase its own
international recognition and the EU’s
status in international politics. Much
of this sentiment stemmed from tense
relations between France and the US,
the former believing that the latter had
too much influence on the European
continent through its membership and
leading role in NATO. France saw the
EU mission as an opportunity to show
the United States that France and the
EU were capable of having a powerful
military force outside of US and
NATO influence. France and Germany viewed the EU peacekeeping force as
a means of proving the sustainability
and credibility of the Common Foreign
and Security Policy (CFSP). The
desire to consolidate the EU’s zone of
influence, as well as increase France’s
military, political, and cultural influence abroad, greatly influenced the decision
to intervene on the African continent,
further supporting hypothesis 4.

The EU was concerned with
maintaining peace and stability in the
region, as well as the level of violence
found in the DRC. The EU’s mission
was launched in part because of
continuing violence and the failure of
the UN mission. This decision was,
however, greatly influenced by the
chance to expand the EU’s foreign and
defense policy, as well as the leadership
of France in implementing the mission.
In the case of the DRC, the overall
hypothesis regarding security interests
– that high security interests are more
likely to lead to peacekeeping – proved
true.

Conclusion
Because PKOs must be developed
in order to fit the specific circumstances of
each individual conflict, the factors behind
establishing a PKO will invariably differ
according to each conflict. Additionally,
there is a certain degree of subjectivity in
terms of the costs involved in establishing

"These security factors help frame humanitarian crises and human rights situations in a conflict; consequential rationalism influences how IOs conceptualize their identity and role in society. "

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a PKO versus non-intervention. The only way to determine how individuals within these IOs defined the costs involved and analyzed the independent variables outlined in this paper is through direct interviews. That being said, this paper outlines some of the factors involved in order to show that there are general similarities in terms of the security interests behind the establishment of a PKO. These security factors help frame humanitarian crises and human rights situations in a conflict; consequential rationalism influences how IOs conceptualize their identity and role in society. The study further reveals that IOs do, in fact, undergo a cost-benefit analysis before intervening in a conflict. If the overall benefits outweigh the overall costs, IOs will be more likely to establish PKOs, thus supporting the overall hypothesis of the paper. However, this study also reveals several diverging outcomes of particular interest for further study.

Certain security interests tend to be more important than others (see Appendix A). The EU was very much influenced by its desire to maintain or change the status quo, change the BoP, and increase its own international power. Its status quo interests in FYROM were of more direct concern than those in the DRC, helping to explain why the EU did not require a mandate from the UNSC before intervening in FYROM. This would suggest that the EU, as a regional organization, is much more concerned about maintaining peace in its own region. There was, however, no correlation found between the level of violence and EU intervention. More important to the EU was the possibility of increasing violence and the implications this would have on regional stability.

The findings of this study can be applied to other IOs as well, including the UN.

Understanding the reasons behind PKOs can provide insight into why PKOs succeed or fail. Although determining the success of a PKO is beyond the scope of this study, it deserves further investigation, bearing in mind the original mandates and incentives for intervening. This would require further study through the addition of more case studies involving various types of conflict, locations, influencing factors, and IOs. A more in-depth analysis of the IOs themselves is also necessary in order to get a better sense of the bureaucratic processes involved in the decision to establish a PKO. In order to fully understand PKOs and other PSOs, as well as their likelihood to succeed, it is imperative that we understand the ways in which political, economic, and security factors influence operations that are largely purported to support humanitarian efforts and protect human rights. Only when we understand the true nature of these missions will the international community be able to establish PKOs that lend themselves to sustainable peace and development in conflict-ridden areas.

"In order to fully understand PKOs and other PSOs, as well as their likelihood to succeed, it is imperative that we understand the ways in which political, economic, and security factors influence operations that are largely purported to support humanitarian efforts and protect human rights."

APPENDIX A

<table>
<thead>
<tr>
<th>Overall Hypothesis: PKOs are more likely when the benefits of intervention outweigh the costs of non-intervention.</th>
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<tbody>
<tr>
<td><strong>Hypothesis 1</strong></td>
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<td><strong>Hypothesis 2</strong></td>
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<td><strong>Hypothesis 3</strong></td>
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<td><strong>Hypothesis 4</strong></td>
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</tbody>
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End Notes


ii. For the purposes of this paper, the term “intervention” refers to the presence of third party actors who are fundamentally involved in the conflict in the form of PKOs established by international organizations, as opposed to forced intervention by a single or group of states.


v. Ibid.

vi. For the purposes of this paper, the term “intervention” refers to the presence of third party actors who are fundamentally involved in the conflict in the form of PKOs established by international organizations, as opposed to forced intervention by a single or group of states.


ix. For the purposes of this paper, the term “intervention” refers to the presence of third party actors who are fundamentally involved in the conflict in the form of PKOs established by international organizations, as opposed to forced intervention by a single or group of states.


xi. Ibid.


xlii. Ibid., 90.

xliii. Ibid., 90.

xlv. Ibid., 90.

xlvii. Ibid., 90.

xlviii. Ibid., 90.

xlix. Ibid., 90.

l. Ibid., 90.

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In this article, I explore the intersection between microfinance and neoliberalism, with the goals of demonstrating the serious problems that exist in the microfinance system today as a cause of neoliberalism and to providing commentary on the nature of neoliberalism as implemented in developing countries. I argue that the problems in the microfinance system could be resolved with a public education system that combines Freirian principles with capacity building. This conclusion shows that education should not be eliminated as part of neoliberal reforms, since it is key to the success of developmental strategies like microfinance.

Introduction

By awarding the Nobel Peace Prize in 2006 to Mohammed Yunus for his work with microfinance, the Nobel Committee demonstrated the importance of microfinance as a key strategy for economic development around the world. Despite its reputation for pulling families and communities out of poverty, microfinance is precipitating more harm than good in many of the societies where it is present. In this article I explore the problematic aspects of the microfinance industry that are a result of the omnipresent global neoliberal regime. I use this analysis as the basis for a commentary on the implementation of contemporary neoliberalism. The goals of this article are two-fold: firstly, to demonstrate serious problems (and their solutions) in the current operation of microfinance institutions, and, secondly, to use these problems and their solutions to comment on the nature of contemporary neoliberalism as implemented in developing countries.

To achieve these goals, I argue, in agreement with other scholars, that neoliberal policies and mentalities are indeed negatively impacting the success of microfinance. The main academics that I engage with in this article are Milford Bateman and Yogendra Shakya, who have both studied the relationship between microfinance and neoliberalism in various contexts. Bateman’s work, while having an international scope, has particularly focused on the Balkans, and Shakya’s research is from Nepal and Vietnam. However, I do not agree entirely with this existing scholarship, which states that these problems are a result of an intrinsic relationship between microfinance and neoliberalism. I argue, rather, that these are solvable problems that public education and health policies can resolve. Since public education and health initiatives have typically been eliminated as a result of neoliberal policies, I argue that my conclusions provide a commentary on the effectiveness of neoliberalism overall. I base my argument on research conducted through interviewing microfinance institutions and clients in both Nicaragua (September-December 2009) and Mexico (May-August 2010). I chose to work in Nicaragua and Mexico because these countries present completely different microfinance sectors, as explained later. The questions asked in these interviews addressed the larger question: “What is the relationship between neoliberalism and microfinance?” In this article I use the microfinance industry as a case study.

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for the impacts of neoliberalism. This article begins with a definition of both neoliberalism and microfinance. This is followed by a prescription of the problems that microfinance institutions experience, particularly those that are related to neoliberalism. After discussing the negative impacts of neoliberalism, I show how education and health can respond to these problems, focusing on the specific form that education must take to be successful. I conclude by discussing what these results elucidate about how to improve microfinance specifically and neoliberalism overall.

Definitions

This article defines neoliberal policies primarily through their economic dimensions, while recognizing that this definition has some limitations. Neoliberalism is a set of policies, as laid out by John Williamson in “The Washington Consensus,” that the United States has advocated since the 1980s as key to economic development. These policies focus on minimizing external state debt through lowering state expenditures and improving rule of law and the strength of the market in developing countries. Despite popular misconceptions, neoliberal policies do support public education and health. However, they place a greater priority on eliminating state debt, which has frequently led states to cut education and health programs in order to achieve this larger goal. In Nicaragua and Mexico, much like their Latin American and developing nation counterparts, neoliberalism has not brought the economic success that it promised, and has instead increased the gap between the rich and poor and eliminated a number of social services, including public health and education programs. However, the differences in the implementation of neoliberalism in the two countries demonstrate that neoliberal policies are not as monolithic as they are typically conceived. To elucidate, Mexico continues to have strong public health programs for all formal sector workers and partial state ownerships of oil, while Nicaragua has eliminated both public health and state ownership. These differences are key to my later argument that neoliberalism can be adapted, as these examples demonstrate that neoliberalism is not monolithic.

