

UNITED STATES AND CHINA: MOVING BEYOND BUSH

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It goes without saying that China's economic success has been unprecedented. Studies have noted that in the takeoff stage of industrialization, the British took more than 50 years and the U.S. somewhat less to double their outputs, whereas China realized the same gain in approximately ten years.¹ According to Chinese statistics, during the first seven months of 2001, the country's two-way trade volume reached \$44.8 billion. During the same year, US exports to China grew by 19.9 per cent, rising faster than its imports from China. U.S. contractual investment in China now stands at \$64 billion, while actual investment is at \$32 billion and more. China is the fourth largest trading partner of the U.S., and the U.S. the second largest trading partner of China.²

Apparently, the U.S.-China relationship may become one of the most important bilateral relationships in the current phase of the 21st century. The relationship that had seemed to move towards confrontation during the Hainan island incident in March 2001 was brought back on track with the acceptance of China as a full member of the World Trade Organisation in November 2001. Its phenomenal economic growth and increasing intercontinental outreach as one of the rising powers in could not be ignored by the U.S. despite American concerns over communist China's human rights situation, and the question of Taiwan and missile defence.

It must be clarified at the outset that the Chinese have never meant to the U.S. what the former Soviet Union did – an 'evil empire to be contained' – and ever since the ice breaker in the 1970s, the Americans and the Chinese have worked, albeit cautiously, to put together a cooperative working relationship rather than one based on confrontation that was evident in U.S.-Soviet relationship. Consequently, as the U.S. and China moved into the 21st century, the George W. Bush administration in its two terms through 2008 chose to pursue a policy of 'strategic competition' rather than confrontation or 'containment' which seem to have brought the two countries on the path to cooperation on multiple levels including economic, diplomatic and security issues. For example, on the North Korean issue and on the Iranian nuclear programme. With the 2009 'change' that has come to the White House, one can expect the nature of U.S. relations to be realigned and widened to focus beyond the economic concerns of the Bush years.

Because of China's communist political moorings, U.S. dealings with the country have been described as a 'fragile relationship'. However, U.S. relations with China have never been conducted on a scale comparable to the American

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‘containment’ of the Soviet Union, pointing to the fact that both the U.S. and China understand the dynamics of the changing world confronted and beset with problems that are leading nations to seek solutions based on multilateral cooperation. This paper will be an attempt to look at the nature of U.S.-China relations, and whether the ‘change’ in the White House will lead the two countries towards creating a broader approach and opportunities for collaboration in response to the global economic crisis, environment and on security issues like the North Korean and Iranian nuclear programmes.

Forging a Strategic Partnership

The Sino-U.S. relationship deteriorated to its lowest point since the two countries established formal diplomatic relations in 1979, when the Chinese army launched missiles in its military exercises off the coast of mainland China towards the shores of Taiwan in the spring of 1996.

The state visit to Washington in 1997 by President Jiang Zemin and the return visit by President Clinton to Beijing in 1998 marked a full recovery of bilateral relations since 1989. Marking a new era of Sino-American relations, President Clinton expressed the hope that China and the United States would try to set up a new kind of ‘constructive strategic partnership’ in spite of many differences between them, specifically the issue of Taiwan and human rights.³ President Clinton summed up the mainstream consensus in Washington with a message to Congress in the spring of 2000. In a letter circulated to House members, he wrote, "China with more than a billion people is home to the largest potential market in the world... If Congress makes the right decision, our companies will be able to sell and distribute products in China made by American workers on American soil, without being forced to relocate manufacturing to China. ...We will be able to export products without exporting jobs."⁴

The foundations of the ‘strategic partnership’ were based on three principles laid out by the Chinese premier, Jiang Zemin:⁵

1. Always keep in mind common interests between China and the U.S.
2. Have a far-sighted and strategic view.
3. Prudently solve the Taiwan issue.

It is clear that the first principle of common interest is vital to Sino-U.S. relations. Obviously, without a sound strategic common ground, the Sino-U.S. relationship cannot progress. During World War II, China and the U.S. were allied to fight against the common Japanese expansionism in East Asia. During the cold war, both countries normalized relations because of the common Soviet threat. In the post-cold war era, however, the old strategic foundations collapsed. Although a new common ground has not yet been clearly defined, in our present context, analysts and commentators see the China-U.S. agreement on combating

terrorism and the Islamic threat as sufficient common grounds for future cooperation.

