Session III: Stability for Northeast Asia

Prof. Dr. Jin Canrong
Renmin University
Beijing, China
After a series of fluctuations in 2009 to 2010, US-China relationship has still undergone ups and downs in 2011. We had a good beginning this year by the President Hu’s successful state visit on January, but been upset since summer by those old or nouveau issues like Taiwan weapon sale, troubles on South China Sea, RMB exchange rates and even the ambiguity of TPP(the Trans-Pacific Partnership). Regarding to such drifting relations between US and China in last three years, we are supposed to rationally analysis factors that caused so many difficulties in bilateral relationship at present, and offer some prudent remarks about the future.

Why Did China-US Relations keep Drifting

Straightly speaking, it is the objective reality, not leaders’ subjective wills that cause difficulties on bilateral relations. Obama insisted on emphasizing the significance of “a constructive way based on mutual respect and mutual interests” for China-US relationship in leaders’ meeting on January and November, which were taken as positive signs by China where “a good relation with US” is always the priority of its foreign policy. The decent atmosphere of bilateral relationship in 2009 and some Democrats’ favorable remarks to China in US domestic debates proved to some extent the sincerity of leaders who wish a cooperative relationship. Part of difficulties probably lay on the divergence of opinions between political elites and average people. According to the poll conducted by CNN in November 2010, 58% American people considered China as a economic and military “Great Power” and threatening US interests, while the number of the same poll was only 35% back in 2001. After Hu’s state visit on January, an authoritative joint poll showed nearly 50% people took unfavorable attitude toward China’s development, while the favorable rate once soared to 80 percent in April 1989. Meantime, in today’s China, we can easily find out so much fight on net against so-called

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“American Cents Party” who has been defined as Chinese US admirers, and a few extremists among 500 million netizens in China⁴ even incline to criticize any compliment for US as “treason”. Admittedly, those poll data and Internet comments hardly represented the mainstream of either American or Chinese people, but they did reflect the thoughts of many political activists in both countries, which could be more or less influential to government diplomatic behaviors. Both China and America are undergoing the popularity of populism in varied ways, which China’s populism is driven by excessive nationalism and self-respect as the result of rapid nation power growth, while US people are more stimulated by economic recession.

Moreover, the instability of China-US relationship, that “the perception gap” just explained a little, has rooted on the vagueness of mutual strategic positioning today, which used to be clear and sound during two long-term periods of our diplomatic history.

The first period was 1972 to 1989, from Nixon’s visit to the end of the Cold War, in which our strategic cooperation had based on defending the threat of USSR. We should consider the cooperation splendidly successful, and the climax of bilateral relations showed up in 1979, when China and US finally established formal diplomatic relationship and the Reform of China took its first step. The main clause of our Joint Communiqué was that “each is opposed to efforts by any other country or group to establish hegemony in Asian-Pacific region”,⁵ which indicated the USSR as the mutual threat back then. Our cooperation not only alleviated the international tense in Cold War era, but also contributed a lot to the revolution of international system.

The second period was 1992 to 2009, after the temporary drifting cause by Tiananmen issue, when the main theme of bilateral relationship was also clear: China strove to integrate into the US-led world order, while US was shaping and accepting China as an important partner in globalization. China’s membership of WTO acquired in 2001 was a great milestone in those years, when China firmly aimed to deepen its reform, establish domestic market and participate in world economy. During this period, in despite of emerging “China threat theory” or “China collapse theory”, American were glad, in general, to see the participation of China to US-led international regimes and an open market on China. The strategic cooperation was a “win-win” pattern back then, in which China naturally enjoyed benefits of globalization as a “free-rider” and US enjoyed China’s huge domestic market and


leadership acknowledgement. Economically, US not only earned much from China market economy as American businessmen said, but also let American average citizens keep enjoying a great number of cheap merchandise “made in China”; Politically, the collaboration and acknowledgement of China enabled US to achieve an unprecedented hegemony freer than any era before in fields of diplomacy and military actions (especially anti-terrorism wars).