In an interview at MiCrédito, a microfinance NGO in Managua, Nicaragua, Director of Operations and Finances Veronica Herrera stated, “Microfinance organizations are working to reduce poverty. This is our reason for being, especially the organizations that work with rural population, where poverty is greater. Therefore, we cannot be linked to neoliberalism.” This conception of microfinance institutions—believing that they all work for the common good—is prevalent within popular consciousness, governments, and NGOs around the world. While there is no singular or consistent definition of what constitutes a microfinance institution (MFI), this article defines an MFI as any institution that provides banking services to populations that otherwise would not have access, with a focus on credit to be used for productive activities. While microfinance experiments had been tried before, Mohammed Yunus brought microcredit to the world’s attention with his successful Grameen Bank in rural Bangladesh, which he began in 1977. As microfinance has spread throughout the world, the model that Yunus initially used has adapted. In Nicaragua, most microfinance institutions are NGOs that receive their funds from international corporations and thus are tied to these corporations’ repayment regulations. They typically charge interest rates between 20 to 40 percent per year but have almost completely abandoned the policy of group collateral. In Mexico, microfinance institutions represent a broad spectrum of institutional design. There are NGOs that follow Yunus’ design, as well as a number of commercial banks, such as Compartamos Banco, that charge as much as 68 percent per year in interest. What is unique about the Mexican sector is the presence of government programs that require both assets and collateral from another individual, but only charge 13.5 percent interest per year, which is the lowest rate in the country. Based on this understanding of both microfinance
and neoliberalism, this article now delineates the specific problems with microfinance that are causing its failure and how these problems are the result of neoliberalism’s implementation.

The Problem with Microfinance

In surprising contrast to popular consensus, microfinance is not alleviating poverty in many of the communities where it is utilized. There are various reasons that academics have cited to explain this lack of success. This article will briefly explain some of the general causes and then focus on the specific role of neoliberalism’s implementation in promoting this failure.

General

Currently there exists an academic debate about the success of microfinance institutions. The conclusions of this debate lead me to argue that a microfinance institution’s success in alleviating poverty is entirely context-based. My article specifically argues that the public health and education services available are what explain patterns of success or failure. However, before arriving at that conclusion, it is important to address the other investigations that have detailed the problems microfinance institutions experience, as this provides context on the specific ways that neoliberalism impacts microfinance. Some studies have concluded that microfinance institutions fail when they cannot find the balance between having a broad base of clients and working with each client in depth, or that market failures cause microfinance failure.

Studies that look at the role of non-financial services in the success of microfinance institutions are the most relevant to this article’s discussion. These are services such as empowerment programs, health care and financial education. In all of these studies, individual MFIs provide these services rather than the government. For example, McKernan finds that in Bangladesh non-financial services caused an increase in the clients’ income that was between 84 percent and 115 percent. The role of educational services, as provided by the MFI, has received special attention. There are five econometric studies: Karlan y Valdivia, Bjorvatn y Tungodden, Edgcomb, Cook et. al, and Dumas that have attempted to find a relationship between education and the success of microfinance institutions. All five studies examine financial education programs that were provided by the MFI for its clients. They all arrive at the conclusion that financial education increases the profits that clients earn, and therefore the success of the MFIs themselves.

The studies are also in agreement that the clients who lacked basic skills (rudimentary mathematics and literacy) are those who benefited the most from the financial education programs provided. The theory behind this result is that education leads to an increase in human capital. This analysis shows the impact that contextual factors such as education have on the success of microfinance clients and their “partner” institutions. I will explore in greater detail the specific impact and role of education as the solution to the problems that result from neoliberalism after defining these problems.

Neoliberalism

In recognizing that microfinance institutions are not as successful in bringing their clients out of poverty as popular conceptions would lead us to believe, Milford Bateman and Yogendra Shakya argue that neoliberal economic policies are at the root of these failures. They contend broadly that microfinance cannot be successful because it is intrinsically linked to neoliberal policies and ideas. I also argue that the enactment of neoliberalism has been the main source of problems for the microfinance industry but that this link is not intrinsic and therefore can be broken. I argue that, in the long run, the introduction of public health and education programs can lead to microfinance being successful. In the following sections I will delineate the ways in which neoliberalism has led to the failure of microfinance.

Substitution
One of the two main ways in which neoliberalism has impacted microfinance is in the design of the overall model, which focuses strongly (or in some cases exclusively) on the ability of the market and maximizing profits. This model has led to problems such as substitution, the inability to utilize economies of scale and the lack of empowerment. Bateman, Garrido, Ruiz, and Bornstein explain that clients of micro-businesses almost always live near the businesses they patronize. When there are too many businesses for the clientele of a location, some or all of the businesses cannot be successful, which causes substitution. Substitution occurs due to the proliferation of MFIs that promote the maximization of the number of loans rather than the quality of each loan, which maximizes short-term profits. In this situation, micro-businesses cannot be successful because there are too many similar businesses in their vicinity, while there is not enough clientele to satisfy each business’ profit needs. This problem can be seen in the number of changarros in Mexico or pulperías in Nicaragua, which are present on every street corner and sell almost identical products. These businesses compete with each other, creating quick failure for many. This problem occurs because of the neoliberal environment based on market success (i.e. maximizing profits) that encourages MFIs to maximize the number of loans they give out. 

**Economies of Scale**

Another problem resulting from the neoliberal nature of the microfinance model is the failure of micro-businesses to achieve economies of scale. Bateman explains that some businesses, particularly those in agriculture and industry, cannot be successful as micro-businesses because they need an economy of scale to make a profit. For example, in Mexico many micro-loans are directed towards agriculture, particularly cultivating corn. Since the signing of NAFTA, these small farms cannot compete with imported and subsidized corn from the United States without taking advantage of economies of scale. Therefore, these micro-businesses are frequently unsuccessful in garnering a profit. This problem also comes from a neoliberal mindset that maximizes the number of loans instead of devising creative manners to provide larger loans to individuals or groups. It also comes from the neoliberal mindset that emphasizes individuality rather than utilizing the possibility of group loans. In the next section, I will explain in more detail how this problem can be resolved without abandoning microfinance.

**Empowerment**

Microfinance proponents exalt its capacity to empower the poor, especially women. However, Bateman emphasizes that micro-credit does not empower poor populations. He explains that in developed countries such as Great Britain, there is a history of helping the poor to create small businesses in order to take away their power. Micro-businesses have the ability to take away power, he argues, because they allow a poor person to gain enough wealth to no longer protest against the system, but not enough to gain power and influence within that system. The Morgenthau plan is an example of this strategy. In the next section I argue that in conjunction with education, micro-businesses will not take away the poor’s power.

The link between neoliberalism and microfinance results in many problems. While Bateman argues that this set of problems is inherent to the model itself, I argue that they are perversions of the model. I argue this because there are microfinance institutions, such as Fondeso in Mexico City, that are able to avoid these problems without ceasing to provide micro-credit. I will explain in more detail how they avoid these problems in the next section and what this says about the solutions I propose. Bateman and I additionally define a second category of problems, those that arise from the commercialization of the microfinance industry.

**Commercialization**

The term “commercialization,” when applied to the microfinance industry, refers to any set of practices that have
introduced commercial motives (i.e., profit generation) into the management of microfinance institutions. *Compartamos Banco* is perhaps the best-known commercial bank. *Compartamos*, which has operations throughout Mexico, went through the Initial Public Offering (IPO) process in 2008, making it the first microfinance bank to trade publicly.35 A key result of the IPO was full disclosure of financial documents, thus opening *Compartamos* up to a plethora of criticism based on its high interest rates (officially 68 percent per year, while anecdotally above 100 percent per year) as well as other practices, such as bonuses for CEOs, that place profit generation over the bank’s dual social mission.36 Commercialization can also take on less obvious forms, such as the use of commercial sources to fund NGO micro-credit banks, which is occurring in Nicaragua. Commercialization has rendered these microfinance institutions inflexible to the demands of clients. In the case of Nicaragua, a fairly large social movement (known most commonly as *El Movimiento No Pago*) has begun, demanding decreased interest rates and longer time periods for repayment, with which the NGOs cannot comply since they are tied to the regulations of their corporate sources.37 The commercialization of the microfinance industry is directly related to neoliberal ideals, since neoliberal ideals teach that institutions can successfully garner profit and simultaneously support the social goal of ending poverty. I argue, in agreement with Bateman and Shakya, that the commercialization of the microfinance industry is problematic for microfinance clients due to its negative impact on the types of loans made, the clientele the bank seeks, relationships established with corporations and the desire for self-sufficiency by the microfinance industry. I argue that commercialization is a perversion of the original microfinance model. The solution to the problems it generates lies in the form of public education and health programs.

*Types of Loans*

When microfinance institutions attempt to earn a profit, they frequently begin to offer loans for consumption, rather than simply loans for productive activities, since this allows them to provide more loans with higher interest rates.3839 Bateman explains that most people who receive consumption loans use this money to purchase food or medicine, which do not accumulate value over time. Shakya emphasizes that consumption loans start a cycle of debt that is difficult, if not impossible, to break,40 and therefore harm clients.

*The Clientele*

Another problem that results from the commercialization of MFIs is that these institutions no longer help the poorest members of society, as their social mission would require of them. In interviews that I conducted in Mexico and Nicaragua, the heads of microfinance institutions told me that their clients are not as successful as they could have been because they lacked access to health and basic financial education services.41 Therefore, many commercial banks do not provide loans to the poorest sector of society, but rather to those who find themselves at the level immediately above, in order to maximize profit. Alejandro Puente of *Compartamos Banco* told me that his bank follows this protocol because the poorest members of society do not have the necessary education and health to have a successful business.42 At Grameen Bank, many branches work with the less poor populations because it is simpler.43

*Relationships with Corporations*

Another aspect of the commercialization of MFIs is the relationship that many institutions have with multinational corporations. Many MFIs were started by former CEOs who continue to have relationships with the firms they directed44. Grameen Bank has had many projects with multinational corporations, which is epitomized by the relationship between the bank and Dannon. In this example, Grameen lent money to women to sell a yogurt product made by Dannon. Dannon wanted to obtain a maximum profit and therefore asked for the maximum number of yogurt sellers. This meant that these sellers experienced the problem of substitution. Also, as their product was not adapted to local tastes, they found that there was little demand45.

