Session IV: The US in Asia – Future Options

China’s New Diplomacy and Its Impact on the East Asia Security Cooperation and the Sino-US Relations

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Foreword

As for China’s attitude toward America’s role in Asia, it maintains the following features: (1) China recognizes that the US presence in the region is one of the most important facts in the East Asia’s international relations. (2) From Chinese perspective, America’s role in the region is very complicated. But, generally speaking, it’s not contradictory to China’s effort for modernization. (3) For its own national interests, China would like to have a comprehensive and cooperative relationship with the US, especially the cooperation in the East Asia. (4) Since the mid-1990s, China has devoted a lot to the regional cooperation in the East Asia, with a diplomacy that bears two features, economy first and smiling face, and these efforts lead to quite a lot achievements. With coming of China, the East Asia regionalism becomes something substantial. In the meantime, the US policy towards the East Asia maintains the following features: security first (after 9/11, anti-terrorism first), re-strengthening the cold war style ally system, and always putting Iraq first.

I. What is China’s New Diplomacy?

Definition

Since two American young scholars published their article about China’s New Diplomacy on FOREIGN AFFAIRS¹, the term “China’s New Diplomacy” gradually becomes popular among Chinese scholars. For Chinese academia, “China’s New Diplomacy” is actually a concept imported from outside world. It’s a typical case that shows the weakness of Chinese academia: their effort of theory building is far lag behind the practice of Chinese public or practitioners; they are lack of intellectual confidence to interpret today’s China in their own words, but rather to follow a concept invented abroad, especially a concept from US.

28 years ago, by leading China enter the era of Reform and Open-up, Mr. Deng Xiaoping dramatically changed Mao Zedong’s philosophy of governance and nearly all the domestic and foreign policies. To some extent, a kind of “China’s

¹ Evan S. Medeiros and M. Taylor Fravel, “China New Diplomacy”, Foreign Affairs, November-December, 2003. Evan S. Medeiros is an Associate Political Scientist at the Rand Corporation. M. Taylor Fravel is a Fellow at Harvard University's Olin Institute for Strategic Studies. They demonstrated changes of China's international perspective, attitude toward international society, foreign policy, and the diplomatic policy-making system and process in their article.
New Diplomacy” emerged at that time. But here, the term “China’s New Diplomacy” just refers to China’s philosophy, policy and practice of diplomacy since the mid-1990s.

“China’s New Diplomacy” started when Chinese leaders and diplomats put forward so called “New Security Concept” in mid-1990s. The official definition of “New Security Concept” is based on the principle of mutual trust, mutual benefit, equality and cooperation. The official definition of “New Security Concept” sounds hollow, but for the later practice of China’s diplomacy, it is really significant. Some Chinese scholars try to interpret the “New Security Concept” by comparing with some western equivalents, like cooperative security, common security, comprehensive security, etc. In my understanding, “New Security Concept” is related with three “New”s, which is a new mentality, a new attitude and a new approach of diplomacy. Here, the new mentality means China is escaping from the victim psychology that is resulted from the collective memory of so called “the century of national humiliation”. The new attitude means China is accepting the current international regime. The new approach of diplomacy mainly refers to China’s participation in multilateral activities.

Evolution

In October 1996, the annual retreat of high-ranking officers of ARF was held in Manila of Philippine. Madame Fu Ying, the director-general of Asian affairs of China’s foreign ministry at the time and is now China’s Ambassador to Australia, raised the “New Security Concept”. As far as I know, this is the first time the term appeared. Then this phrase appeared frequently in the speeches of Mr. Qian Qichen, China’s foreign minister at the time and President Jiang Zemin’s speech at UN Assembly in 1997.

The Asian financial crisis in 1997 gave China a chance to practice its new thinking. By resisting the pressure of devaluing RMB, China helped the region to stop the further spread of the crisis. China’s behavior was highly appreciated by the international community, and encouraged by the applause of outside world. Chinese leaders would like to do more in regional cooperation. The financial crisis itself told Chinese that there are some problems in world economy that can’t be tackled by any single country. For China’s own interests, we need more regional cooperation.