The breakpoint of such strategic cooperation was supposed to be the Copenhagen Climate Conference in 2009. This global conference failed to a large extent, ending in noise of disappointment and brawling among nations, for which lots of Western media blamed China while China considered the whole conference like a “rich nations’ conspiracy”. In retrospect, neither China nor “rich nations” should take full responsibility of the failure, but an interesting phenomenon was found by Western media when they was blaming China-the confrontation on conference between US-led “Umbrella Group”, EU as developed countries and developing countries who took China as their representative, including BASICs and Group of 77(actually 131 countries). The West was shocked by China’s influence over developing countries and its free will as “a future superpower” who turned the global summit to a diplomatic game between two “superpowers”.

Adding to the very different performances on handling economic recession in 2009, it was not hard to tell that China and US have already showed huge divergence on worldviews (including regional and global regimes) and developing paths. American would need to be worry about a worst possibility: China could deny the existing international system led by US, and by contrast mobilize the majority of undeveloped nations to conduct a world-wide version of “Encircling the cities from rural areas” strategy, fighting against American. Therefore, the confidence about “Integrating-Accepting” pattern, which used to be a decent mutual strategic positioning in last decades, began to fall apart on both sides (especially for the US), so that deepening trust issues in bilateral relation caused more realistic problem.


What is Happening Now in China-US Relations

Generally speaking, the current China-US relationship was affected by two noticeable trends. On the one trend, the United States bothered by domestic economic troubles started strategic contraction on global level in some sense, but in the meantime, took a tactically aggressive attitude toward Asian-Pacific regional issues. The strategic focus shifting to this region has been seriously discussed since the last years of 20th century, but was disrupted in practice by “9·11” and Bush’s Jihads for a decade, which made Obama’s “Return to Asia” in 2010 has to face a more complicated situation today. The Obama administration got a lot of missions on Asian-Pacific: economically, utilizing the rapid growth of this region to “heal” American domestic recession; politically, balancing China’s influence that has dramatically increased in last decade; in security field, reassuring allies who no longer have so much faith in the US. The difficulty on complete those missions required US to keep in a high profile as an aggressive activist.

On the other hand, the power distance between China and US is continuing decreasing. According to reliable calculation, though the total economic output of China in 2010 is only two-fifths of the United States (respectively 5.7 and 14.6 trillion dollars), China’s GDP will surpass America in 2020 (respectively 24.6 and 23.3 trillion dollars) unless a truly catastrophic recession attacks China. Moreover, China’s military modernization will definitely accelerate in next decades, which would deepen a “prison dilemma” between US and China in traditional security fields. In fact, China and US is undergoing the long-term psychologically “strategy sensitivity” in a seemly traditional “Power-shifting” circumstance, under which each of them would misunderstand the other one’s behaviors as offensive. Such sensitive psychology turns to be the deep obstacle in bilateral relationship.

Since those causes we mentioned above, the “offensive side” now is the United States, and America’s China policy showed the following features in such “easy-to-overreact” phenomenon:

1. Assume China to be “the No.1 rival”. Considering the significance of China on America’s world order construction and hegemony maintaining, it does make a good sense to pay more policy attention on China, which is a consensus in both sides’

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strategists.\textsuperscript{13} However, the problem lies in that the United States’ concern on China has mutated into a sort of “self-suggestion hostility” to some extent, shown in the two latest “Quadrennial Defense Review Reports” from US Department of Defense. Although the report in 2010 was less strong-worded than 2006, it was still empathizing the possible threat of China to “regional military balances” and even the US national security in most China-related paragraphs.\textsuperscript{14} Practically, US has strengthened military ties with Vietnam, Philippine and Australia recently, which indicated an overt or covert tendency to take China as a strategic rival.