In addition, China has rapidly emerged as a rising power on the world stage with a non-Western ideology and civilization, and has the potential for challenging the current international norms and rules set forth by the U.S. and its Western allies. Consequently, under the George W. Bush administration, China was seen as a 'strategic competitor' rather than a 'strategic partner'. Whatever 'strategic' form this relationship takes to transform Sino-U.S. cooperation from a possibility to a reality in the new century, still remains a formidable problem. Even as the U.S. and China agree to disagree under these conditions, the larger question high on the minds of U.S. and Chinese policymakers is: can the U.S., with the largest established economy, and China, with the largest growing economy, have a major positive cooperative impact on world affairs?

It is clear that the U.S. also recognizes the principle of common interest. In a lecture entitled "China and National Interest" delivered in October 1997, President Clinton pointed out six areas of common interest between the two countries. The first involved assuring a stable world. As a permanent member of the U.N., China has been indispensable to keeping peace in Cambodia, defeating the invasion of Kuwait by Iraq, and re-establishing democracy in Haiti. Moreover, China is seen as being in a position to play a positive role in alleviating tensions between India and Pakistan.⁶ The second issue involved assuring stability in East Asia. The U.S. is concerned with peace and stability in this region, and has found China to be a willing partner in the successful conduct of the Six-Party talks with North Korea.

In addition, China is playing a constructive role in Southeast Asia with respect to economic development, political stability and military security.⁷ The third and fourth issues that Clinton mentioned involved weapons of mass destruction and crime.⁸ Like the U.S., China has a stake in limiting the proliferation of WMD and fighting drug smuggling and international crime. The final two issues focussed on the economy and the environment. The United States has a large stake in promoting fair, free trade and investment globally. In the last five years, one-third of U.S. economic growth came from international trade. Moreover, China seems to be a huge magnet for American goods and services. As stated by President Clinton in his address, the U.S. and China share common interests in sustainable development and global environment protection.⁹

The second principle referred to by President Jiang Zemin calls on the 'two great nations' and their leaders to have a 'far-sighted and strategic view' in dealing with Sino-American relations. As discussed above, the Sino-American relationship currently seems to be dominated by ideological differences, specifically concerning the issue of human rights. Proponents of *realpolitik* in both China and the United States argue that it would be better for the two

countries to remove human rights from their bilateral agenda altogether and to focus on commercial relations and security questions.

It seems that China has also come to a realization on the basis of its participation in the international regime on human rights that genuine stability is rooted in responsive political institutions, and has been experimenting with elections at the local level. Many Chinese believe that if the U.S. and China can adopt a common strategy to promote human rights and can take a giant step towards inter-civilisational dialogue and consensus to move away from a 'clash of civilizations'.¹⁰

The third principle is to prudently deal with the Taiwan issue. The Taiwan issue is not only a 'super-sensitive' problem in the bilateral relationship, but also the 'touchstone' of Sino-American relations. On one hand, the reunification of Taiwan with mainland China, whether it is achieved through force or not, is at the core of Chinese national interests and Chinese nationalism. Given its experience in being a semi-colony of Western powers and Japan for over one hundred years, most Chinese hold a strong aversion to any foreign intervention in their attempts to achieve territorial unity of China. They perceive the separation of Taiwan from the mainland to be a cause for shame in Chinese history, because Taiwan has been largely separate from the mainland since Japan took it from the Qing Dynasty as a colony in 1895.

In contrast, seeing Taiwan as a democratising and American-like 'country', most Americans would consider it intolerable if China were to forcibly retake Taiwan. These two perspectives clearly demonstrate how the Taiwan issue reflects deeply-rooted ideological differences between China and the United States. Nonetheless, there still exists some common ground between China and the U.S. on the Taiwan issue, as embodied by the three joint communiqués, the 1997 joint statement and the 'three-noes' policy issued by President Clinton when he visited China in June 1998. (The 'three-noes' policy implies that the U.S. will not support independence of Taiwan, not support any form of 'two-China' or 'one China, one Taiwan', policy and not support the entrance of Taiwan to any international organisation which is composed of sovereign nations.)