In 2001, with China-ASEAN(10+1) FTA came into being and with the Shanghai Five reshaped into Shanghai Cooperation Organization(SCO), “China’s New Diplomacy” became true.
Components

“China’s New Diplomacy” involves both thinking and behavior. It is mainly composed of the following elements:

Recognizing the current international regimes and to behave in accordance to the international norms; be aware of the fact that China benefited a lot from the international system; China will not isolate herself from the system but rather to join it. China is more and more accustomed to international regulations and is more and more willing to participate in more international regimes. China gives the outside world an image of an open, responsible and active player in world arena.

Unlike the former China that always waited for others to take initiative and stick to a reactive diplomacy, today’s China would more like to take initiative and show a strong diplomatic activism. Six-party talk and Shanghai Cooperation Organization proved China’s preference to involve in international politics and stronger initiative.

Not so heavily relying on the bilateral approach as China always preferred in the past, China appreciate the multilateralism and regional cooperation now. Multilateralism and regional cooperation are inevitable trends of international relations in a world of globalization. China participated in many international regimes and actively involved in regional cooperation in the field ranging from politics, trade, and military to territorial exploitation, anti-terrorism, and epidemic-prevention.

Welcome to globalization and appreciate the value of interdependence; seek a win-win game. Globalization is the most important trend of the current industrialized world. China admits and cherishes the advancement brought by globalization and alleges that interdependence and national characteristics should be preserved and respected.

Try to establish China as a responsible power in international community. An important aim of Chinese foreign policy is to shape China as a responsible large nation, but not a great power. This is also expected by the outside world. For instance, America wants China to be a “responsible stake-holder”.

Economy first, focusing on trade interests. The main task of China’s development is to promote domestic economy. China’s new way of diplomacy, which is named Economic Diplomacy, becomes more and more effective and accepted by the world community.

Abide by friendly neighborhood diplomacy. Neighborhood diplomacy plays a significant role in Chinese foreign relations. Shanghai Cooperation Organization is the first international organization initiated by and established in China. The relations between China and ASEAN are developing rapidly in economy and politics.
Pragmatism first, minimizing the differences of ideology. Basically China is in conformity with a realism philosophy, combining with liberalism and constructivism. China attaches great importance to pragmatism and real interests traditionally. It is only in some specific period after the establishment of PRC that ideology becomes overwhelming. Currently, ideological differences are not treated as barriers of communication any more.²

Achievements

In the past decade, “China’s New Diplomacy” leads to quite a lot of achievements. It played a significant role in many aspects, such as making more voices in the international organizations, like UN, World Bank, IMF, etc, stabilizing the relations with the only status quo super-power, USA, expanding the ties with other status quo powers, EU, Russia, etc, and expanding ties with Africa and Latin America. Guided by China’s New Diplomacy, China entered WTO, signed China-ASEAN FTA, established Shanghai Cooperation Organization, and initiated Six-Party Talks.

Reasons

The reasons behind China’s New Diplomacy are varied. The newly gained confidence related with continuous economic growth and the progress of social freedom changed the way of thinking and doing of Chinese people and Chinese government.

The appearance of China’s New Diplomacy results from a learning process, which is a course of learning from both Chinese self-experience and the modeling effect of the advanced countries.

The strategic considerations, such as reducing the impact of “China Threat” and showing “China Opportunity”³, are another important cause of China’s New Diplomacy.

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2 In "China New Diplomacy", Evan S. Medeiros and M. Taylor Fravel elaborated China’s transformation from evading from most international affairs to actively involving international affairs and attending international organizations and regimes. In fact, China’s New Diplomacy includes much more contents. This can be demonstrated by speeches by Chinese leaders in international arena. The texts of the speeches can be seen on the English website of Chinese Foreign Ministry.

3 The idea of “China Threat” appeared in early 1990s in the United States and became popular since mid-1990s in western countries. In April of 1999, Premier Zhu Rongji made a speech in Washington during his visit to the United States, in which he proposed that “China Threat” should be replaced by “China Opportunity”. This is the first time that the concept of “China Opportunity” appeared. In recent years of 21st century, “China opportunity” was more and more admitted by the outside world.
Problems and Prospect

Comparatively speaking, China is still a freshman in the game of modern international relations. Before 1949, China was not a fully qualified player in international game. Between 1949 and 1979, China was a self-isolated country. Therefore, China has played the international game in conformity with international way for merely no more than 28 years, and China has involved with multilateral and regional cooperation only for merely 10 years.

