

# GETTING CHINA RIGHT

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American politics is entering a phase in which China is likely to increase in prominence, and where the fundamentals of U.S. policy toward the People's Republic are likely to be called into question. Over the next two years, the White House's approach is unlikely to change. But the Democrat-controlled Congress and presidential contenders alike can be expected to critique Administration policy and offer alternatives to it.

Many in Washington have experienced this "business cycle" in China policy before. Since the formal establishment of diplomatic relations with China in 1979, nearly every president has highlighted the need for fundamental adjustments in the U.S. approach to China during his campaign. Reagan questioned the end of diplomatic relations with Taipei; Clinton urged that human rights take a higher priority; and Bush challenged the "constructive strategic partnership" approach in vogue at the end of Clinton's tenure. Early on, each experienced tension with China, but over time all settled into a more businesslike or accommodating relationship. (George H. W. Bush is absent from this list, as he campaigned for continuity more than change in China policy and sustained a more accommodating posture toward Beijing.)

Many factors contribute to this normalization. Inevitably, the idealism of campaigns gets overtaken by the realism of governance. Powerful global or domestic developments supersede China-related priorities or recast a particular Administration's assessment. And, over time, presidents become more com-



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fortable in their command of foreign affairs and more confident in the personal relations established with their counterparts.

This state of normalcy is worlds away from the rhetoric of the campaign season, which is rife with criticism of existing China policy. Candidates are freer to posture, lacking the responsibilities of governance. Campaigns are also a season of intense, direct interaction with U.S. constituencies with economic, political, religious, and military concerns related to China.

Today, as was the case when Bill Clinton ran in 1992 and George W. Bush did so in 2000, we are in a period of opposition control over Congress, and the appetite to challenge the current administration's approach to foreign affairs is considerable. In the months ahead, a great deal undoubtedly will be said in Congress and on the campaign trail about the controversial elements of the U.S. relationship with China. After all, with a bilateral trade deficit of more than \$230 billion, it is easy to appeal to American public sentiment by blaming an undervalued Chinese currency for the loss of U.S. manufacturing jobs and a major trade imbalance. But China's economic rise represents only one of the significant challenges that the next U.S. president will face in dealing with China.

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## Defining American interests

An effective strategy for dealing with China should be informed by global U.S. priorities. Yet today, there is no agreed-upon, overarching agenda to organize and mobilize the world. President Bush, of course, has asserted that 9/11 "changed everything," characterizing the current era in terms of an existential struggle between modern civilization and violent religious extremists who aim to destroy it. In his second inaugural address, he proclaimed that "[t]he survival of liberty in our land increasingly depends on the success of liberty in other lands. The best hope for peace in our world is the expansion of freedom in all the world."

Needless to say, not everyone agrees with President Bush's diagnosis or prescription. Candidates in both parties are struggling with the terms of this debate—especially the proper role of democracy (and its promotion) in the current era.

Consistent with the "Bush Doctrine," one might expect the promotion of democracy to be among the highest U.S. priorities in dealing with China. Yet current Sino-American relations are dominated by issues like North Korea's nuclear program, a potential conflict with Taiwan, the value of China's currency, and China's role in the United Nations and in key regions around the world. This is of course understandable; all are important and in some cases urgent. But taken together, they undermine the notion that the promotion of freedom for 1.3 billion Chinese is as high a priority as "the survival of liberty in our land."

Thus, the next president will need either to accept the "Bush Doctrine" and adjust its application to

China accordingly, or propose a new set of priorities to inform regional strategies, including those that apply to China.

As important, and related, is the shape and scope of future American engagement abroad. Given the scale of current U.S. involvement in the Middle East, and the intensity of the domestic reaction to it, national security issues can be expected to dominate the 2008 campaign to as great an extent as they did in 2004. Defining objectives for military capabilities and when to deploy them will be a major question for all the candidates. But so too are questions about defining and prioritizing challenges to U.S. interests like reliance on foreign oil, controlling the spread of the world's most dangerous weapons, and contemporary terrorism—overwhelmingly a manifestation of radical Islamist ideology.

China is not central to these concerns, but how it chooses to exercise its rising power will impact upon the current era of intense engagement and high risk in the Middle East. China's growing demand for energy, for example, is adding upward pressure to world oil prices. Resources from the Middle East are a key ingredient driving the engine of Chinese exports, on which many in the U.S. increasingly rely. China's approach to securing Middle East resources, meanwhile, shows limited signs of sensitivity to the need for clean, transparent, and responsible governance—as seen in its unconstructive stance toward multilateral pressure on Iran for its pursuit of nuclear weapons or its support for those who fight against the defenders of emerging democratic institutions (including the U.S. military in Iraq).

The Middle East is significant for China for another reason as well.