Adherence to all three basic principles remains a prerequisite for a better Sino-American relationship into the 21st century. Shared initiatives, in order to rebuild a stable Sino-American relationship based on far-sighted and strategic view, however, is possible only if both the U.S. and China are willing to make policy adjustments that respect both ideologies and reflect the realities of the situation. So far, the differences over Taiwan and the Chinese concerns at the U.S. plan to move ahead with its National Missile Defence programme do not reflect the 'far-sightedness' referred to by President Zemin.

Factors Determining US-China Relations in the 21st Century

Among a variety of variables, at least two correlated factors will play key roles in determining the actual process of the development of U.S.-China relations into the 21st century.

From the U.S. perspective, seeing China as an emerging world power with a communist ideology, at least nominally, and a strong nationalism, American policy makers are definitely concerned with how to 'encourage that emergence to be beneficial rather than harmful' to their national interest.¹¹ Should the U.S. contain and even confront China with another 'cold war' or engage and cooperate with China with the intention to integrate it into the status quo international regimes, from which even China could stand to benefit? Indeed, as David Shambaugh argues, Americans remain imbued with a long-standing 'missionary complex' to transform China in their own image.¹² For the U.S., it seems that the issue is never whether to change China, but how to change it. Over the years, the American missionary complex towards China has stemmed from several impulses. That includes the commercial impulse to modernise China, the political impulse to democratize China, the religious impulse to convert China to Christianity, the educational impulse to impart American values, and the strategic impulse to affect China's behaviour in world affairs. These impulses have been apparent in American approaches to China for more than a century and remain present today.¹³

Americans increasingly realize that the confrontational alternative is counterproductive. A good example is the twenty years of Sino-American relationship from 1949 to 1969. The crisis across the Taiwan Straits of 1996 proved this point again. Therefore, another alternative seems to better fulfil the American missionary complex. It was with this aim in mind that the Clinton administration had begun implementing its policy of 'comprehensive engagement' with China.

From the Chinese perspective, its policy makers must continue to focus on domestic development, modernization and democratization. Since 1978, when Deng Xiaoping finally defeated his political adversaries inside the Chinese Communist Party (CCP) and took power, China has achieved rapid economic growth and moderate political democratization. In 1992, the 14th National Congress of the CCP defined China as a market-oriented economy, which stimulated a double-digit growth rate in the mid-1990s. Moreover, in 1997, the 15th National Congress of the CCP called for the growth of private sector in the economy, establishment of the 'rule of law' in politics, and more respect for human rights of citizens.

Although there are still several different voices, both inside and outside the Party, which are opposed to the current process of Chinese domestic development, modernization and democratization as proposed by Deng and

pursued by his followers, these reforms remain the dominant thinking of China's policy-makers. China wants to become not only a participant, but also one of the rule-makers of the world's current international regimes

In short, the nub of the problem between the U.S. and China concerns China's internal and America's external behaviour; the U.S. wants fundamental change in the former, while Beijing wants an equally basic change in the latter. How these two factors interact will greatly impact the degree to which the two powers can co-exist cooperatively and peacefully.¹⁴

Moving Beyond 'Strategic Competition'

The current focus on Afghanistan, Middle East and the issue of 'terrorism' has set the course of defining the future course of what officials in the U.S. call the 'third phase' of relations between the two countries. Phase one lasted from Henry Kissinger's groundbreaking trip to Beijing in 1971 until the Tiananmen incident in 1989. During those years, relations between the two were primarily based on a common concern with the Soviet threat. The relationship even overcame the difficult time in 1981-82 when the Reagan administration upgraded its relations with Taiwan.

Phase two began with the end of the cold war and lasted until September 11, 2001. The second phase was a critical one. The era of strategic convergence gave way to growing friction over trade, democracy and human rights, Taiwan, Tibet, religious freedom, and, most important, the U.S. plans to deploy Theatre Missile Defence (TMD) system in Taiwan and development of a National Missile Defence (NMD), even if means opting out of the ABM treaty.

With the arrival of Bush (Jr.), things had seemed to get worse as he referred to China as a 'strategic competitor' as opposed to the Clinton phrase of 'strategic partner'. The bumping of a Chinese fighter aircraft with a U.S. reconnaissance plane over the Hainan Island in the South China Sea, and the Chinese treatment of dissident American scholars of Chinese background, only seemed to make the relationship worse.