As a beginner of multilateral and regional cooperation, China is full of enthusiasm, but dose not fully understand the prices and difficulties she will face in the future. Whether China’s willingness for multilateral and regional cooperation is sustainable? Nobody has the answer.

Another uncertainty is strategic suspicions of outside world against “China’s New Diplomacy”. Some people in the US are afraid of this scenario that a China with new diplomacy will be more skillful to compete with the United States.

Having said the problems, we can still bear a strong confidence about “China’s New Diplomacy”. China’s entry of the current international regimes will benefit both sides—China and the external world. The legitimacy of international system will be strengthened by including China, and China will get help from outside world in its modernization through participating in the international cooperation.4

II. China’s Attitude towards Regional Security Cooperation in East Asia

China as an East Asia power

Although China is a multi-region country, neighboring Northeast Asia, Southeast Asia, South Asia and Central Asia, the mainstream of Chinese society identifies China, culturally speaking, as a Northeast Asian country. For many years, Northeast Asia was always the top focus of China’s neighborhood diplomacy. Only in the recent years has China paid more attention to other neighboring sub-regions.

Since “China’s New Diplomacy” came into being in the mid-1990s, China has been a major advocate of East Asia security cooperation. East Asia includes two sub-regions, Northeast Asia and Southeast Asia. China prefers to have a pan-East

Asia cooperation, which is why China is actively involved with the 10+3 dialogue. At the same time, China is also involved in the sub-regional cooperation with both Northeast and Southeast Asia.

Five Components of China’s Foreign Policy

Unlike Germany and Japan in the early 20th century, China has no intention of challenging the status quo of international arrangements. Learning the lessons from Japan’s modern history, namely the de-linkage of Japan with Asia, and learning from German history after the Second World War, namely integrating itself into Europe, China will integrate itself with other parts of Asia, East Asia in particular.

Today, China’s foreign policy is composed of five parts: Diplomacy with neighborhood countries; Diplomacy with big powers, mainly referring to the relationship with the USA, EU, Russia, Japan and India; Diplomacy with developing countries, Africa in particular; Participation in international organizations and other multilateral forums; Soft-power building, symbolized by the Chinese government’s decision to set up over 100 Institutes of Confucius Studies abroad in 2005.

East Asia regional cooperation involves all these five parts. First, regional cooperation in East Asia is in accordance with China’s “Good Neighborhood Diplomacy”. Second, one of the topics in the strategic dialogues between China and another big power, including US, Japan, Russia or India is East Asia regional cooperation, and to some extent, the strategic dialogue itself is an important part of regional cooperation. Third, quite a lot East Asia neighbors are developing countries and it is a commitment of China’s diplomacy to maintain solid ties with them. Fourth, participating in institution-building in East Asia is the most important part of China’s participation in the international community. Fifth, the soft-power building of China should be practiced in the neighborhood and then in other parts of the world.

Regional Security Cooperation in East Asia Today

Compared to Europe, East Asia cooperation is much less institutionalized. The dream of an East Asia community is still far from reality. But, on the other hand, the train of regional cooperation in East Asia has already left the station and is on the track. Comparing with the regional cooperation situation in the cold war era, today’s cooperation is far beyond the most optimistic expectations two decades ago.

On the 16th CPC National Congress, the principle of building friendship and partnership with neighboring countries was first initiated. During the summit meeting of 10 plus 3 in Indonesia in October 2003, Premier Wen Jiabao elaborated the principle as the policy of fostering an amiable, peaceful and prosperous neighborhood.
ago. Now, regional cooperation in East Asia consists of mechanisms such as 10+3, East Asia Summit, ARF, the Grand Mekong River Project, Six-Party Talks, etc.

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Economic cooperation accounts for the major area of regional cooperation in East Asia. One advantage of East Asia economic cooperation is the faster pace of growth here than in most parts of the world and the eagerness for international cooperation is stronger. The economies in the region are usually export-oriented and rely on markets abroad, which is another reason for them to cooperate economically. In 2006, intra-region trade accounted for two-thirds of the entire amount in the region, based on purchasing power parity. The economies of East Asia are not as dependent on the US market as they were 10 years ago.