U.S. preoccupation with that part of the world is likely to dominate the next administration's foreign policy as much as it has the Bush administration's. Massive military deployments, multiple terrorist movements, and the need to secure energy supplies will demand sustained attention from American leaders in the years ahead, whether they turn out to be Republican or Democrat. Such attention, however, is likely to come at the expense of American leadership in other regions. Just as military strategists have long struggled with the challenge of two-front wars, it is implausible to think that, in tandem with its involvement in the Middle East, the U.S. could simultaneously pursue objectives in other regions with equal vigor and resources (diplomatic, economic, and military).

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Since 9/11, this has led to risk minimizing or status quo policies in other regions, especially Northeast Asia. Thus, Washington increasingly has sought accommodation with North Korea over the latter's nuclear program and international intransigence. And it has failed to robustly address China's dramatic military modernization, or unequivocally to reaffirm its commitment to preserving peace in the Taiwan Strait.

With the war on terror the top foreign policy priority for most candidates, the next president will need

to reconcile the quantity and quality of regional objectives outside the Middle East with the sobering reality of limited resources and the need to manage risk. They should do so with the knowledge that enemies and competitors of the United States already have given thought to how best to use America's preoccupation to their advantage.

### **Knowledge gaps**

Capabilities and intentions are two typical measures of the challenge or opportunity a particular country presents. When it comes to China, the international media, government, and academic discourse is filled with figures and judgments related to these factors. Yet, specialists from outside the field often are astounded by just how little evidence we have to defend assertions of what we know about China's plans.

Take China's population as an example. It is widely reported that the People's Republic of China has 1.3 billion citizens. With such large numbers, massive migration flows, and geographic challenges, how likely is it that this is a precise figure? Would it matter in either economic or political terms if an actual count were taken and China only had 900 million citizens (fewer than India)?

A more serious issue is the lack of independently verifiable data about China's economic figures and institutions. The United States and the world have invested unprecedented sums in China, anticipating continued rapid growth, stable governance, and (somewhat contradictorily) a transition to more liberal or democratic politics. But what do we really know about the solvency of China's financial institutions? How do we know that China's economic growth figures are comprehensive and accu-

rate? How likely is it that China can continue its current rate of growth (and the international community's current level of investment) for the foreseeable future? What are the likely consequences of an economic downturn in China (even if it is just to "normal" growth rates)? These are but a few of the questions that cannot be answered with the confidence required for a typical company to do business in major U.S. markets. And yet, the U.S. has wagered much more on the presumption of China's continued economic success.

Last, and certainly not least, is the gap in our knowledge of China's military capabilities and strategic intentions. In recent years, estimates of China's military capabilities have repeatedly been revised upward in both quantitative and qualitative terms. In other words, experts have consistently underestimated China's military capabilities and the speed with which China is able to produce and deploy new capabilities. And that is just what we are able to see and measure. It is even more difficult to verify assumptions about China's strategic intentions. Why does China need an anti-satellite capability, a rapidly growing nuclear arsenal, and a significant submarine fleet? If a peaceful environment and economic development are all China seeks, then why don't the Chinese people receive more of a post-Cold War peace dividend, with the government transferring a greater percentage of domestic spending away from the military toward economic stimuli and social welfare?

When it comes to what China ultimately seeks in Asia and from the U.S., we know only what its leaders say (vague generalities) and what we can see (far from a complete picture). China's continued lack of democracy

makes it unlikely that we will have the degree of transparency on these subjects with China that we enjoy with other major powers.

It is possible, of course, that China will emerge as a peaceful and cooperative power in the years ahead. However, it is just as likely (or even more so) that it will not. The next president, like his or her predecessors, will be forced to grapple with this uncertain future. He or she also will have full knowledge of the shortcomings in our intelligence about what Beijing's leaders want, and how they set about to get it.

### **Dulcet tones**

China's diplomats are very skillful. Their message is soothing: China's peaceful rise presents an opportunity for all to profit, and its growing international influence will be used to promote dialogue rather than confrontation (with Taiwan a profound exception). China also promises to be an advocate for multilateralism, a balancer of sorts to perceived U.S. unilateralism.

There is much in China's message with which a significant portion of the world can or already does agree. It fits very neatly with long-held assumptions that diplomatic engagement and economic development in China will over time lead Beijing to moderate its politics and emerge as a respected status quo power in the international system. It also is consistent with the widely held notion that the passage of time will ease resolution of the differences between the U.S. and China, as well as China's own problems with Taiwan.

But these assumptions, while plausible, are based on hope more than relevant precedent or current evidence. Given the gaps in U.S. knowledge and the lack of transpar-

ency with which China chooses to operate, it is only prudent that greater attention be paid to what China is actually doing, as opposed to what its leaders say or what we hope for the future to bring.