*Self-Sufficiency*

Self-sufficiency is a key tenet of neoliberalism as well as the commercial microfinance industry that neoliberalism has influenced. This is because
neoliberalism believes in the power of the market rather than the power of the state. To cover their costs, MFIs need to receive government subsidies or charge relatively higher interest rates. Since the neoliberal model prescribes charging market rate interest, many MFIs choose this route rather than that of subsidies (which many neoliberal governments no longer provide). In the 1990s, the World Bank, USAID and other members of the neoliberal project pressured MFIs to become self-sufficient. During this time period micro-banks also began to charge higher interest rates in response to client rejection of the group-lending model that Yunus had pioneered. This can be seen in Nicaragua, where clients have fought against the solidarity model, preferring to take responsibility for their own investments. To be competitive in the market, these MFIs have limited their clientele and started to use a model of individual loans with higher interest rates. In Mexico, the difference between the interest rate charged by commercial banks (68 percent per year at Compartamos Banco) and the subsidized banks (13.5 percent per year for Fondeso) exemplifies the high costs associated with the self-sufficiency that commercial banks follow.

Education as the Solution

Unlike Bateman and Shakya, I argue that there are solutions to the problems occurring within the microfinance sector. The basic tenet of these solutions is education. Under neoliberal governments, education has been cut to support the central goal: minimizing external debt. Educational services that have remained have not abandoned in the struggle for more just economies.

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Education as the Solution

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Education is key to success in microfinance.
experiencing, they have gained in six years, with capacity building maybe [they will obtain it] in two.65

Various econometric studies have demonstrated the importance of education in improving micro-business outcomes. These studies all investigate business skills education (referred to as capacity building in this article) as provided to MFI clients by the MFI itself and discover that this education increases profits by up to 115 percent. Despite the importance of this type of education in increasing profits, it does not serve to address the greater problems that microfinance institutions create, such as substitution, the lack of economies of scale and empowerment and commercialization. For this reason, I propose an education that combines business capacity building, which has proven essential, with Paolo Freire’s theories regarding education as the practice of liberty.

**Type of Education**

The first tenet of this educational plan is that the government must provide said education for all, instead of by MFIs for their clients. This is essential because it ensures that MFIs cannot limit their clientele, as many currently do. This section defines the two additional tenets of this education: liberty and capacity building and how they work together to end the negative impacts of neoliberalism.

**Liberty**

Liberty, as the base of Freire’s educational system, is also a goal of education that will resolve the problems of the microfinance system. Education that emphasizes liberty places importance on the creation of a population that can respond to the changes that occur in society as well as push for necessary movements. The goal is not to increase the future productivity of students, but rather to help each student reach his or her full potential. I argue that education for liberty, given that the students learn to be flexible, critical and creative, is essential for business owners.

Education for liberty is necessary because it allows the population to understand what skills or concepts are needed to learn as well and gives the people the power to respond to the dominant system when this model is problematic.66 Therefore, this component of education is essential in responding to the problems with the overall microfinance industry. This education, however, needs to work together with capacity building to resolve all of the problems, as I will now explain.

**Capacity Building**

Despite the importance of education for liberty, I argue that it alone cannot resolve the identified problems in the microfinance industry. Therefore, business education in the form of capacity building is necessary. All of those whom I interviewed found that their clients lack the skills necessary to run a business. They explained that for this reason micro-businesses fail more than they should. The necessity of capacity building can be seen in the prevalence of this industry in Mexico, which is made up of various governmental, non-profit and private actors. As I discussed earlier, capacity building activities have increased profits in econometric studies.

The creation of a business plan is an important aspect of a business education. A good business plan has numerous parts, which include knowledge of the local market, a strategy for marketing, the sources of all necessary funds and the costs and prices associated with the business. In Mexico, only when the teacher of a capacity building course determines that the plan is realistic can the student receive the diploma that is necessary to receive affordable governmental loans.67

The majority of the populations around the world that receive a microfinance loan never receive capacity building courses (with some borrowers in Mexico as an exception). In Nicaragua, clients have fought against capacity building. Some MFIs explained that they tried to require capacity building but no one came to the courses, and therefore they discontinued the program.68 However, the businesses in Nicaragua have not been particularly successful, as can be seen through a rate of repayment that is lower than the majority of other countries (86 percent in Nicaragua compared to an average of 95 percent in the rest of the world69). Nicaragua’s difficulties demonstrate that capacity building needs to be something that is provided for all micro-business owners and cannot be optional. Additionally, it must follow education for liberty so that the population looks for it and does not feel that it is forced upon them, since Freire explains that populations educated with education for liberty will thus seek capacity building. Today, the majority of
the population does not understand why they should utilize the available courses, viewing them as an incursion in their private life. This mentality will continue without education for liberty.

It is important to explain how business education can be part of an education for liberty when they could easily be seen as opposites. Freire clearly states that liberty is the most important aspect of education. However, he emphasizes that this does not exclude capacity building. He explains that if a person has been well educated, this person will understand what s/he needs to learn. With this, s/he will create his/her own opportunities to learn, rather than requiring someone to provide them. This is what Freire experienced in Brazil when he conducted programs to increase literacy. For this reason, a course in basic financial information will aim to teach enough about financial themes so that people learn why and when they will need to learn more about finances. With this, it is obvious that capacity building will not work if it is not linked with education for liberty. It is essential to have these two types of education to respond to the problems identified.

Health
Before I proceed in explaining the specific ways in which this educational program can resolve the identified problems, I must explain the role of health, to which I have alluded throughout this article. I argue that public health services for all are just as essential as education to ensure that microfinance business owners are successful in their businesses. This is because a healthy population is key to taking advantage of educational services. Numerous psychological studies have demonstrated that students are not able to learn if they and their family members are not in good health, since poor health provides for an unnecessary distraction. I believe that this conclusion about the importance of public health is important, yet perfunctory, which is why I do not provide more detail, despite extolling health’s importance.

How Education Responds

Substitution
I explained that micro-businesses are not successful when there are too many businesses and not enough clientele. I argue that this problem will be resolved with financial education for micro-business owners. In Mexico, all financial education requires students to write a business plan that includes knowledge of their local market. These courses ask the business owner to think not only about the geography of his/her market but also about the customers’ age, occupation, gender, etc. To receive a governmental loan, the business plan needs to demonstrate both understanding of the market and how the owner will avoid substitution. Today in Mexico, governmental institutions reduce substitution with financial education. This education resolves the problem by teaching how to make a viable business plan, demonstrating that substitution is not a necessary result of microfinance. Additionally, educated owners are better able to respond to the competition that occurs with substitution.

Economies of Scale
To facilitate micro-businesses in the areas of industry and agriculture, the governmental institutions in Mexico utilize education. The businesses that use the program Fondeso to obtain funding demonstrate that with a business plan it is possible to start micro-businesses that work in industrial or agricultural sectors. There is a necessity for financial and basic education because these services improve the efficiency of the businesses so that each business can have more success without having to access as much physical capital. Additionally, clients who have been educated with the principles of liberty will be able to demand group loans that allow them to amass larger amounts of capital and run businesses that require economies of scale. For example, a farm that is only started by one client with $200 in capital will not be able to capitalize on technology because all funds will be spent on keeping the business solvent. However, if six farmers combine their $200 loans they will be able to access technology that increases efficiency and will increase their profits.

Empowerment
Education promotes empowerment and not simply economic success. As a part of his argument regarding empowerment, Bateman explains that one thing that poor populations look for is access to richer populations. Poor people, when they lack this access, are not simply poor due to a lack of money but also due to a lack of social capital necessary to manage the system in which they live. The segregation of the
population based on economic class is something that only public education can resolve. This is due to education being one of the only services that the entire population accesses. Therefore, to see the necessary mix of social classes that promotes empowerment via relationships, education that is available to all and of a quality that prevents the exit of students with access to economic resources is essential.

The Clientele

The interview with Compartamos Banco demonstrates that many MFIs are not helping the poorest members of society because these people do not have enough education to start a successful business. The econometric studies that have proven the importance of educational services conclude that education is successful because it helps the poorest populations, who typically have not received education and who also struggle the most with their businesses. The example of Compartamos Banco shows that because of the neoliberal mentality, commercial MFIs only focus on the maximization of profits. For this reason, they do not serve those who most need loans. However, if a governmental system existed that provided educational services to all, commercial banks could serve the entire population and get closer to their social missions without sacrificing their profits.

Relationships with Corporations

In the example of Dannon, education also would have had an impact on preventing the failure of the product. If the clients had received more education, they would have realized that a product like that would not work in their community, and they would have been able to avoid the problem of trying to sell this product. Additionally, sellers who had been educated with the education for liberty program would have increased confidence in the validity of their opinions. Therefore, had these women been educated this way, they would have had enough confidence to reject the selling of a product they knew would fail.