The record of security cooperation in the region is much poorer than that of economic cooperation. On the other hand, the security challenges here are very serious, including Japan’s territorial disputes with China, South Korea and Russia, tensions on Korean peninsula, the Taiwan issue, and the South China Sea, etc. There are many tasks and challenges related to building up security arrangements in the region. Actually, the extent of regional security cooperation should be considered as an indicator of the success of the entire regional cooperation in the East Asia.

Features

East Asia regional cooperation has the following features:

Economy goes first. The countries in this region are quite different in the level of economy, ideology, nationality, religion, and culture; the sole impetus that combines them together is the aspiration of economic development and welfare of their people.

ASEAN takes the lead and other major powers in the region follow. ASEAN is the most active player in the regional cooperation, because ASEAN countries are the ones that need economic cooperation mostly.

Issue-oriented cooperation, rather than institution-based cooperation is the main form in the area. When they have new initiations or face practical barriers, they would sit together to discuss and solve. Very few fixed organizations or institutions are established. This is quite different from the EU model.

Compared to some exclusive models, East Asia regional cooperation is willing to open the gate to the participants from outside.
Problems

Although the future of East Asia regional cooperation, including security cooperation, is very promising, there are a lot of obstacles which the countries in the region have to face. The major problems ahead of us include:

The US is the most important presence from outside the region, but currently its attitude towards East Asia cooperation is not clear. The influence from the sole super power can not be ignored in every corner of the world.\(^6\)

The lack of strategic trust among the major powers in the region, especially referring to the situation between China and Japan is another question. Compared to Europe and many other areas of the world, we can see that mutual distrust and national hatred are quite prominent.

The sustainability of economies in the region is questionable. In recent years, the gross economic growth in the region is faster than most regions of the world, but no one can make certain how long the situation would keep. Lacking impetus, economic crisis, population explosion and potential political conflicts are the possible causes of economic fluctuation in the region.

The low level of institutionalization in regional cooperation is a double-blade sword, which both promote efficiency and increase fragility. This problem is brought by the character of the issue-oriented cooperation in the region.

III. Traditional Security Issues------The Nature of Security Challenges in East Asia and China’s Policy

Fact-Finding

Although East Asia is now facing ever-increasing non-traditional threats\(^7\), as are other parts of the world, the major security challenges in this region are still traditional ones.

The three areas in today’s world where power and wealth are now concentrated are East Asia, North America and Europe. But compared to the other two areas, 

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\(^6\) East Asia is one of the most important strategic territories for the US. In the region, there exist enemy, ally, competitor, and partner, therefore, American policy in the region is quite complicated and changeable. For example, the attitude of the US government towards China has experienced several changes. During a long time since 1990s, “Containment and Engagement” is the core of American foreign policy towards China. In 2004, American Deputy Secretary Zoellick proposed the idea of “Responsible Stakeholder”, which symbolizes an adjustment of American attitude towards rising China. It accepts China as a major global player and encourages China to become a "responsible stakeholder" that will work with the United States and others to sustain, adapt, and advance the peaceful international system.

\(^7\) The non-traditional threats are severe and prevalent in East Asia, especially for ASEAN countries, including financial crisis, terrorist bombings, tsunamis, earthquakes, SARS, bird-flu, etc.
there are more potential conflict spots in East Asia: the Korean Peninsula, Taiwan strait, South China Sea and East China Sea\(^8\), etc.

The context for managing the traditional security challenges in this region is more complicated than in any other parts of the world: there are more big powers here, including US, China, Japan, Russia, India; there are bigger gaps in the development, with the co-existence and proximity of the richest countries and the poorest countries in the world; there are more complicated cultural and religious traditions here; there are more differences in geo-political situations here, etc.

One prominent feature of the traditional security situation in East Asia is the lack of a workable pan-regional mechanism based on multilateralism or regional cooperation. Three different types of security arrangements co-exist in the region: the U.S. system, centered in Washington and composed of various bilateral military ties; a multi-polar system, based on the fact that both China and Russia are independent of the U.S. system and seek their security mainly through their own strength; the multilateral system advocated by the ASEAN countries. The latest development is that “China’s New Diplomacy” narrowed the gap between the second system and the third system.

