

DEBATING CHINA



THE U.S.-CHINA RELATIONSHIP
IN TEN CONVERSATIONS

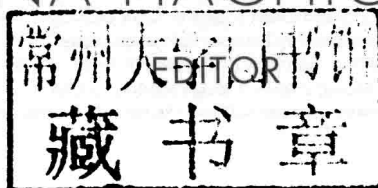
EDITED BY

NINA HACHIGIAN

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DEBATING CHINA

BY HACHIGIAN

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*For my mother and father,
who were always the wind at my back*

ACKNOWLEDGMENTS

The outstanding experts who contributed to this volume have my sincere gratitude. This book would not exist without them, and they impressed me repeatedly with their insights and convictions. That they were willing to take a gamble on an experimental approach is a testament to their open-mindedness. It was my privilege to work with such a stellar group.

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INTRODUCTION

NINA HACHIGIAN

On a wintry day in 2009, when new snowfall blanketed the grounds of a government-sponsored research center in Beijing, I had a lively exchange with an influential Chinese security expert, Dr. Yuan Peng. He and I debated the respective roles of America and China in global affairs at a small conference, along with other academics and former government officials. While our conclusions were radically different, we shared an understanding of the important questions to ask and a genuine desire to make the other understand why we held our point of view. Afterward, we published a version of our dialogue in the British foreign policy journal *Survival*. Later, a colleague suggested that our back-and-forth would make for a good book, and here we are.

The United States and China have the world's two largest economies and military budgets. They lead the globe in Internet users and greenhouse gas emissions. They are the biggest traders, investors in R&D, and consumers of multiple commodities. Both are nuclear powers and permanent members of the United Nations (UN) Security Council.

No bilateral relationship is more important to the future of humanity. How America and China choose to cooperate and compete affects billions of lives. We need to understand better how each side views the promise and perils of their relationship because steady, clear-eyed, workaday bonds can be a force for global stability and prosperity while intermittent, fear-based, and confrontational ties will lead to a darker future.

This volume offers a portrait of U.S.–China relations in ten conversations. In the chapters that follow, a Chinese and an American policy expert discuss the rich dynamics around a facet of the Sino-American relationship,

writing letters back and forth. All are titans in their fields, highly respected in academia and policy circles, and many have played important formal and informal roles in steering bilateral relations. They converse regularly with their counterparts abroad, but rarely does the public get to listen in on these conversations.

You will now have that chance. I paired the experts on nine critical topics and offered them a series of questions (printed at the front of each chapter) to guide their dialogues—on economics, human rights, media, global roles, climate and energy, development, military affairs, Taiwan, and regional security. These represent the major issues, but Chinese and Americans interact on a growing list of policy questions. As Kenneth Lieberthal and Wang Jisi discuss in their overview, the relationship is expanding.

In one sense, these exchanges are discrete conversations between individuals who, unavoidably, bring their specific approaches and biases to the task. Yet because of their deep experience, frequent interactions with policy makers and attention to their government's positions, the authors' arguments often closely reflect those animating many official and unofficial policy dialogues. Different experts would have made for a different book, but probably not that different.

Taken together, the conversations offer grounds for optimism about the future of U.S.–China relations. They reveal genuine mutual respect between the writers, significant common interests between the two countries, and, as Yao Yang describes it in the economics chapter, a fervent appreciation that “[t]he world cannot afford to see confrontation between our two nations.”

Still, distrust permeates the book. In the opening chapter, Lieberthal puts it baldly: China and America have failed “to develop trust in the long term intentions of each toward the other.” His chapter partner Wang confirms that many Chinese “believe that the Americans have both the motivation and the means to ‘create trouble’ in China, as they are doing elsewhere,” and that U.S. policies toward third countries, like North Korea and Iran, are “often interpreted as part of a grand strategy intended to weaken China.”

Subsequent chapters echo Wang's observations. In the discussion of military developments, Christopher Twomey worries about self-perpetuating spirals that are pushing both countries to arm. Xu Hui disagrees, fingering “hostile U.S. intentions” and stating that “the main obstacle in the constructive development of Sino-American military relations is not so-called

‘spirals’ but American security conceptions and strategic intentions toward China.” Xu writes that many Chinese analysts believe that the United States’ “rebalance” to Asia was designed “to contain China’s rise.” In the last chapter on regional dynamics, Michael Green takes this accusation head on when he states, “There is no mainstream support in the United States today for a policy of containing China.” His writing partner, Wu Xinbo, responds that he remains “less sure” than Green on that point.