2. “Containment” elements are increasing in “Hedging” policy. “Hedging” has been a main theme in the States’ China strategy since the middle of 1990s, but in practice, it actually could be varied strategic combinations shown in the table below.\textsuperscript{15} Admittedly, because of the necessity of a cooperating China in Bush’s anti-terrorism wars, “Engagement” elements used to highly surpassed “Containment” in the States’ China policy after “9·11”, which turned to be the C combination, but now, the policy is slipping into the B combination.

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\textbf{Containment} & \textbf{High level} \\
\hline
\textbf{Low level} & B (Containment in fact, but keep possibility of Engagement) \\
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\textbf{Engagement} & \textbf{High level} \\
\hline
\textbf{Low level} & A (Don’t do anything, pure Opportunism) \\
\hline
\textbf{High level} & C (Take Engagement as dominant strategy, while be free to conduct Partial Containment on specific issues) \\
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We can still take “Quadrennial Defense Review Reports” and hot “South China Sea” issues as examples. The strategic ambivalence was obvious in 2010’s QDR, since almost every time it talks about China in a good-will tone followed by a “However”.\textsuperscript{16} It is a big “However” here, and it always matter. If the textual analysis

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\textsuperscript{16} For example, “The United States welcomes a strong, prosperous, and successful China that plays a greater global role……However, lack of transparency and the nature of China’s military
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is not persuasive enough, we are supposed to watch the performance of US on South China Sea disputes. US called for a calm and peaceful settlement of disputes, while provided military and diplomatic supports to Vietnam and Philippine etc, which occurs to Chinese whether the US was scheming a “no war no peace” atmosphere on South China Sea to conduct strategic containment to China.

3. The US seems to inflate the cost of China’s development on purpose. On the last two U.S.—China Strategic and Economic Dialogues (SAED), one of the State’s requirement to China turned out to be “improving income distribution pattern”, equivalent to asking China to enhance salaries of average people, which aimed to eliminate China’s labor cost advantage under the guise of morality. On a similar path, America has established increasingly number of “Green trade barriers” in bilateral economic relations in recent years.

Honestly, the social injustice and destruction on the nature are truly negative by-products of China’s rapid development, which makes the United States’ behaviors virtuous to a certain extent. However, it’s not hard to see that almost every industrialized nation has undergone a similar period in their history. Today, Chinese people is exerting their whole lives to make fortune and not enjoying so much, so did British in early Industrial Revolution era and Japanese in later 19th century. The spirit of today’s Chinese is like a China version of Weber-style Protestant ethics, and China’s current social issues can be discussed by analogy to the “Gilded Age” of America. Back to the last decades of 19th century, the urbanization and industrialization of the United States also caused severely social injustice, corruption, gloomy human rights situation and environment damage, which also provoked reproach and unsatisfying anger of average people as shown by the Populist Movement in 1890s. Due to the stage of development, most of those problems couldn’t be solved on social economy conditions at that time until the Progressive Era came. Therefore, it is actually unfair that US takes modernized social morality as a weapon to blame a modernizing China.

In the field of strategic security, the massive military distribution of US on Asia-Pacific reflects its Cold War mentality, which forces China to fight back by enhancing defensive costs. The United States’ move is based on a so-called fact that “the pace and scope of China’s military build-up already puts regional military balances at

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risk.” But the US fails to comprehend that the size and geopolitical nature of China has already decided an “unbalancing” regional structure in East Asia, just exactly like the North America structure. The behavior of US could be meaningless except spurring China’s nationalists, messing up the regional security atmosphere and harming US-China relationship.

4. There are a few tactically specific features in America’s current China policy. For instance, on Internet, the US is trying to cause the chaos of value by its technological advantage. Moreover, because of domestic financial problems, Obama’s “Return to Asia” seemly takes a “military priority” tactic, which could be proved by increasingly frequent military exercises around China, high-profiled military collaboration with South East Asian countries and even Australia. When President Obama announced that “the US does not fear China” on the other side of the earth, I believe that most of US-China relationship researchers could only respond in an ironic sense of humor. Besides, the US starts to put pressure on China by taking advantage of regional multilateral mechanisms, as what it did on East Asia Summit in 2011 by hyping TPP and South China Sea issues.