*New Developments in East Asia Related to Traditional Security Challenges*

The US is paying more attention to East Asia, and its military deployment stressing the increased importance of this region. But at the same time, major military resources of the US are embedded in Iraq.

There are many other important issues that should be stressed. The re-emergence of Japan, which refers to the effort of Japan to be a “normal country”; the effort of the Republic of Korea to play a more independent role in security affairs, as a balancer; India’s emergence as an important player in East Asia security affairs.

With the creation of cooperation in the “10 plus 3” and several “10 plus 1” forums, ASEAN has become a more important player in regional cooperation. But after this expansion of forums, a big challenge to ASEAN is its own consolidation.

The influence of China in the region is expanding with its economic growth. This has complicated China’s relations with the outside world, especially US-China and China-Japan relations.

The state of sensitive issues in the region experiences some changes recently. The tensions between Japan and China are relieved to some extent through the mutual-visit of Japanese leaders to Beijing and Chinese leaders to Japan; because of the context change (including the policy change of Mainland China and China’s Taiwan, the policy change of the US), the Taiwan issue is also temporarily under

\(^8\) Mainly refers to territory disputes and petroleum exploitation between China and Japan in the area.
control; the DPRK nuclear issue became hot after its missile test and its claimed nuclear test, but the Six-Party Talks has still played a substantial role in resolving this issue.

*Positive Signs Related to Traditional Security Challenges in East Asia*

The impact of globalization strengthened the interdependence among of the countries in the region. And this makes the costs of traditional confrontation policies higher.

Achievement of regional security cooperation offers a better starting point to control traditional security disputes in a manner consistent with 21st century conditions, requirements and options.

While economic growth results in some uncertainty in the regional security situation, the dominant impact of economic growth is positive.

China’s new diplomacy, focusing on the economy first and multilateral cooperation, gives new momentum to East Asia regional cooperation.

*Prospects*

Multilateralism is the best principle to coordinate the three different security systems mentioned previously. ASEAN can play a more important role in this way.

China’s effort to be more multilateral-oriented would be endorsed by the outside world. Multilateralism is the most important trend of current international relations. China’s active involvement in international affairs and participation in international organizations testify that China would be a responsible large country.

A stable China-US relationship is always a key part of a stable regional security situation. US presence in the region and Chinese influence in the region determine that without the coordination of them, stability in the region is unimaginable.

To stabilize China-Japan relations is of immediate importance. The most important countries in East Asia are China and Japan, but the mutual distrust between them restricted the advancement of the bilateral relations. The unbalanced status of high-level economic and trade relations and low-level political relations can not be changed in a short term.

China should share its economic growth with its neighboring countries. This is what China is willing to do and is doing.
IV. China’s Attitude towards the Establishment of a Permanent Peace Regime on the Korean Peninsula

**China’s General Attitude**

China supports the idea to have a permanent peace regime on the Korean Peninsula. From a realism perspective, this development is in the national interests of China. As a country neighboring to the Korean Peninsula, China does like to see the stability there being strengthened. As a country at its critical stage of modernization, China does want to invest all its energy into domestic development and avoid to be disturbed by the events in the outside world. As an East-Asia country, in order to reduce the excuses of the intervention from the outside powers, China does welcome any effort to reduce the tension in the region. From a liberal institutionalism perspective, a permanent peace regime on the Korean Peninsula is a key step for peace institution building for the whole Korean nation and then for the whole region. The peace based on institution is much more reliable than a peace only based on balance of power, especially when people are aware that the balance of power in the Peninsula is so fragile. From a perspective of constructivism, the process to build a permanent peace regime is also an identity shaping and perception changing process. This peace building effort will help the DPRK to reshape her identity internally and externally, reduce her insecurity and change her perception about the outside world. Generally speaking, the government officers perceive the situation more in a realism perspective, and scholars perceive it from a perspective combined with realism, liberal institutionalism and constructivism.