Self-Sufficiency

The problems with self-sufficiency also could be resolved through education. One way is with financial education because the businesses would be more efficient and could pay the higher interest rates. Educated clients are also better able to build successful movements against poor microfinance practices since they understand how to find more sustainable solutions to resolve the problems that exist.

Conclusions

In this article, I have combined the literature and the reality of neoliberalism, microfinance institutions, and education to prove my argument that MFIs will never work in a neoliberal environment where public education and health care do not exist. I have demonstrated, despite the differences in the literature about each theme, that they interact and that it is essential to understand this interaction. Therefore, I have argued that governments that wish to have successful economic development using microfinance institutions need to promote more holistic public education and health sectors. Specifically, they must adopt education based on Freire’s principles of liberty.

The conclusions of this article walk a middle ground between the complete acceptance of MFIs as they are, as Mohammed Yunus promotes, and the complete rejection of MFIs, as Bateman and Shakya promote. The solution that I propose is to modify neoliberalism to include educational services in the manner that this article laid out. This model has its basis in the initial ideals of neoliberalism that typically have not been manifested in its implementation. Therefore, this model proposes a modification to neoliberalism to ensure success. I have contributed to the debate on neoliberalism by proposing solutions and not simply taking an antagonistic position. My argument asks other scholars, such as Bateman, to also find solutions to the problems that they delineate.

My conclusions also question the monolithic nature whereby most academics approach neoliberalism. In questioning this method, I argue that it is possible to change some aspects of neoliberalism without abandoning the model. This conclusion allows me to promote solutions to problematic aspects of neoliberalism. This analysis is facilitated by the differences in neoliberalism that I observed in Nicaragua.
and Mexico.

The conclusions in this article are useful for those countries that find themselves in development since it necessary that they recognize the importance of quality public education and health care in order to obtain economic growth. In using microfinance as a case study in support of these systems, I have given governments an important reason to implement the changes that I argue for, since MFIs have become a huge portion of governmental development efforts.

For the future, my conclusions bring about questions regarding the nature of neoliberalism, microfinance, and education. My article focused on education while ignoring many other areas that neoliberalism impacts, such as the environment and gender equality. I argue that the areas I chose are the correct ones because they can push development in other areas, while development in other areas does not push education or health care. However, it is necessary to keep investigating to see if my conclusions about neoliberalism are valid in other contexts (locations, areas of impact, etc.). The implementation of the necessary policies that I propose will be difficult due to systems of political power. These changes are necessary for the benefit of all developing countries, and for this reason I am confident that the education (and health) reforms that I have described will be implemented one day.

Endnotes

4. RMALC.
5. Oscar-René Vargas.
6. The differences in the implementation of neoliberalism between the two countries is not a key focus of this article. However, those interested in seeing more about the differences between the two states, can see Table 1.
7. Verónica Herrera, interview by author, Managua, Nicaragua, November 24, 2009. She is the director of Operations and Finances at MiCredito/Chispa.
8. Eva Gala, interview by author, Managua, Nicaragua, September 30, 2009. She works for FDL.
9. Alejandro Puente, interview by author, Mexico City, Mexico, August 9, 2010. He works for Compartamos Banco.
10. Jose María Ruiz, interview by author, Mexico City, May 19, 2010. He works for the governmental Center for Business Connections.
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41. Herrera, V.
42. Puente.
43. Bornstein, 244.
44. Shakya.
45. Bateman.
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47. Garcia.
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49. Edgar Aguirre, interview by author, Managua, Nicaragua, November 11, 2009. He is the executive director of CRADHC.
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ndo-American relations have been extensively studied within the traditional realms of power. With the rise of technology and further catering to the individual citizen, the role of public diplomacy has grown in importance. Confronted with these developments, it is imperative to analyze the viability of American public diplomacy as an effective tool in enhancing American power within India.

Introduction

In the mid-1960s, the former U.S. diplomat Edmund Guillion coined the term “public diplomacy.” It was first developed to distance governmental informational activities from the term “propaganda.” The University of Southern California (USC) Center on Public Diplomacy states that, in the past few decades, public diplomacy has been seen as a means for a sovereign country to communicate with the public in foreign countries in order to promote national interest and advance the sovereign country’s foreign policy goals.1 Recently, public diplomacy has included state-based communication as well as a range of non-state actors with standing in world politics, such as private companies and supranational organizations. However, this new expansion of public diplomacy does not displace traditional state-to-state diplomacy; rather, it impacts the traditional foreign ministries. In concurrence with the Annenberg Diplomacy School, public diplomacy is a multifaceted discipline that embraces theory, history, media, and business, to name a few.

Diplomatic relations and the American Embassy at New Delhi were established in 1946. The governments of India and the United States had “agreed to an exchange of ambassadors.” By hosting an American Embassy in New Delhi and holding an exchange of ambassadors, the United States launched its public diplomacy influence in India.2 Indo-US relations have been seen as turbulent. During the Cold War, the Indo-US relations were strained with suspicion because of India’s neutrality and signing of the Indo-Soviet Friendship treaty in 1971. Pakistan was another difficult issue between America and India, as Pakistan became a dependent ally of America during the Cold War. America’s military aid to Pakistan was seen as a security threat by India. As the Cold War ended, Indo-US relations began to alter positively. They went from being categorized as “estranged democracies” to both sides recently claiming “strategic partnership.”3 Public diplomacy is a category of soft power that has assisted the United States and Indian relations.4

Confronted with these developments within the field of national power, it is imperative to know the effects of American public diplomacy within India. This question is central to understanding Indo-US relations, since it allows for analysis of the effectiveness of American foreign policy. Also, it is important to examine the effects of American public diplomacy. Public diplomacy has a relatively young history as a power in comparison to other traditional powers, such as military and economic, that have been studied extensively.

Having examined American public diplomacy within India and the interpretations of this development,
it lends to the conclusion that the impact created by American public diplomacy on India extends American security powers. It allows America to strengthen partnership with a rapidly growing regional power. American public diplomacy within India has allowed other traditionally viewed sources of power, such as economics, to expand beyond their usual sense.

This paper begins with an examination of the value of American public diplomacy as an effort to increase security not only for America, but also for India, thus proving that American public diplomacy in India has fostered a sound relationship. Next, the paper will dive into an analysis of Indo-US relations in regard to terrorism and the method by which American public diplomacy increased US security power. A case study of Kargil will demonstrate the impact of American diplomacy in a high-stakes security environment. Next the paper considers the importance of American public diplomacy to the growth of national power from an ideological stance. Second, the paper’s focus turns to the importance of India’s growth and the benefits it holds for American power through the lens of American public diplomacy, in particular the examination of an opinion editorial written by Secretary of State Hillary Clinton. Third, the paper will investigate the impact of American public diplomacy in extending other American powers, especially through an analysis of the increase in American economic power within India due to facilitations by American public diplomacy. Fourth, the paper addresses arguments against public diplomacy and demonstrates the growing importance of this soft power. Lastly, suggestions are provided to further augment American public diplomacy within India in order to improve Indo-US relations.

American Security via American Public Diplomacy

Counter-terrorism Efforts

One of the greatest impacts American public diplomacy can have is in countering a new type of enemy, one that is transnational and ideological. Scholar Marybeth Ulrich points to the importance of public diplomacy in the face of the War on Terror. She demonstrates the importance of strengthening public diplomacy in order to counter terrorism. Furthermore, Ulrich emphasizes the magnitude of global attitudes in the success of American strategy, especially in the war of ideas against terrorism.

In the case of Indo-US relations, during the 1990s Principal Deputy Assistant John Malott identified counter-terrorism as top priority for US- South Asian policy. After asserting American interests to India, the US-India Joint Counter Terrorism Working Group was created in the early 2000s. The creation
of this working group demonstrates the role of American public diplomacy, from declaring American priorities in the region to creating a working group with India to overcome issues of terrorism. In the case of the Joint Counter Terrorism Working Group, American power was increased through public diplomacy because the US was able to expand its international counterterrorism mechanics and strengthen its own national security.

American public diplomacy in India has enhanced American security through the creation of Indo-US Workshop on the Use of Science and Technology in Counterterrorism. According to Nayak, this workshop began in 2004, and its intention of disseminating information across the two democracies was vital for interrupting terrorist financial networks. Furthermore, it was critical for American security because the USA was able to gain crucial information such as terrorist Omar Sheikh’s cell phone number from India’s external intelligence service. In this instance, American public diplomacy allowed for a synthesis of information with India through the Indo-US workshop, which provided critical information for American national security.

The US-India Joint Counter Terrorism Working Group and the Indo-US Workshop on the Use of Science and Technology in Counterterrorism are predecessors to the current movement by the State Department to counter violent extremism through creating a center for strategic counterterrorism communications. Within the first Quadrennial Diplomacy and Development Review, the State Department mentioned the increasing role of American public diplomacy through the creation of a center for strategic counterterrorism communications and having regional hubs.7

**Cyber Warfare**

Cyber warfare has become a subject of cooperation between India and the United States. The terrorist strikes of 2001 led to the US-India Cyber Security Forum. This forum is a prime example of American public diplomacy at work because it brings together not only governmental experts, but also industry representatives.8 Cyber security cooperation is of growing importance because the US government and corporations utilize information technology companies in India at a rate of $9 billion annually.9 By hosting a bilateral exchange between governmental and non-governmental representatives on the issue of cyber security, public diplomacy allows for the exchange of information and communication that secures its governmental interests and American private sector security interests.