No American counterarguments—from offering alternative explanations of American behaviors, to broadening the historical record, to recalling America’s massive and ongoing efforts to integrate China—seem to persuade the Chinese authors that the United States does not seek to keep China down. As Wang writes, both nations “assume they are on the defensive rather than the offensive and deny any hostile intention toward the other side.”

The essays offer various explanations for China’s acute suspicion of American intentions. One is a belief in the determinism of the international order. Zhou Qi describes a common Chinese view in the chapter on political systems and rights: “[T]he second-most powerful country in the world will inevitably pose—or at least be perceived to pose—a challenge to the most powerful country in the world. Therefore, it is almost impossible to build mutual trust between them.” She also suggests, as do others, that when the Cold War ended, China and the United States lost the strategic glue of a common adversary.

The media contributes to the cycle of distrust. Wang Shuo describes how social media is amplifying Chinese nationalism and predicts, “The Chinese people will support a more assertive China on the international stage, even demand it, and the government will happily oblige.” Susan Shirk agrees and warns about the “steady drumbeat of officially sanctioned media messages about America’s supposed ‘containment’ of China.” “The precedents of pre-war Germany and Japan,” she continues, “show how this kind of commercialized semi-controlled media, by creating myths and mobilizing anger against perceived foreign enemies, can drag a country into war.”

China is no Nazi Germany—and a major power clash is less likely today than in the 20th century—but China has been growing so rapidly, its interests expanding so exponentially, that some Americans are concerned about how it may use its new found power in the future. Lieberthal argues that those looking to bolster their case for fulsome military budgets can play on this concern and that it stems in part from Americans’ “innate distrust

of authoritarian, one party systems.” Zhou claims ideology is to blame for “persisting American perceptions of ‘the China threat.’” Her counterpart, Andrew Nathan, suggests, in contrast, that American concerns are actually strategic: China would be more politically stable, and its intentions more transparent, were it governed by the rule of law and an open political process.

If the United States is trying to contain China, it is going about it in a peculiar way—with American help, China has been expanding along every conceivable dimension over the last 40 years. America does, however, want to shape Chinese behavior. As Green explains, the United States is seeking ways, for example, “to encourage China to become a net exporter of security” to the Asia-Pacific region.

America also wants to ensure that China’s rise is not destabilizing, in part through encouraging its participation in the rules-based international order. Several American authors point out how much the system has enabled China’s meteoric economic rise from a Gross Domestic Product (GDP) of \$202 billion in 1980 to well over \$7 trillion today.¹ In our new exchange on global roles, Yuan Peng, though he labels parts of the system “unreasonable,” asserts that China is “integrating into the international system rather than trying to break it” and describes China’s constructive contributions in areas such as peace-keeping and climate change. By contrast, Barry Naughton, in the dialogue on economics, writes that China “seems perpetually dissatisfied with the global system, and determined to extract as many benefits as it can from the system without, however, making any constructive proposals to change the system.”

How can the relationship proceed amid such distrust? From Yuan comes the suggestion of “a new type of cooperation that deals with problems ‘case by case’ and ‘step by step.’” This approach, I suggest, could build “tactical trust” that could aid in developing long-term, strategic trust, over time. But, I caution, China and the United States should broaden and deepen cooperation while still managing their competition and conflicts. As Alan Romberg writes, the American and Chinese leaders who opened the relationship in the late 1960s “wisely decided that even if they could not resolve [some] issues, they could manage them.” To do that well, as he suggests, remains a challenge for leaders today.

Romberg is referring specifically to the political status of Taiwan, long a source of vehement disagreement. His exchange with Jia Qingguo shows how different American and Chinese perceptions can be. Similarly, Green concludes that he and Wu are “talking past each other” on North Korea policy (though, at times, Washington and Beijing cooperate productively on that

issue). Nathan makes the same observation about his dialogue with Zhou, suggesting they disagree on “how to define the issue itself upon which we disagree.” He writes, “International human rights law calls for political freedom and accountable government. These are not controversial values in China any more than they are in the United States. Chinese leaders have endorsed them, and Chinese people seek them.” Zhou avoids criticizing America’s human rights record, reluctant to engage in the tit-for-tat that Nathan thinks is exactly what the relationship needs. Wang Shuo sums it up nicely when he writes: “Better mutual understanding solves problems caused by misunderstandings, but not problems that have nothing to do with misunderstandings.”