To sum up, the China policy of the US is probably a little overreacting today, made under a strategic sensitive circumstance. Adding to the growing nationalism in China, the bilateral relationship would be trapped by a vicious circle.

Where Would We Go in Next Few Years

As 2011 goes by, the China-US relationship is still shadowed by realistic difficulties and strategic distrust. It’s going to be a tough year of 2012, and even a tough decade of 2010s for bilateral relations.

First of all, the instability of bilateral relations would be predictable in 2012, because this year is the Election Year of both countries. It is a commonsense that every time of US president election, candidates always incline to play “tough guys” on “China issues” to please votes. In the 2012 election battle, President Obama is conducting “Return to Asia” with an aggressive posture to China for scoring in foreign affairs field; on the other hand, Republicans candidates (like Romney) still

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criticize the “softness” of current China policy. Meanwhile, the problems of China’s election would make US-China interaction more complicated. In contrast to the ambitious remarks of American politicians, China’s bureaucrats prefer to an overly-cautious and negative attitude toward their current occupations in sensitive period of election, tending to avoid mistakes by done-nothing, which partially explained some unwise behaviors of Chinese government domestically and diplomatically. In other words, it is possible in 2012 that China would not take a responsible attitude towards the increasingly aggressive behaviors of the US. We would get some big communication problems.

Moreover, the China-US relationship will be bothered psychologically by economic data in 2012. As it shown in authoritative data, the manufacturing industry gross of China has surpassed American as the largest goods producer of the world in 2010, and its total trade amount is also highly possible to be “the No.1” in 2011. Although there are many scholars who are suspicious of “the authenticity” of China's economic growth, American have to embrace 2012 without the theoretically top one position in two significant world economic fields. A further problem lies on the prevalence of pessimistic forecast for the US economy, since the “Reindustrialization of America” is hardly achieved in a short term. Therefore, the generally emotional state of mind of the US toward China would be diverted from “condescension” to “vulnerable sensitivity”, which could be very consequential to bilateral relations.

Last but not least, it is full of uncertainties on Asia-Pacific hot issues in 2012, which would widen the perception gap on regional issues between the US and China. The severity of those tough issues are actually interacting with US-China bilateral relations, including the possible disorder led by domestic power shifting in DPRK and Taiwan, the chaos in Pakistan, the escalation of South China Sea disputes and even the possibility of US military action against Iran. In some sense, the strategic mutual trust and cooperation between the US and China could contribute very much to the proper settlements on all of these regional issues.

In next decade, the key trend in bilateral relationship turns out to be the psychological complexity of both American and Chinese average people. As we mentioned above on the state of mind of American, Chinese people would also share some features of such “vulnerable sensitivity”, which is a kind of twisted nationalism

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caused by severe international environment. The national images of the US and China is continuously deteriorating in each other’s eyes.

Theoretically speaking, if the political leader has a truly strong status on internal and enough political resources, public opinions could be re-shaped in a good way. However, both China and the US would step into “weak leadership” period in next years. On America’s part, as long as economic recession and controversial military actions remains, the presidency, either Democrats or Republicans, would still be constrained by political polarity and even a minority of seats in Congress. On China’s part, varied to the Charisma politics era (like Mao or Deng’s ages), Chinese authoritarian regime has entered to a new decentralization and political specialization stage, which could be called as “Collective leadership of technocrats with term limits”. From Hu to next Xi, China’s top leadership group, constituting of nine statesmen in The Politburo Standing Committee of the CPC, turns to be more alienated in personal relations with each other and more specialized on national governance, which would make truly unanimous agreements of central authority hard to achieve and lead to the bargaining power growth of local governments and special interest group. It is highly possible that foreign policies of both China and US are going to be more vulnerable to the influence of interest groups and popular populism, lacking of systematically strategic thoughts and multiplying the conflicts of interests in bilateral relations.