Cyber security collaboration between India and United States increases national interests within India because it allows for a means of confidence building in regard to cyber security. Furthermore, this bilateral relationship is enhanced because it is open to the private sector. The forum serves as a venue for the promotion of American interests to the private sector of India. In doing so, American public diplomacy secures American technological and informational investments already made in India. It allows for a growth of confidence between the United States and the Indian private sector by hosting a dialogue. The US-India Cyber Security Forum was so successful that Indo-US cooperation on cyber security led to the creation of the Joint Cyber-Terrorism Initiative during the Bush administration. The Initiative is an example of the benefits of American public diplomacy in action. By holding the Initiative, American security interests are safeguarded, especially within a region prone to extremism.
Ideological Ties

Public diplomacy is a medium through which ideological commonalities can be explored and American foreign policy interests can be enhanced. David Jablonsky, in “The US Army College Guide to National Security Issues,” writes about situations in which national power cannot be applied to certain actors because of their transnational status and ideological common grounds. It is within these situations that other American powers, such as that of information dissemination, via tools of public diplomacy, take precedence. For example, when considering issues of cyber warfare, “information infrastructures of the most developed nations, such as the United States, become progressively more vulnerable to state and non-state actors.” Therefore, it is American public diplomacy acts such as the US-India Cyber Security Forum and ideological consistencies between India and the United States that permit America to safeguard national security concerns.

Ideologically, America and India hold similar views as democracies. America is considered the oldest democracy and India the largest. This ideologically shared point allowed for President Bush to utilize American public diplomacy, via speechmaking, to extend national security concerns. President Bush along with Prime Minister Vajpayee issued a statement in 2001, which said:

Since September 11, the people of the United States and India have been united as never before in the fight against terrorism…They agreed that terrorism threatens not only the security of India and the United States, but also our efforts to build freedom, democracy….As leaders of the two largest multi-cultural democracies, they emphasized that those who equate terrorism with any religion are as wrong as those who invoke its name to commit, support or justify terrorist acts.

This statement is important because it publicly demonstrates the joining of American and Indian security concerns. In unifying terrorist concerns under the umbrella of ideology, American public diplomacy truly enhances American security interests. Public declarations by state leaders are an effective mode of utilizing the tool of public diplomacy. The joint statement is significant because it demonstrates to the Indian and American citizens the alliance created between the two states. Furthermore, it increases American national security by countering terrorism on an ideological level via American public diplomacy.

Nuclear Power

India is a non-member of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). Indo-US relations with regards to nuclear weapons have always been uneasy. However, American public diplomatic efforts have made some crucial strides in building a strong relationship between the two nuclear power states. The post-Cold War era paved the way for smoother Indo-US relations through a series of strategic symposiums. These seminars were jointly conducted. The role of Washington’s National Defense University enhanced the ties between the two countries because Indo-US dialogues took place on official and non-official levels, which contributed to the removal of stereotype images and mutual misunderstandings. By hosting the strategic symposiums, the National Defense University played a double role as an American public diplomat. It was positioned to dispel stereotypes and misunderstandings of Americans amongst the Indian nuclear arms community and gain critical information about workings of Indian nuclear arms.

American public diplomacy’s crucial niche within Indo-US nuclear power relations can be seen in the 1994 Conference on Technology Transfer and Weapons Proliferation. This conference was hosted by India’s National Institute of Advanced Studies, the Rockefeller Foundation, and the Carnegie Mellon University. The conference was critical because American delegates left with a lasting appreciation for India’s commitment to non-proliferation goals. In creating strong ties, the Times of India actually wrote about the American appreciation for India’s goals. This is significant because it is American public diplomacy at its finest, in that it gains greater alignment with India on non-proliferation, as desired, and it acquires credibility from the Indian media.
Kargil Contentions

During the 1999 conflict between India and Pakistan in Kargil, a contested town in Kashmir, the United States participated in diminishing the conflict, which contained the very real risk of nuclear escalation between India and Pakistan, through the Lahore Summit. The United States’ history with the Cold War brought forth in Americans the notion that nuclear adversaries would go to great lengths to avoid nuclear exchange. The US diplomats and policymakers went great lengths to diffuse the tensions between the two rival states. However, in the case of Kargil, this perception did not hold true.16

The Kargil conflict taught Washington the importance of public diplomacy in reducing tensions between the two nuclear-armed contentious states. During the conflict, the United States and India shared full transparency. In fact, senior State Department officials were sent to New Delhi to brief the Indian government on results from the consultations with Pakistan’s delegation.17 By the Clinton administration’s strategic move in sharing knowledge, public diplomacy allowed for Indo-US relations to build mutual confidence. The conflict was further diminished through American public diplomacy. India sent a delegation to Washington, led by Arun Nehru.18 This was important because it allowed for them to interact with the American press. By interfacing with the American public, the Indian delegation was able to gauge the seriousness of US commitments and build confidence with the US. As a result, the press was able to construct stronger ties in the Indo-US relations during a time of great nuclear distress. Furthermore, the US placed pressure upon Pakistan to take steps to defuse the conflict by publicly announcing the possible destructiveness of a nuclear exchange. In doing so, the American public diplomacy outlet served as a means to persuade Pakistan to neutralize the Kargil conflict.19 After the Kargil conflict, US nonproliferation policy toward South Asia took dialogue and communication as centerpieces in order to avoid further conflict within the region and continue building mutual confidence. The Kargil conflict demonstrated the importance of American public diplomacy in diminishing high-risk situations. It also displayed the growth in confidence within Indo-US relations due to the effects of American public diplomacy, via the American media and full transparency by the Clinton administration.

India: A Growing Power

At times, American foreign policy has been contaminated with the 80/20 power equation barrier. According to scholar Julia Sweig, the American 80/20 problem is America’s inability to see from the perspective of the less powerful.20 This perception can constrict American influence within growing nations. However, American public diplomacy counters this perception problem by providing a medium of communication with other, less powerful countries such as India. Furthermore, American public diplomacy provides a venue for American interests to collaborate with growing powers such as India.

Education and cultural exchange are strong tools at the disposal of American public diplomacy. For example, they can be seen in action through the Obama-Singh 21st Century Knowledge Initiative, whereby Indian and American universities can build partnerships.21 Educational partnerships such as the Knowledge Initiative and the Fulbright-Nehru Fellowships allow for future generations of leaders to build ties between the two states and permit mutual growth through an exchange of information and ideas. Furthermore, more than 100,000 Indian students study in the US. Such educational and cultural exchange allows for future Indian leaders to hold good cultural ties to the US.22 Education and cultural exchange are important assets to American public diplomacy because they allow for future generations to foster strong personal bonds between America and India. These relations are especially of value to America as India continues to
progress as a regional power.

American public diplomacy can be seen in the launching of partnerships on issues that will hold greater value in the future. For instance, food insecurity will gain greater precedence in the future. According to Secretary of State Clinton, in order to combat the challenge of global hunger, Indian and American scientists are developing new seeds to boost crop yields. President Obama and Prime Minister Singh launched a partnership to advance clean energy. According to Secretary of State Clinton, the two state leaders brought forth collaboration between their nations’ scientists in order to develop technologies that would reduce dependence on fossil fuels. America has a vested interested in its dependence on fossil fuel, thus it is an American public diplomacy concern as well. In addition, the American and Indian leaders agreed to launch a Clean Energy and Climate Change Initiative. In doing so, American public diplomacy increases its reach to Indian citizens, as it improves their lives by improving access to technologies that make energy cleaner and more affordable. The initiative is also important because it improves American energy security by allowing for cooperation in wind and solar energy.

Partnerships are a tool in American public diplomacy because they further American interests and advance India’s foreign policy concerns regarding oil. Key issues such as fossil fuel dependence and climate change are crucial to American interests. American public diplomatic actions, such as partnerships, allow for these interests to be secured and fostered. The importance of partnerships and educational exchanges to the growth of American power can be seen in an opinion editorial written by Secretary of State Clinton. In the article, she writes to acknowledge the growing power of India. In fact, Clinton calls India’s growth “a defining storyline of the early 21st century.” She continues on to address the multiple partnerships and educational exchanges between the two powers. The partnerships and educational exchanges are significant because they allow for collaboration on issues of American interest. Indeed, Clinton states that “given the complexity of the challenges we face and the values we share, the US-India partnership is critical to our mutual progress.”

American public diplomacy has taken steps beyond partnerships for future leaders. In fact, the US-India People to People Conference in 2010 was first of its kind to build off the strategic dialogue between US and India. The People to People Conference shows American public diplomacy in action since it was hosted by the Indian American Leadership Council and the American India Foundation. Furthermore, it brought forth the key issues of education and renewable energy to the American and Indian publics. American public diplomacy is becoming more effective in advancing American interests in India through its own citizens. American Indian citizens are becoming more involved in sharing American interests with their counterparts in India, as demonstrated by the People to People Conference.

American Public Diplomacy aiding American Economic Power

India is rapidly progressing in obtaining power from an economic standpoint, and India has the potential to continue progressing. The two graphs compare the American GDP economic growth rate to the Indian GDP growth rate. The graphs demonstrate not only India’s growth as an economic power, but also the lack of growth faced by America.