**China’s Policy Focus**

At the moment, China’s policy focus on the Korean Peninsula is still on the peaceful resolution of the DPRK nuclear issue. Although the permanent peace regime building and the nuclear issue resolution can go hand in hand at the same time, China considers the nuclear issue as a more immediate challenge.

On the DPRK nuclear issue, China’s principles are always the following: (1) The Korean Peninsula should be kept as a nuclear-free zone. It’s in the interests of China, and it’s in the interests of all the parties involved, including DPRK. The nuclearization of DPRK led to the tension immediately, it will also lead to great uncertainty of geopolitical scenario in the future and will lead to the proliferation of nuclear weapon in the region, which will hurt the interests of all. In short run, by owning nuclear weapon, DPRK can increase its security, but from a long-term point, it will hurt its security. Definitely, the nuclearization is not the best way to assure its security. It’s a logic originated from common sense. (2) The DPRK nuclear issue
should only be resolved in a peaceful approach. China wants to resolve the nuclear issue while avoiding any situation that will hurt its economic growth. China does not want to involve into another military conflict because of the DPRK. China opposes the strategies like regime change, military threat, etc. In China’s policy tool kit, there are mainly things like persistent persuasion, economic aids, and the limited economic sanction legally based on the US Security Council’s resolution, etc. (3) The DPRK’s concerns on economic and security issues should be addressed. Any resolution proposal should include the development aid and energy aid. But more important job is to release the insecurity on DPRK side. On this point, China pleases to see the relations between North and South being improved and also appreciates the progress in the DPRK and the US bilateral ties. (4) The resolution of the nuclear issue should lead to a permanent peace arrangement in the Korean Peninsula.

Different from the first DPRK nuclear crisis between 1992 and 1994, in which period China deliberatively restrained itself from stepping into that confrontation, in the second DPRK nuclear crisis, China involved in at the very early stage. The results include the Four-Party Talk in April 2003 and the Six-Party Talk, which started in August 2003, and lasts to present. Just like the situation in the outside world, some people doubt about the value of the Six-Party Talk, but the dominant opinion is the Six-Party Talk effectively avoided the logic of war and forced the two key players in the game, DPRK and the US, focusing on the negotiation rather than on the war preparation. According to that dominant opinion, since the Six-Party Talk has achieved something like the joint statement of September 19, 2005 and the joint document of February 13, 2007, the Six-Party Talk mechanism should be remained as a main forum for final resolution.

The DPRK’s nuclear test on October 9, 2006, shocked China and Chinese government showed its strong disagreement by its statement and its UN Security Council resolution vote. But China has tried not to allow the disagreement to collapse the relationship with DPRK and kept to behave as a responsible stakeholder.

The immediate reason for the DPRK nuclear program is insecurity in that country. This insecurity first comes from the structural competitiveness between North and South, and the related tension between the North and the US. The hostile attitude of the first term G. W. Bush administration played a particular role. On this line, China tends to think the progress in the North-South relations and the DPRK-US relations rather positive. China appreciates the attitude change on the US side in the recent months. Some people within China concerned about the progress in the DPRK-US relations, but the dominant opinion is that this development is helpful for the resolution of the nuclear issue and it’s in the interests of China. The dominant group bears more confidence in China’s power and influence than those suspicious people.
The second origin of the insecurity in the DPRK is the post cold war geopolitical situation became worse in the eyes of the DPRK people. The balance of power in the cold war East-Asia was a Northern triangle versus a Southern triangle, but now, while the southern triangle is still there, the northern one finished. On this line, to have a permanent peace regime on the Korean Peninsula and a multilateral security arrangement for the region is really important.

Except the insecurity, there exist other incentives behind the DPRK nuclear effort, like the concern relating with the domestic governance, the strategy of the reunification and the regional geopolitical calculation, etc. That means even if the insecurity to be removed, there still other problems. It will be a long march to have all the issues being resolved. But just because it will be a long process, the institution building should always be an important part of the resolution strategy. After all, “adhere to the regime of six-party talks is the sole way of promoting the peaceful resolution of Korean Peninsular nuclear crisis practically and reasonably in the future.”