Besides the traditional “3Ts” (Trade, Taiwan, Tibet), there will be at least five new national interest issues in future US-China relations:

1. The competition on regional leadership of Asia-Pacific. Since the Bush administration put America’s strategic central focus in Middle East in last decade, China’s regional influence has been dramatically improved when Obama decided to “return to Asia”. The present regional structure is very interesting that almost every East Asian country counts on China economically, meanwhile depending on the US in national security field. It worth paying attention to how long this pattern could be run in Asia and what will change it.

2. China’s industrial structure upgrading and the possible revolution of US-China economic relations. The industrial structure upgrading takes priority in China’s 12th Five-Year Plan, which means China determine to enable himself to manufacture industry products in high-end chain monopolized by the West since always. Considering the labor and capital power of China, if the upgrading is accomplished in next decade, the economic complementarity in bilateral relationship will vanish, and

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25 A few of American excellent scholars have already learnt the subtle change of China’s political structures. See Kenneth Lieberthal, Governing China: From Revolution Through Reformation, China Social Science Press, 2010, p214.
the US would have to deal with a China version of “1900s’ America” who has optimized modern industry as a “free-rider” but ultimately transcends the hegemon. It would be an unprecedented revolution in “Pax Americana”, even in the world history.

3. The apprehension of the US on China’s military modernization. Because of the “taking economic development as the center” policy, China’s deserved defense power has been constrained in internal politics for nearly twenty years. As shown above in the QDRs, America’s apprehension is out of miscalculation of China’s rightful defense force development, which is understandable in a “Realpolitik” way but still puts Asia-Pacific at risk of “extraordinary securitization”.

4. The influence of domestic social issues on bilateral relationship. Admittedly, the most serious challenges for both China and America are their own domestic governance. The social problems exposed by “Occupy Wall Street” movement also exist in Chinese society, and neither China nor the US has decent solutions in short-term future. Since a chronic global recession is probably coming, the activity of populists as a social force would increase in both countries, which not only could influence foreign policies in negative ways, but also could be used by political opportunists to profit themselves by harming US-China relationship.

5. Debates on values about “China model”. Although the authenticity of a so-called “China model” is questionable, the success of China seemly proves that America’s so-called “universal values” are not indispensable for developing countries to achieve modernization and the West path is not the only choice for economic prosperity, which is taken by the US as an ideological challenge. Objectively speaking, the America’s hysteria on “China model” issue is based on an excessively cultural conservative complex of Americanism, which has been criticized by excellent American thinkers as “the Tyranny of Liberalism”.

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26 Refers to an inclination to exaggerate threat and call for extraordinary measures beyond the routines and norms of everyday politics. See Barry Buzan, The United States and the great powers: world politics in the twenty-first century, Shanghai People’s Publishing House, 2007, p179.


In summary, there will be many complicated problems covered almost every field of the US-China relations in next years. It requires our earnest mutual efforts to improve “the most important bilateral relationship of the world”.

How to Fix the China-US Relationship

The picture of China-US relationship we drawn above is really cloudy, but it doesn’t mean that there is nothing could be done for a better future. In fact, China-US relations is by no means doomed to be “the tragedy of great power politics”, not only because of the mutual will of avoiding confrontation, but also because of positive factors existing in our bilateral relations.

Generally speaking, the cooperation of China and the US can count on at least those objective conditions below:

1. The Globalization brings many common issues to us. The political disagreements in Copenhagen do not mean the functional cooperation of US and China on climate change issue should pause or stop. Moreover, the functional cooperation on global issues is just exactly what we need when strategic relations keep drifting. China and US have also have huge room for cooperation on many global issues like anti-terrorism cause, the fight against organized crime and global public health etc., which could hardly be solved without cooperative China-US efforts. The present problem lies on that the difficulty of domestic social economical issues made both China and the US tend to be more inward-looking and didn’t take a serious attitude toward global issues. To the best of my understanding, we shouldn’t waste opportunities of cooperation like that way anymore.