It is important to note this economic growth rate because American public diplomacy has served as a means to bridge Indo-US economic relations. Public diplomacy has aided the growth of economic relations with India through calling forth the entrepreneurial spirit of Manhattan and Mumbai through opinion editorial articles and financial
Public diplomacy has constantly aided in growing American economic powers. As seen in the Clinton administration, the United States became the largest trading partner in India. During the Clinton administration, America was the largest investor in India, accounting for $4 billion. This economic cooperation was aided by American public diplomacy because the United States was able to shift focus from contentions of nuclear weapons to economic cooperation. In 1991, India reduced its tariffs on imports and liberalized regulations on foreign-owned businesses with the aid of American public diplomacy. This was made possible by the State Department’s Strobe Talbot and Under Secretary of State Peter Tarnoff’s statements in India on the United States’ position regarding Kashmir and Indian economic reforms. Thus, American public diplomacy was able to smooth contentious political issues of Kashmir enough to open the Indian market to American investors. Furthermore, American officials used public diplomacy to enhance American economic power by publicly hosting joint statements with Indian officials. In 1994, President Clinton reassured Prime Minister Narasimha Rao’s agenda for Indian economic competitiveness as Rao addressed the United States Congress. By declaring support for Prime Minister Rao’s intentions, American economic foreign policy in India was supported. In fact, the United States was able to become the largest foreign investor in India due to President Clinton’s public diplomatic actions.

American public diplomacy provides opportunities for collaboration, which can result in new economic opportunities for the American people. For instance, Indo-US economic relations were enhanced due to the launching of the Clean Energy and Climate Change Initiative. This Initiative allows for Americans and Indians to not only improve accessibility to technology for their citizens, but also develop innovative ideas for clean energy that can provide new economic opportunities through investments for the architects and create new clean energy jobs for the rest.

**Argument against Public Diplomacy**

One author that disputes the power gained by public diplomacy is Leslie Gelb. He writes that the core power of America has been lost because it has been overly complicated with concepts such as soft power and hard power when, in fact, power and policy issues are a matter of common sense. He also notes that power itself has become an ideological tool rather than an instrument of foreign policy. Gelb loses sight of national power because he does not label power as being dynamic; rather he sees it in static terms. He does not mention the changes in power that have occurred, nor does he take into consideration the technological changes that alter power relations. Furthermore, Gelb does not account for different types of threats to American power. For example, he does not analyze the threat of cyber warfare, which is better countered by public diplomacy than physical weaponry. Gelb misses the importance of public diplomacy within American power in failing to account for the growing voices of the people due to the improvement of the communication infrastructure. In order to increase American influence during periods of improvements in communication, American public diplomacy is the best tool available. For example, the State Department is beginning to hold virtual presence posts on the internet. This is vital because the medium of power is shifting from a physical realm to a virtual one, and American public diplomatic efforts such as virtual presence posts allow for American interests to be extended to other sovereign nations and transnational organizations.

**Initiatives to Improve American Public Diplomacy**

Through public diplomacy, America can increase its role in India by implementing certain proposals. America should increase its public diplomacy staff in the New Delhi embassy. According to the Government Accountability Office Report, the State’s public diplomacy workforce is short in human capital and faces a shortage in experienced public diplomacy officers. Furthermore, the limitations restrict the time public diplomacy officers can spend on outreach efforts. Also, it can be inferred that ongoing foreign language proficiency is causing shortfalls. Thus, it would be in the best interests of American power to
train more public diplomacy officers and increase accessibility to programs such as Boren Awards for students in order to obtain a more foreign language proficient work force.

American public diplomacy should gain more funding for its new initiative under Public Diplomacy 2.0. This strategic communication explores the emerging social networks and technologies. However, substantial questions exist regarding the challenges associated with the approach of Public Diplomacy 2.0. In order to quell these questions and best utilize strategic communication, more research and development needs to be implemented; thus, greater funding is required. Programs such as People to People Conferences should be further encouraged. There are public diplomacy initiatives already in place for academic and professional exchange, such as the International Visitor Program and the Fulbright Fellowship. However, American public diplomacy is lacking in connecting with the average Indian citizen. Public diplomacy efforts should focus on outreach towards the marginalized groups, such as poverty-stricken women and the demographic youth bulge. These groups need to hold positive views toward American power because they are the most at risk for extremism and violence. American public diplomatic efforts should therefore collaborate with non-governmental agencies in not only establishing a source of connection with the marginalized groups, but also aiding in providing human necessities such as clean water and food.

As the information environment has expanded, one issue faced by public diplomacy offices is credibility. American public diplomacy officers must ensure their messages and programs are accurate, credible and uphold stringently ethical standards. The increase in technology has allowed many to participate; at the same time, the growth in technology has also broadened the range of actors that are capable of playing a watchdog function. Therefore, it is of utmost importance that American public diplomacy is upheld to high standards of credibility, accuracy and ethics.

**Significance of American Public Diplomacy**

Regarding the question of value of American public diplomacy within India, some scholars argue about American powers from a military perspective. Other scholars, such as Gelb, argue that issues of public diplomacy hold no value for American power. No scholars (as far as my own research has determined) have argued that American public diplomacy enhances American security and economic power in India. It is important to provide this new outlook on the question of American power because it explores the multifaceted nature of this power and the diverse outreach of American public diplomacy. By failing to show the effects of American public diplomacy in India, scholarship on this issue is problematic because it does not entail the entire extent of Indo-US relations. It is of vital interest to note the extent of America’s relationship with the growing power.

It is of significant interest to examine American public diplomacy because it has capabilities that allow for the extension of American power that is not fully possible for the government. Public diplomacy has the tools to counter a new form of transnational enemy. It also has the capability to open America to a new form of power, one that is based on transnational values of human rights, clean energy and food security. Furthermore, American public diplomacy presents American interests to the growing generations that are actively engaging on the global information exchange platform. This audience has a larger voice than before, and it is imperative to America’s future power that this audience holds positive perceptions of American values and interests.

**Endnotes**

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China presents to the United States. While differences in interests exist, China and the United States can cooperate and benefit from them.

Introduction

China has risen to a major world power economically and politically in the past thirty years. This rise poses challenges to the political and economic interests of various domestic U.S. actors. Meanwhile, China’s growing military presence and capability in the Asia-Pacific region, soaring energy demands, and increasingly racial nationalism challenge overall U.S. national interests and security in the region, leading to a dangerous security dilemma and potential conflicts. However, the bottom line of both countries is to avoid war, which ultimately leads to cooperation between the two. By synthesizing two-level game theory and international relations (IR) realism, the Chinese challenges to the U.S. and possible areas of cooperation between the two countries become clear.

Realism and Two-Level Game Theories to Explain China’s Challenges

International relations scholars have applied the theory of realism to analyze U.S.-China relations. Realism, especially neo-realism, treats states as unitary actors and assumes they try to maximize their own security, defined as relative gains in relation to other states. It explains Chinese and U.S. behaviors relatively well, treating the two states as unitary actors (collective entities without domestic interest divisions), regardless of differences in domestic political and economic systems. Neo-realists can thus make some generalizations about the challenges posed by China. China’s rise, especially the rise of its military, is a gain in its security and a loss for U.S. security.

What is debatable about realism, however, is that it simplifies state behaviors and overlooks important actors within the state who can influence a state’s foreign policy. Two-level game theory fills in the gap realism ignores. According to this theory, there is no such thing as the national interest. Instead, there are many national interests, deriving from different domestic actors with various and sometimes even conflicting interests. Only the interests that “sell” at the domestic level can elevate into the international level to become foreign policies and have international consequences.

Both IR realism and two-level game theory have their own merits. In this context, the two theories work best in tandem to support the argument that China not only poses challenges to domestic U.S. actors, but also constitutes serious challenges to U.S.

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national security. In recognizing these challenges and the bottom line of war prevention, the potential areas in which the two powers can cooperate become apparent.

**Challenges to U.S. Domestic Political and Economic Interests**

One domestic political interest revolves around presidents and their administrations. Namely, presidents will want to stay in office and get reelected, particularly if the country adopts a democratic system that institutionalizes competitive elections. In the U.S., the fulfillment of this political interest is closely related to the Congress and ordinary voters. China’s rise and associated issues, however, might pose challenges to the U.S. president and government’s interest in maintaining power.

The first challenge involves China’s human rights issues. According to Susan Shirk, who served as Deputy Assistant Secretary of State for East Asian and Pacific Affairs during the Clinton administration, human rights is one of the dominant issues in U.S.-China relations. It is difficult to solve because the Chinese Communist Party (CCP) does not bend much on human rights, viewing it as “intertwined with the survival of the Communist party autocracy.”

The Chinese government thus creates a dilemma for the U.S. president. For instance, President George H.W. Bush would have liked to promote U.S.-China relations in the late 1980s, yet he was constrained by the CCP’s violent crackdown on Tiananmen democracy movements. China, for many members of Congress, “had come to be seen as the epitome of everything the United States opposed in international affairs: a tyrannical government, oppressing democracy at every turn; intolerant of religion, whether Christian or Buddhist.”

Viewing China as an authoritarian state incompatible with U.S. democratic values, members of Congress criticized Bush for being too cautious in his support for the Tiananmen demonstrators and demanded that he impose sanctions on China that would suspend trade and investment with it. Bush thus faced a dilemma in which he wanted to improve U.S.-China relations but was constrained by enormous pressure from Congress and the public to take harsher measures. In Congress, “the hostility to the government of China had become nearly institutionalized.”