Following the events of September 11, however, the two countries once again found a common strategic adversary, this time it concerned the issue of 'terrorism' inspired by Islamic extremists. The issue of terrorism is of concern not only to the U.S., but also Chinese leadership, which face similar issues inside western China. President Bush's meeting with Chinese Premier Jiang Zemin during the Asia-Pacific Economic Cooperation summit in Shanghai in November 2001 effectively set the stage for a new relationship, although the problems identified above still exist.

The relationship between the two countries, despite many ties, is not inherently stable. Too many things lie beneath the surface that could disrupt it in

future. Foremost among these concerns is the establishment of U.S. military bases in Central Asia. Although the Chinese have not yet come out with a forceful opposition to the U.S. moves, it is in no way certain that they will not do so if the U.S. decides to keep its forces in the region over the next ten years.

Despite a common strategic concern over terrorism, U.S. views on religious and political freedom, human rights, Tibet and Taiwan are not in consonance with those of the Chinese, who insist that all of these are domestic issues. While the U.S. hopes to revitalize relations with China on the basis of cooperation on terrorism, greater information-sharing and law-enforcement cooperation on activities of extremist Muslim groups, there is no guarantee that these differences will not explode over events in Tibet or Taiwan.

US-China: Factors of Stability under Obama

U.S.-China relations were an area of relative success and stability in American foreign policy during most of the Bush administration's tenure, particularly during its last years. These relations will continue to stabilize and grow under the new Obama administration in America. The administration is said to believe that a broader relationship with the Chinese could create opportunities for collaboration — not only on a response to the global economic crisis, but also on the environment and on security issues like the North Korean and Iranian nuclear programmes. Several factors can be identified that will define the nature of this stability:

1. Relations between the U.S. and China have now become one of extensive mutual dependence in economic affairs. Well-established and persisting features of the bilateral economic relationship include China's reliance on access to U.S. export markets, capital and technology, U.S. dependence on inexpensive Chinese products, and the PRC's willingness to buy U.S. debt and hold U.S. dollar-denominated assets. Without an unlikely turn to protectionism, the trade relationship is likely to continue growing. Moreover, with the current financial crisis, China's importance as a purchaser and holder of U.S. debt will become still more important and, despite worries and discontent from China, will continue to serve China's interests. In addition to signalling its commitment to buying more U.S. debt, in a more promising sign of cooperation, China announced a \$ 586 billion domestic stimulus package in November 2008. A move that was consistent with the U.S. calls for China to take bolder steps to address the global financial crisis and to rely more on domestic demand and less on exports.
2. Washington and Beijing have significant compatible interests and agendas in security affairs as well. While China's inexorable rise as a military and political power is viewed as a potential threat to regional and global stability, both the U.S. and China have common stakes in maintaining stability in the perennially crisis-prone areas of the Korean peninsula and the Taiwan Strait.

In the latter, the recent warming of relations has reduced the tensions in trilateral interactions that characterized Chen Shui-bian's presidency.

Iran's nuclear programme and the risks of instability in Pakistan are other areas where the U.S. and China have substantial and largely consistent interests and aims. Recent signs of increased Chinese cooperation on Iran at the U.N. Security Council and China's long-standing relationship with Pakistan provide promising foundations for progress under the Obama administration.

3. Obama and his administration favour continuity in Washington's China policy and positive US-PRC relations. They generally share the view that U.S.-China relations were comparatively well-handled under Bush as for example his 'economic dialogue' and the initiation of a Strategic Economic Dialogue in keeping with his administration's practice of pushing China harder on its exchange rate than on its human rights abuses. And, that the relationship was satisfactory when Bush left office. Unlike in many other presidential elections in the three decades since the normalization of relations (and especially in 1980, 1992 and, to a lesser extent, 2000), China policy was not a major issue in the 2008 campaign debates. The Obama administration is likely to be so occupied by domestic economic difficulties and Iraq, Afghanistan, and Pakistan that there will be little inclination or capacity to seek a major revision of China policy.
4. The U.S. will remain, for the foreseeable future, the most capable military power in the region and the principal provider of key public goods, including security of sea lanes, which are vital for China. China generally recognizes this U.S. role, other regional states' support for it, and China's current inability to take the place of the U.S.
5. Shifts in China's grand strategy by the early years of this decade, and more recent foreign policy successes, reduce the likelihood that Beijing will destabilize U.S.-China relations. At least since 2002, China's leaders have adopted the view that, fundamentally, U.S.-China relations are more cooperative than conflictual. China's diplomacy also is likely to continue on its recent agenda of avoiding conflict and balancing at the same time a focus on building up military strength, emphasizing "soft power" and what some have called a "charm offensive" which in American parlance of today means applying "soft power". (*The term "soft power" has now been substituted by "smart power" as noted by the U.S. Secretary of State, Hillary Clinton, in her confirmation speech as the new Secretary of State in January 2009*) Beijing's confidence and, in turn, its comfort with the basic trajectory of its relations with the U.S. and others has increased. These include the thaw in cross-Strait relations and progress on territorial disputes with Japan, Russia and Southeast Asian states. More broadly, China's international security