2. The deep interdependence of China and US economy and the initial establishment of mutual communication mechanisms in various fields. 380 billion dollars’ bilateral trade amount and 1.14 trillion dollars’ US treasury securities holdings in China proved the “mutual assured economic destruction” between China and US, meaning either of them could afford a “new cold war” on bilateral relations. As a Chinese saying goes, the US and China Cooperation benefits both, while strife will harm both. The massive personnel and capital exchanges naturally requires a lot of communication mechanism. Including the summit-level U.S.—China Strategic and Economic Dialogue (SAED) and some mechanisms on sensitive subjects like military consultations, we’ve had over 40 bilateral communication mechanisms, but still need to be expanded in fields, deepened and increased in

frequency. Those mechanisms are precious resources for China and the US to find new consensus and strategic positions.

3. The internal endowment on “soft power integration”. The prevailing political misunderstanding among both sides’ people does mean that the two civilizations are not appreciated by each other. Chinese young people are crazy for Hollywood movies, and American also loves Kung Fu Panda. Admittedly, we are very different on values and thoughts of the world, but it is exactly the difference make our cultures so fascinating in each other’s eyes. Some of American strategists have already realized the cultural complementarity between China and US and theunnecessity of obsession on “nation pattern” subjects.\(^{31}\) In fact, we have solid basis on Chinese-American people relations, for example a large number of Chinese-American who contribute to American society so much but still preserve Chinese traditional virtues, and could be considered as the ballast of US-China relations.\(^{32}\) The friendship developed by cultural comprehension would be very beneficial for the long-term stability of bilateral relationship.

We can easily find out some objective basis for a cooperative US-China relationship, but those resources still need to be well organized, which requires both China and US to change the traditional behavior and thought patterns toward each other and try their best initially for a better future.

First of all, a new mutual strategic positioning should be found out in bilateral relationship. The conception of “Strategic Reassurance” does make a good sense to a large extent, which suggested as long as China takes more international responsibilities and the US embrace China’s development sincerely, the “Integrating-Accepting” pattern running well before could continually benefit both sides. On China’s part, it is necessary to share more responsibilities in the world, but meanwhile, China needs to eliminate the perception gap on “China’s responsibility” issues with the Outside world, letting the other nation aware of the difficulties and limits in world affairs. For America, it’s time to stop patronizing or demonizing China, supporting China by release more international institution room for her. China sincerely welcomes a international system still led by the US, in which China and US acquired a “win-win” ending in last decades, believing it will lead us to a better future with both sides’ adapting coordination.

Moreover, it is emergent and indispensable for China and US to establish and optimize a systemic set of crisis management mechanism. Regarding to increasingly

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serious and complicated problems in future, frictions between China and US are inevitable, which make efficient and timely communication prominent to assure the general stability of bilateral relationship. Especially in military fields, as acceleration of China’s defense force, some deep dialogues are urgently wanted to reduce the possibility of strategic miscalculation and misunderstanding. To develop US-China relations in future, it is probably the most reliable path by constructing the “Functional partnership” between two countries firstly, followed by massive multi-level “engagement” conversations to find out a new model of “great power politics”.

Last but not least, leaders of both nations still have to shape a favorable domestic consensus for US-China strategic cooperation with great political will and courage. From average people to scholars and politicians in both countries, it is always full of divergence on the topic whether our state should take a more offensive or tolerant attitude in bilateral relations. At present, the “tough” side is gradually gaining the dominance in both countries’ debates, which let the leaders who want a cooperative US-China relationship facing severe challenges. The leaders of China and US are supposed to overcome tremendous difficulties and internal political limits to persuade people that “cooperation is our only choice”.

In spite of so many difficulties in US-China relationship, as long as both China and US strive for it, a peaceful and “win-win” future will ultimately come to us.