The current situation is no better, with China taking harsh approaches toward dissidents and Christians. In stark contrast with Beijing’s crackdown is the fruitless U.S.-China human rights dialogue. Amnesty International criticizes the United States for not responding to what is happening in China.

The second issue concerns the protection of Intellectual Property Rights (IPR). American companies profit from the IPR, but according to Suettinger the Chinese government is “not able (or willing) to bring the pressures to bear on local officials to crack down hard.” Primarily, local Chinese enterprises might gain short-term benefits from violating the IPR. Furthermore, faced with highly localized bureaucratic and economic interests, the CCP central government has difficulty implementing policies intended to enhance IPR protection. The piracy issue thus remains significant. Due to Chinese piracy of U.S. pharmaceuticals, software, music, and books, the economic interests of U.S. companies are hurt. For instance, in China, most PC users are using the pirated version of the Microsoft software. Young Chinese who enjoy listening to American popular music can easily download songs by U.S. singers for free through websites such as “Baidu.” In retaliation, the companies lobby for the U.S. government to put pressure on China’s IPR protection.

Since China’s IPR protection is still poor, the IPR issue will remain a challenge in U.S.-China relations and U.S. domestic economic interests.

Another issue involves the disagreement over the proliferation of weapons of mass destruction (WMD). Nonproliferation is one of the main priorities of the U.S. because it will not only gain domestic political points for the government and the president, but also increase U.S. security in relation to other actors.

China has also been selling weapons to Iran, North Korea, and Pakistan, some of whom may further increase their proliferation of WMDs. Consider, for instance, the Chinese shipment of M-11 equipment to Pakistan in 1992,8 which the CCP denied. The U.S. executive branch and Congress differed in what measures
The U.S. should take toward China: the executive branch preferred “sequential efforts to impose and lift sanctions to get China to accept international standards,” whereas “strong and vocal constituencies demanded congressionally mandated economic sanctions.” With Congress accusing China of WMD proliferation and the Chinese government dismissing the charge, this incident became difficult to handle because both sides were rather inflexible. Although the incident finally was resolved through diplomatic measures, WMD nonproliferation remains challenging, for it involves not only the national security of the U.S., but also congressional and executive differences in dealing with nonproliferation.

The fourth challenge revolves around economic relations. China would like its currency – the RMB – to become a world currency. China and the United Kingdom held the Fourth UK-China Economic and Financial Dialogue (EFD) last September. In the Agreed Joint Policy Outcomes Paper, the UK “supports greater use of the RMB in international trade and financial transactions, and its inclusion in due time in the SDR basket.” The SDR – Special Drawing Right – is “an international reserve asset, created by the IMF to supplement the existing official reserves of member countries.” At present, only four currencies are in the SDR basket: the Euro, the US dollar, the British pound, and the Japanese yen. Because the special drawing rights are valued by a weighted currency basket of the IMF designated currencies and can only be exchanged for these currencies, the RMB, if adopted in the SDR basket, will likely be used much more frequently in international trade and financial actions, making it a world currency. This scenario, if realized, might “undermine the dollar’s monopoly” and “the ease with which the United States will be able to finance budget and current-account deficits.” That is, because the dollar has great liquidity and is perceived as secure (investors have confidence in the U.S. government), the United States becomes a “safe haven” for foreign direct and portfolio investments, which in turn finance U.S. government debts. Thus, if the Chinese currency RMB elevates into a world currency and reduces the other nations’ need for U.S. treasury securities, it may pose threats for the U.S. economy. Additionally China, with its three trillion foreign reserves, is now investing in the U.S. There is concern that Chinese companies, owned partly or entirely by the government, will use their purchases to “gain military secrets, buy American companies with manufacturing operations in the United States, close those factories, and move production to China.” China’s foreign direct investment might harm the job creation capability of the U.S. government, which is good for neither its popularity among voters nor U.S. economic growth.

Challenges to U.S. National security

In the big picture, from the IR neorealist point of view, China’s rise and its military capability vis-a-vis its neighbors in Asia bring about security challenges for the United States in the Asia-Pacific region. The danger of a security dilemma – defensive actions interpreted as being offensive – between the two countries looms.

First, as the dominant power in the Asia-Pacific region, the U.S. does not want China to be dominant in Asia. Instead, it is seeking to “maintain the equilibrium and tenuous stability.” China, however, pursues its Asian strategy in keeping with its larger goal to emerge as Asia’s leader and seeks to “maneuver towards a dominance of power in Asia.” Differences in interests, if not properly tackled, can lead to serious conflicts. For example, China is already indignant about U.S. support for Taiwan, dissatisfied with some of the geopolitical relationships on its borders that largely involve or are even determined by the U.S., such as the division of the Korean peninsula, and resentful of American involvement in what it regards as its own backyard – the South
China Sea.

Second, China’s growing racial nationalism and the hardline-leaning leadership have the possibility of leading the U.S. and China into conflict, thus reducing U.S. security and desired stability in the region. For one, China’s racial nationalism – nationalism constructed on and aimed at certain races and ethnicities – can be dangerous. Consider, for example, anti-Japanese nationalism and irredentism. Shirk worries that “irrational nationalistic feeling might drive China into a war with the United States.”\(^\text{16}\) The Chinese government, faced with a racial nationalism that it has constructed dares not speak or act softly. The Chinese ministry of foreign affairs (MFA) tends to use harsh words regarding diplomatic issues with Japan. In 2005, when former Japanese Prime Minister Koizumi visited the Yasukuni Shrine, the MFA “strongly condemned” his behavior.\(^\text{17}\) In late 2010, the MFA “strongly protested” against the arrest of 15 Chinese fishers by Japan in the disputed waters around the Diaoyu/Senkaku islands.\(^\text{18}\) The use of such language is considered rather harsh by diplomatic standards.

The CCP’s concern for legitimacy and regime security could cause China to act irrationally in a crisis involving Japan or Taiwan. This irrational but possible behavior creates a serious risk for the U.S.: “if there is a naval clash over oil and gas fields in the East China Sea, the United States, as Japan’s military protector, could feel compelled to intervene.”\(^\text{19}\) Moreover, given the evidence of China’s recent harsh measures against dissidents and the revival of state-owned enterprises, it is possible that the hardliners or conservatives are winning in domestic Chinese politics, which is problematic for United States. Inside China, the public and the military expect Chinese leaders to rid the country of a hundred years of humiliation and stand up to the U.S. In contrast, Chinese interest groups who benefit most from economic relations with the U.S. – private companies and coastal provinces – would naturally want smooth U.S.-China economic relations so that they can continue to attract foreign direct investment from the United States. Sadly, they do not constitute a powerful voice in China’s foreign policy making process, which is “affected by the outcome of interpersonal competition for power.”\(^\text{20}\) If the expected Xi Jinping regime and the winning forces indeed take a more hard-line and less liberal stance, which tends to be more anti-American, it is not only economic relations that will be endangered.

Third, China’s increasing military capability (maritime in particular) and energy demands pose a serious challenge to U.S. security interests. Chinese military spending has been growing over the past 20 years, as depicted in Figure 1 (see Appendix). Before 2000, the increase was gradual. Starting in 2000, however, Chinese military spending experiences a sharp increase. In 2010, China spent 114.3 billion US dollars on military spending, almost tripling its spending from the entire 1990s. Given China’s current economic growth, it is likely that this trend of rapid increase will continue in the foreseeable future.

China’s increase in military spending has to some extent transferred to the increase in military capability of the People’s Liberation Army Navy (PLA Navy). Until recently, China had an underdeveloped navy. In the 1990s, however, China kicked off its naval modernization effort by acquiring a range of new weapons, including anti-ship ballistic missiles (ASBMs), submarines, and surface ships. The ASBMs, according to the U.S. Navy Office of Naval Intelligence, constitute a system specifically designed to defeat U.S. carrier strike groups.\(^\text{21}\) As of 2009, according to the Pentagon, the PLA Navy Submarine Forces has a modernization rate of 50 percent and the Naval Surface Forces have one of 25 percent.\(^\text{22}\) The Navy’s investment in platforms such as nuclear-powered submarines and progress toward its first aircraft carrier suggest China is seeking to support additional missions beyond a Taiwan contingency and that it actually has the capability to conduct limited deployments of modern surface platforms in further places such as the Gulf of Aden.\(^\text{23}\)

With national security concerns informing the modernization of China’s military, the party leadership responds readily to the PLA pressure for priority budgetary allocations. The leadership provides ample budgetary support for military programs and attends to PLA concerns in policy areas that involve China’s security.\(^\text{24}\) Past experience indicates that the PLA tends to take a hardline stance towards the U.S. Many
of the crises in U.S.-China relations have involved the PLA, such as suppression of the Tiananmen democracy movement in 1989, the missile tests of 1996, and the sales of technology for WMDs. China’s increasing military capability might also tilt the balance of power vis-a-vis its neighbors toward China, which is not a favorable condition to the U.S. since it is allied with many of China’s neighbors.