situation is stronger than it has been at any time since the early nineteenth century and, arguably, since long before that.

6. Prospects for good and stable U.S.-China relations are also likely to benefit from China's generally favourable attitude toward the new US President. Pre-election polls in China showed that urban, educated Chinese favoured Obama over McCain by wide margins, and his election as president is likely to improve Chinese opinion of the U.S. Moreover, Obama's China and Asia policies would be shaped by old hands familiar from the Clinton era which was another time of strong and positive U.S.-China relations.

Potential Friction

Despite these many factors favouring positive and stable U.S.-China relations, several sources of potential friction and areas of uncertainty remain. These include various interest groups and labour unions in the U.S. Democratic and Republican parties who favour greater protectionism and will certainly influence the Obama administration to push China harder on issues in bilateral economic relations. Secondly, with the much touted 'change' in America, there is bound to be pressure by human rights lobbies and party constituencies in the U.S. on Obama to pay more attention to human rights in foreign policy generally and in relations with China particularly, especially on the question of Tibet.

With Africa emerging as the new competition ground, China's support for the Sudanese regime is another area of potential discord between the two sides. Also, China's defence policy will remain an area of partly conflicting interests and mutual distrust. U.S. arms sales to Taiwan and military deployments along China's periphery, and China's rising military expenditure and growing contemplation of role beyond its own territory and immediately adjacent zones are among the durable sources of friction in this area.

These few irritants notwithstanding, it is clear that the U.S. will remain the principal definer of common interest in Asia for the time being and that China is unlikely to press for a change on this front. Much depends on the continuation of an external U.S. policy of comprehensive engagement with China and an internal Chinese policy of successful economic and political reform. Both need each other, not only in addressing the issues of climate change, energy and security, but also a collaborative response to the global economic crisis.

As stated in the beginning, of all the relations between nations, those between the U.S. and China are going to be one of the most important in the coming decades. And, it seems that with the new opportunities for genuine U.S.-Chinese cooperation now on the table, the Obama administration may just be ready to open up a new door for cooperation in the world's most important bilateral relationship.

Notes

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- ¹ http://en.wikipedia.org/wiki/Chinese_economics
 - ² www.china-embassy.org.eng/20409.html
 - ³ Sino-U.S. Joint Statement, October 29, 1997, at www.state.gov/regions
 - ⁴ Remarks by President Bill Clinton on China, Paul H. Nitze School of Advanced International Studies, Washington, DC, March 8, 2000, <http://www.usembassy-china.org.cn/press/release/2000/ptr/clinton38.html>
 - ⁵ “Establishing Sino-US Constructive Strategic Partnership”, at www.state.gov
 - ⁶ William J. Clinton, ‘China and National Interest’, *Voice of America Broadcast*, October 24, 1997.
 - ⁷ Ibid.
 - ⁸ Ibid.
 - ⁹ Ibid.
 - ¹⁰ Ezra Vogel, (ed.), ‘*Living with China: US- China Relations in the Twenty-first Century*’, New York, W.W. Norton & Company, Inc., 1997, p. 45
 - ¹¹ Richard Bernstein and Ross H. Munro, ‘*The Coming Conflict with China*’, New York, Alfred A. Knopf, 1997, p. 203
 - ¹² David Shambaugh, ‘The United States and China: Cooperation or Confrontation?’, *Current History*, Vol.96, No. 611, September 1997
 - ¹³ Ibid.
 - ¹⁴ Ibid.