

Book Reviews



Book Review

William J. Norris, *Chinese Economic Statecraft: Commercial Actors, Grand Strategy, and State Control*, Ithaca: Cornell University Press, 2016, 320 pp.

A rising power's desired foreign policy outcomes, to be successful, is often reliant on the state's capability to utilize its military power. However, due to a globalized world, military power may no longer have the sole influence on how states can achieve their national interests overseas. China, one of the most dynamic players today in international politics, has used its economic power as leverage to achieve its desired foreign policy outcomes. Despite existing literature on economic statecraft as an alternative instrument in foreign policy decisions, majority would still assess China's foreign policy through separate lenses of military and economic powers. On the other hand, while many of these references have stressed the separation between politics and economics, there is a growing body of literature that links these two disciplines, including this new book of William J. Norris. The book provides a compelling argument of how economic statecraft and the state's limited power of control work within the context of China's foreign policy.

Norris points out an important issue that may have been overlooked in the study of China's foreign policy: the state's effectiveness to manipulate international economic activities for strategic purposes depends on its capability to control the behaviour of its commercial actors. In this 10-chapter piece, the author convincingly proves his arguments by emphasizing economic statecraft in the context of China's grand strategy and the Cross-Strait relations, China's global search for strategic raw materials, and the country's sovereign wealth funds as one of its sources of state capital. Norris observes that the state finds it difficult also to manage the behaviour of commercial actors in an effort to achieve the state's strategic objectives. The Chinese state may find it more convenient to control its military actors yet commercial actors may tend to be more mobile and independent enough to veer away from state control. This, in turn, poses a challenge to China since most of the time commercial actors may not behave according to its interests due to their different goals. Fuelled by corporate interests, commercial actors may often stimulate conflict between the state and its neighbouring countries undetected and uncontrolled, putting the Chinese state at a disadvantageous position.

Norris concludes that economic statecraft can be a challenging instrument to use for the state in pursuing its national interests. In order to maximize the security of their strategic foreign policy goals, nations must have the capability to control or at least manage the behaviour of the commercial actors that carry out majority of the international economic activities. The prerequisite of an effective control of commercial actors by the state is the sustainability of state unity. In addition, the author recommends that as part of China's international credibility-building, the state may have no choice but to acknowledge that liberal and market-based reforms are needed especially in its domestic political economy, as a way to also accommodate corporate actors and their interests.

While Norris mentions the importance of tackling China's politics with its economic realities, the role of bureaucratic politics could have also been an interesting issue to explain the state's eroding power over commercial actors. Underneath the political clout of the Chinese Communist Party, there exists a conglomerate of bureaucratic actors with their own partisan interests and goals away from that of the establishment and seeking greater influence through bigger resources in the government. This would have provided a stronger response to the enquiries regarding the limits of Chinese control. Given the situation, the state is faced with foreign policy decisions that have been bargained and compromised amongst various bureaucratic actors, resulting into a dilution of power on its part. Finally, the author could have considered as well selected case studies concerning Southeast Asia (SEA). The Chinese government, through its state-owned companies, have heavily invested in SEA, especially in the infrastructure sector. China, in effect, has become not only a competent trading partner for the region, but also a reliable investor that funnels in huge foreign direct investments.

Nevertheless, the book is a well-written analysis of economic statecraft in the context of China's foreign policy. Norris has eloquently provided an innovative and at the same a comprehensive angle on how to assess and understand more constructively the selected issues and concepts surrounding China's foreign policy and the state's utility of economic statecraft. This latest and enlightening scholarly work of Norris is highly recommended for foreign policymakers and researchers, journalists, university students, and people working in the financial and trade industries.

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