China’s Expectation

The establishment of a permanent peace regime on the Korean Peninsula is a critical step for the whole resolution strategy. But Chinese people would more like to seek a region wide security arrangement based on multilateralism, and the Peninsula regime should be a key part or a base for that larger arrangement.

V. Reviews and Prospects of Sino-American Ties

China and the United States have found an anchor for their future bilateral ties and have developed a mature relationship. Despite their stable cooperation, they will face some challenges in 2008

Two words sum up Sino-American ties in 2007: stable and complicated.

The word "stable" means that although disputes between the two existed last year, they kept open channels of information exchange and communicated well on important issues.

9 The Southern triangle refers to the alliance of the ROK, US and Japan; the Northern triangle refers to the triangular relations between three socialist countries: DPRK, the Soviet Union and China during the cold war period.
Considering stability, the relationship between China and the United States matured in 2007. But the complexity of their ties has been mounting over the past years. Some uncertain elements in their bilateral relations grew more intense last year.

*Mature and stable relations*

The maturity of the link between China and the United States can be proved in two aspects: First, the two countries are both getting used to combining their disputes and cooperation and learning how to coexist with conflicts. In early 2007, some unfriendly tones rose from the U.S. side, which exaggerated the trade imbalance between the two countries. Some Americans overstated intellectual property rights protection, the yuan's exchange rate, food safety issues and China's market access. They called upon trade protectionism and threatened trade sanctions at every turn.

In the meantime, the U.S. Congress prohibited China's Huawei Technologies Co. from purchasing 3Com Corp., in the name of national security. On the Taiwan question and the issue of Tibet, the U.S. Government took some wrong steps, such as selling advanced weapons to Taiwan, U.S. President George W. Bush's meeting with the Dalai Lama and Congress issuing the "exiled religious leader" the Congressional Gold Medal, the highest civilian award bestowed by the American legislature. These moves inevitably damaged bilateral relations.

Some U.S. celebrities and non-governmental organizations intended to force China to give in on some issues by threatening to boycott the Beijing Olympic Games to be held in August 2008. This seriously hurt the feelings of the Chinese people. Furthermore, the U.S. media again and again overestimated threats from Chinese computer hackers. In addition, China launched an anti-satellite space test on January 9, 2007. In November the same year, China initially denied the American aircraft carrier USS Kitty Hawk permission to dock in Hong Kong. U.S. Government, think tanks and the American press criticized China about these incidents. The Chinese side says the criticism is groundless.

All these disputes and conflicts did not block the stable development of bilateral trade and economic relations between China and the United States. It was estimated that their bilateral trade volume would exceed $300 billion in 2007, and the growth rate of U.S. exports to China would reach 35 percent of the total export volume, which would be the fastest growing part of American exports.

Military exchanges between the two countries deepened as well. China and the United States set up regular visits between high-level officials and fleets. The highlight came in October 2007 when U.S. Defense Secretary Robert Gates visited China and the two sides agreed to set up a military hotline between their respective defense departments as an attempt to strengthen their mutual military trust.
China and the United States also maintained their consultations and coordination on important international and regional issues, the results of which were encouraging. They continued to work together on settling the North Korean nuclear issue through diplomacy under the framework of six-party talks, which moved the issue in a positive direction. They also cooperated on resolving the Darfur conflict, stabilizing Myanmar and helping Pakistan to combat extremists and terrorists.

Second, they established unrestricted dialogue mechanisms. Except for regular phone calls, the two presidents met during the G8 Summit meetings in June 2007 and the APEC meetings in September. There were many dialogue mechanisms between the two sides, and four of them were of special importance: the Strategic Dialogue or the Senior Dialogue, a high-level discussion mechanism for political, security and strategic issues; the Strategic Economic Dialogue (SED) that stressed global, regional and bilateral, trade and economic problems; the Defense Consultative Talks, which have been held since Bill Clinton was in office; and the China-U.S. Joint Commission on Commerce and Trade, which was set up in 1983.

Effective dialogue mechanisms can continue to help China and the United States realize their common interests, such as fighting terrorism and maintaining world stability and regional security, so as to maintain and upgrade the global governance. Most importantly, the above-mentioned dialogue mechanisms can help both countries conduct frank and constructive communication in order to clear up strategic misgivings, restrain problems in a controllable range, and advance the healthy development of their bilateral ties.