The U.S. response is to maintain its military posture in the Asia-Pacific region and expanding cooperation with its allies. The 2010 Department of Defense Quadrennial Defense Review Report states that the U.S. needs a “more widely distributed and adaptive presence in Asia that relies on and better leverages the capabilities of our regional allies and partners.” The U.S. military is particularly strengthening the alliances with its Japanese and South Korean counterparts, which largely aims at balancing China. While this is necessary for U.S. security interests in the region, China’s increasing military capability and U.S response might cause a security dilemma: defensive actions interpreted as being offensive. If China is locked up in this dilemma and believes that the U.S. is taking offensive actions, there is a possibility of conflict. In the minds of some Chinese elites, the U.S. still intends to contain China in order to sustain U.S. dominance. This mentality, if persistent, is likely to produce accidents. Thus, the greatest challenge that China’s rise poses to the U.S. is the danger of military conflict between the two.

Specifically, the challenge of China’s maritime capability involves its energy demands, which are tied to territorial claims on the South China Sea. The U.S. favors an open sea policy in the region. China, however, declares the South China Sea as a “core interest” (the official Chinese government term previously reserved for Taiwan and Tibet). To legalize its territorial claim through international normative frameworks, China ratified the United Nations Convention on the Law of the Sea (UNCLOS). It specifically uses Article 76 of the UNCLOS to justify its naval activities as protection of territorial integrity.

In South Asia, Beijing tries to “hold sway over vital sea lanes between the Indian and Pacific oceans through a chain of bases, naval facilities and military ties” and “has already operated maritime reconnaissance facilities on the Coco islands and built the container ports in Bangladesh at Chittagong.” China’s desire to control the sea lanes of communications stems from the concern for energy security – getting oil from the Middle East. While China’s territorial claim and maritime activities in the South China Sea and Indian Ocean serve to secure Chinese energy demand, they greatly harm U.S. security interests, for the South China Sea is rich in oil and the Indian Ocean is an important path to get oil from the Middle East. Without the vast development of other energy alternatives, both the U.S. and China need oil. China’s growing maritime assertiveness might break the balance of power in the region and affect U.S. energy security.

Finally, China’s non-transparency and the issue of trust add to the already existing security dilemma. China’s military spending lies at the center of the trust issue. Table 1 (see Appendix) is a comparison between official Chinese military spending figures and estimates from various independent data sources. The official Chinese military spending data is significantly lower than that of other sources, which give estimates at 1.35 to 2.07 times the official figures. This suggests that the Chinese government has significantly understated its military spending, causing problems of trust between the two countries and leading to more misinterpretation of defensive actions as offensive ones. Overall, communication between the U.S. and China is fraught with suspicions and misperceptions. The U.S. expects Beijing to “understand
and appreciate the complexity of its
domestic political situation and make
accommodations to buttress and justify
the relationship,” yet China does not “trust
the United States to be telling the truth.”
The issue of trust and misperception,
if not properly solved, might ratchet up
the security dilemma and lead to conflict
between the two at some point in the
future, threatening U.S. national security.

Opportunities and Room for Cooperation

Nevertheless, China’s challenges
to U.S. national security and domestic
political and economic interests do
not mean there is no opportunity for
cooperation. First and foremost, both
China and the U.S. fear the worst, but
the greatest opportunity and common
interest between the two is that neither
wants to go to war. On September 6,
2011, the Chinese State Council issued
China’s Peaceful Development White
Paper, stating that it will “seek cooperation
and help promote a harmonious world.”
Despite the statement’s obvious public
relations purposes, it does make sense for
China to want to tone down the negative
implications of its aggressiveness and
reassure the rest of the world (especially
the U.S.) of its peaceful development path.

Past experiences indicate that both
sides realize the constant ratcheting up of
tensions is dangerous and take steps to
stabilize deteriorating situations. Beijing
would like to avoid jeopardizing relations
and emphasize cooperation with the U.S.
where national interests overlap, while
“minimizing and managing the distrusting
nature of the divergent interests.”
At present, the U.S. shares important
interests with China, including ensuring
energy security and stability in Northeast
Asia.

Since both countries have huge
energy demands, there is an opportunity
to cooperate in developing clean energy.
For instance, the two can cooperate
in clean-coal technology. According to
Brahma Chellaney, Professor of Strategic
Studies at the Centre for Policy Research
(2010), high oil and gas prices are making
the clean coal-to-liquids (CTL) technology
attractive to coal-rich states like China
and the U.S. The two can “produce
innovative technologies and scale them
up far more rapidly and inexpensively than
either side can alone.” If cooperation
in such technologies is successful, it will
help meet the growing energy needs in
both countries and thus ease the potential
conflict over oil. Although there is no cost-
effective substitute for oil yet, which means
the United States and China still have to
compete for oil in the Middle East, the CTL
technology provides an opportunity for
cooperation.

Besides avoiding conflicts with one
another, both China and the U.S. share
an interest in maintaining traditional and
non-traditional security (security issues
other than conventional wars or conflicts).
China and the United States can address
common global and regional challenges,
ranging from nuclear nonproliferation to
climate change. A particularly important
issue concerns North Korea. Both China
and the U.S. share common interests in
the stability and nuclear nonproliferation
of the Korean Peninsula. China does
not want another nuclear power in the
region while the U.S. fears North Korea
might sell WMDs to terrorists or use
nuclear weapons against U.S. ally Japan.
According to the U.S. State Department,
China has been “playing a central role
as chair of the Six-Party talks and has
repeatedly stated that it shares [the
U.S.] goal of a denuclearized Korean
Peninsula.” Reciprocally, the Chinese
government delegation to the Six-Party
Talk called for its resumption this summer,
stating that China would like to “cooperate
with international society to realize
the Korean Peninsula nonproliferation
and to maintain stability in East Asia.”
On September 19, 2011, Chinese foreign
minister Yang Jiechi reiterated that China
would “actively promote the Six-Party talk”
and that all related parties should “improve
their relations through dialogues.”

These statements by U.S. and Chinese
officials, though somewhat reflective of
the political rhetoric diplomats often use,
indeed indicate that both sides would like
to address security challenges through
dialogues and negotiations.

To address security issues such as
Korean Peninsula nonproliferation, direct
U.S.-China contact is necessary. Since
the security dilemma in part derives
from the inability to gauge intentions, it
is crucial to improve communications
between the U.S. and China. The U.S.
and China should sustain channels of
communication to discuss differences and disagreements in order to reduce the likelihood of conflict. According to Michael Swaine, a Senior Associate in the Asia Program at the Carnegie Endowment for International Peace, the U.S. and China need to engage in strategic dialogues and track II diplomacy, sustain and strengthen military-to-military links, and expand ways of cooperating on other security issues such as counterterrorism. Indeed, despite differences, the two do engage in military dialogues. Former Defense Secretary Robert Gates’ trip to China and the Washington summit this year provide opportunities for both countries’ militaries to hold high-level discussions on such key issues as North Korea and Iran.

In addition to military contact, it would benefit the United States to apply two-level game theory in analyzing domestic Chinese politics. While the naval hawks and conservatives seem to be gaining ground in Chinese power jockeying, China has multiple interest groups. According to David Shambaugh, Professor of Political Science and International Affairs at George Washington University and the editor of China Quarterly, a group of Chinese globalists believe that China must shoulder the responsibility for addressing global governance issues and that sovereignty has its limits, as non-traditional challenges must be dealt with multilaterally. These globalists are more economically liberal and prefer more stable U.S.-China relations. However, they have lost their voice since 2008, which means the U.S. should find out why and take measures to help expand the globalist camp.

Finally, despite economic issues concerning currency and IPR, both countries can still benefit from economic cooperation. For one, by outsourcing lower-cost manufacturing to China, the U.S. economy can concentrate on construction, new energy, especially electric cars. From a liberal internationalist perspective, China needs the U.S. to grow its economy and does not want trade wars and thus is willing to address economic issues and maintain smooth U.S.-China economic relations. During President Hu Jintao’s visit to the U.S. last January, the two countries issued a U.S.-China Joint Statement in which China agreed to address its IPR protection, RMB exchange rate, and trade-related issues. Unlike sensitive military operations, according to a Chinese diplomat, U.S.-China economic relations help stabilize their overall relationship.

By applying IR realism and two-level game theory, China’s rise poses challenges to U.S. domestic political and economic interests such as human rights, IPR, currency, and nonproliferation. Its growing military capability and activities in Asia challenge U.S. dominance, leading to possible conflicts and thus threatening U.S. security interests. Nevertheless, both countries share a common interest in avoiding war and benefit from cooperation in traditional and non-traditional security issues and economic relations. Looking to the future, China and the United States need to work together to reduce the looming security dilemma and build trust, which will be conducive to both countries and the stability of the Asia-Pacific region.
to the future, China and the United States need to work together to reduce the looming security dilemma and build trust, which will be conducive to both countries and the stability of the Asia-Pacific region.

Appendix

<table>
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<tr>
<th>Year</th>
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<th>2010</th>
<th>2011</th>
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Table 1. Analysis of Chinese military expenditure from various data sources
Endnotes

2. Ibid., 224.
4. Ibid., 440.
6. Ibid., 224.
7. Ibid., 440.
16. Shirk, China: Fragile Superpower, 244.
23. Ibid.


42. Interview with a Chinese diplomat posted in Washington D.C., who would like to remain unidentified.

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The Journal of Undergraduate International Studies, published at the University of Wisconsin-Madison, presents a compilation of essays and photos from undergraduate and postgraduate students from around the world. Publications document a wide variety of socio-political issues ranging from international conflict and diplomacy to environmental issues to international economics. Most importantly, the Journal of Undergraduate International Studies is intended to serve as a platform for global discussion and the open exchange of ideas, in effect, expanding our understanding of global interactions.