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China's actions abroad already leave a decidedly mixed picture. More than any other state, the PRC bears responsibility for North Korea's tragic existence. From the military intervention which resulted in the establishment of a separate Korean state to enabling the A.Q. Khan network's export of nuclear capabilities (of which the DPRK has been a major beneficiary) to the continued economic assistance that sustains one of the world's most brutal regimes, China should own today's North Korea problems. But what risks are they actually taking, and what level of resources are they expending, to roll back North Korea's nuclear escalation and steer the DPRK in a more moderate direction?

China in recent years also has significantly enhanced its security and economic engagement in Burma and Bangladesh. In both instances, Beijing's involvement has directly and indirectly empowered elements that support dictatorship and export violence. There are similar consequences to China's engagement in the Sudan, Zimbabwe and Venezuela, among others.

And when it comes to international organizations, China contributes far

fewer resources than its peers—conspicuously less than Japan, which lacks the permanent status China enjoys at the United Nations Security Council. And too often, China's objectives in multilateral fora are aimed not at advancing the mission of those entities, but at keeping Taiwan out or avoiding criticism of China's domestic or external conduct.

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In fact, except for its impressive run of high economic growth rates and commercial exports, China's international actions fall conspicuously short of the "responsible stakeholder" ideal put forth by the Bush administration. That concept properly notes that, perhaps more than any other nation in history, China has benefited from a secure and open international order that has allowed it to concentrate on its own economic development, and that now is the time for China to share the burden and responsibility for defending and extending this order.

The next president will need to craft a strategy to get China to do more in areas consistent with the responsible stakeholder ideal, and to dissuade or deter China from continued actions that undermine it. A failure to do so will call into question the dominant assumption that China's peaceful rise is good for American interests.

### **Thinking bigger**

The next president will enter office with a full foreign policy

agenda that stretches or exceeds the incoming administration's ability to deliver. Big questions will need to be answered. What are the very few top foreign policy priorities that define its global agenda? How do those priorities inform strategy for dealing with China? And just how much time and resources is the new president prepared to spend on Asia?

As the Bush administration did at the outset of its tenure, the U.S. would do well in the future to focus on the future shape of Asia, rather than centering too much attention on China alone. Washington and Beijing may have different ideas about what is best for China's future and the environment in which it lives. On this issue, however, there is a tremendous convergence of interests among the developed and developing democracies of Asia—one that translates into an agenda that the U.S. should strongly support. It is built upon, but not limited to, common values such as political reform, judicial transparency, and economic capacity-building. Such an effort to build a confident and secure Asia where democracies thrive is a worthy objective in its own right, but it also is a vital element to strategy for managing the potential consequences of China's uncertain future (whether external adventurism or internal instability). It is an investment in what we know works: responsive democratic government and true responsible international stakeholders.

Thus, when it comes to dealing with China, the new administration should adopt a dispassionate, results-oriented approach. It should avoid swooning declarations that pronounce ties with China to be "the best ever" or that bilateral relationship to be more important than all others. The incoming government should

give credit where credit is due, and be respectful. But it also should make perfectly clear that there are consequences when China falls short in terms of transparency or actions.

In support of these efforts, the new president should task his team with providing a comprehensive assessment of China's developing capabilities and intentions—identifying the limits of our knowledge, assessing the potential consequences resulting from these knowledge gaps, and proposing strategies for dealing with them. Informed by this assessment, the new administration will need to adjust its policy away from a status quo approach toward one that respects long-standing commitments but also recognizes that both China and the world are rapidly changing.

Such a shift may be inconvenient, but it is essential if we are to refocus on resolving tensions. For example, the Clinton administration ended on the right note in seeking that cross-Strait differences are “resolved peacefully and with the assent of the Taiwan people.” The Bush administration, however, did away with the second part of that principle, opting instead for a formulation that supports any peaceful resolution acceptable to “the people on both sides of the Taiwan Strait.” That might be fine if China were a democracy, but it is not. If we are sincere in our interest in democracy for the Chinese people and a peaceful resolution of the cross-Strait issue, the United States will need to find a way to demonstrate that it trusts the people of Taiwan and believes in the democratic processes at work there.

A wide range of China-related issues will define themselves in the coming year. How does China choose to respond to the new president of Taiwan, who will be elected in early

2008? Is China dealing in good faith with representatives of the Dalai Lama in seeking true accommodation with the Tibetan people living in China? How does China handle the media, political, and environmental challenges associated with hosting the 2008 Olympic Games?

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In the end, the most important advice for getting China right is the simplest: speak plainly while seeking evidence and results. The new administration should communicate clearly about the kind of relationship it seeks from China, what it expects in return, and what it is prepared to deliver, both positive and negative. What is needed is a more business-like approach, rather than the one that has prevailed for far too long, captive to diplomatic jargon that falls short of telling Americans, our friends, and even the Chinese themselves what the U.S. expects and is prepared to do to achieve it.