On September 21, 2005, then U.S. Deputy Secretary of State Robert Zoellick introduced an important concept—responsible stakeholders. He stressed that since China was an important member of the international community, the United States hoped the country would take on more significant global responsibilities. In April 2006, President Hu Jintao echoed Zoellick during his U.S. visit, saying that China was not just a "stakeholder," but also a "constructive cooperator" to the United States. Obviously, the two countries found common ground on the concept of "stakeholder."

**Complicated ties**

The bilateral relationship between China and the United States also is characterized by its complexity and complication, due to growing uncertainties about political, trade and economic issues.

In 2007, the United States faced six challenges: its dilemma in Iraq, nuclear proliferation in Iran and North Korea, Russia's growing power and tougher attitude, global anti-U.S. sentiment, the impact of a stronger euro versus the U.S.
dollar, setbacks to democracy with Hamas coming to power in Palestine and leftist governments running Latin American countries.

At present, China is not the top focus of U.S. foreign policy, but it remains one of the elements that Washington must consider when dealing with foreign affairs. More and more U.S. domestic interests are getting involved with China, due to the growing trade and economic ties. And Washington still needs Beijing's help in solving international problems.

Some of the American presidential candidates have even tried to play the "China card" during their campaigns, but U.S. voters are not buying it. All these show that Beijing's position is gaining more ground in Washington's global strategy.

Chinese leaders paid much more attention to domestic issues in 2007, and the country's diplomatic activities in the year were not as intensive as in 2006. But the rapid growth of China's comprehensive national strength made the country an important and influential force that can influence international situations. As a result, China's foreign policy was even more conspicuous. When Taiwan separatists' activities moved in an extreme and irrational direction last year, the Chinese Central Government had to focus its time and energy on observing its actions, preventing "Taiwan independence" and cooperating with the international community, while it continued to work with the United States to maintain peace and stability across the Taiwan Straits.

In 2007, Washington concentrated mainly on trade disputes with China, China's military modernization, its activities on international issues such as global warming and the crises in Sudan and Myanmar, its development of soft power and the country's global responsibilities.

Washington's usual top three topics when dealing with China-Taiwan, human rights and nuclear proliferation-were not as important in 2007 as in previous years. But for China, the Taiwan question and trade disputes were still at the forefront, and they remained the headline topics of the two sides in 2007. Generally speaking, China was satisfied with the U.S. stance on the Taiwan question last year, and it did not have an impact on Sino-American relations. Although the two sides did not see eye-to-eye on their trade situation, their bilateral trade relationship was still developing, due to the joint efforts of both governments.

**Future ties**

Two factors will determine the stable development of future Sino-American ties: Whether or not the United States accepts China's peaceful rise as a fact, and whether or not China accepts the existing world system under U.S. domination. The attitudes of both on the concept of "stakeholders" show that their relationship will head in a positive direction.
Because China's development is a fact, the U.S. Government has no other choice but to accept it and continue communicating with China. Washington hopes that its contact with Beijing will help integrate China into the U.S.-led international system, which was the main reason that Zoellick proposed the "stakeholder" concept. But if Washington insists that it must judge whether or not China is a "responsible stakeholder," its self-centered attitude will cause great troubles between the two nations.

Chinese elites say their country's peaceful rise is occurring under the existing international system, and there is no need to change it. China will ask for more equal international treatment and will take corresponding responsibilities. This is the connotation of Hu's statement that "China is not only a stakeholder, but also a constructive cooperator."

In 2008, three topics will test the foundation of bilateral ties between China and the United States. The Taiwan question will be a bigger challenge. The outcome of the U.S. presidential election will greatly influence the bilateral ties. And China's comprehensive national strength will greatly improve after it successfully hosts the Olympic Games in Beijing.

To keep their relations developing at a healthy pace, the two countries must cooperate and strengthen their ties to prevent Taiwan separatists from creating disturbances. China also needs to cope with periodic influences brought about by U.S. domestic politics. After the Olympic Games in 2008, China will take on an international requirement of growing responsibility to the world, because its global power and influence will greatly improve. And the Chinese Government must give the international community an affirmative answer to this requirement.