In some areas, common interests and assumptions offer hope that the United States and China can increase their cooperation. We learn in the chapter on climate and energy that China and the United States agree that global warming is an urgent problem, that they are the two biggest culprits, and that both must act boldly to forestall its worst effects. While there is not perfect harmony on who bears what degree of responsibility, it is clear, in Kelly Sims Gallagher’s words, that “our shared interests...are greater than the issues that divide us,” and that joint projects hold promise. Her partner Qi Ye calls for a “jubilant spirit” to continue their hard work and build on existing cooperation.

Similarly, in the dialogue on global development, Elizabeth Economy, though critical of Chinese actions, suggests that “adopting best practices and learning from each other” will allow the United States and China to “contribute to both the economic and social health of the countries in which they invest.” Zha Daojiong agrees, observing “Competition between China and the United States in development need not be destructive nor inevitable.” We can hope that Chinese and Americans’ “common belief in pragmatism,” as Yao Yang calls it in the economics chapter, will prevail.

The exchanges illustrate why the U.S.–China relationship is so consequential. China’s decisions affect America’s economic well-being, its sense of security, freedom of action, internal policy debates, foreign policy, and even its weather—and vice versa. China and 1.3 billion people are not going anywhere. Neither is America. The U.S.–China relationship is a showcase of globalization’s essential truth: what I do affects you. That deep, persistent interdependence partly explains why Sino-American ties are so difficult. The United States and China need each other, and each needs the other to change.

CONTENTS

Acknowledgments ix

Introduction xi

1

AN OVERVIEW OF THE U.S.–CHINA RELATIONSHIP 1

Kenneth Lieberthal & Wang Jisi

2

THE ECONOMIC RELATIONSHIP 21

Barry Naughton & Yao Yang

3

POLITICAL SYSTEMS, RIGHTS, AND VALUES 43

Zhou Qi & Andrew J. Nathan

4

THE MEDIA 67

Wang Shuo & Susan Shirk

5

GLOBAL ROLES AND RESPONSIBILITIES 88

Yuan Peng & Nina Hachigian

6

CLIMATE AND CLEAN ENERGY 111

Kelly Sims Gallagher & Qi Ye

7

GLOBAL DEVELOPMENT AND INVESTMENT 131

Elizabeth Economy & Zha Daojiong

8

MILITARY DEVELOPMENTS 152

Christopher P. Twomey & Xu Hui

9

TAIWAN AND TIBET 176

Jia Qingguo & Alan D. Romberg

10

REGIONAL SECURITY ROLES AND CHALLENGES 198

Wu Xinbo & Michael Green

CONCLUSION 221

James B. Steinberg

Notes 227

Editor and Authors 237

Index 245

AN OVERVIEW OF THE U.S.– CHINA RELATIONSHIP

KENNETH LIEBERTHAL
Brookings Institution

WANG JISI
Peking University

Framing questions: What are the essential characteristics and dynamics of the U.S.–China relationship? What factors are driving China and the United States toward conflict, rivalry, and partnership? Has global power shifted toward China and has that affected the relationship? What domestic political dynamics in America and China influence the relationship? What interest groups and public opinion inform them? What are the significant obstacles to deeper understanding? From an American and a Chinese point of view, what is a plausible and optimistic scenario for the bilateral relationship in ten years? To what degree do these visions overlap? What forces shape the ability to reach each of these visions? What are the most important short- and medium-term steps toward a cooperative, stable relationship that benefits both countries?

Dear Jisi,

I am both heartened and troubled by the situation at present in U.S.–China relations. I am writing now to explain the reasons for my unease even in the face of the enormous accomplishments since we established formal diplomatic relations in 1979.

As I see it, U.S.–China relations have four essential characteristics at present:

Mature. The key officials on both sides know each other and interact very frequently. Each knows the basic positions of the other side and how specific issues (such as the South China Sea, North Korea, U.S. arms sales to Taiwan, currency concerns, and so forth) have been handled over a period of years. Our two governments conduct more than 60 formal dialogues per year, and our presidents meet regularly at multilateral gatherings (such as the Group of Twenty (G-20), East Asia Summit, and Asia-Pacific Economic Cooperation (APEC) Leaders Meeting) in addition to frequently communicating by phone.

Both sides, moreover, have long been committed to preventing disagreements from dominating the relationship, as each seeks basically cooperative ties. Neither side feels it serves its own interests to purposely worsen relations with the other.

In short, our governments have developed wide-ranging, generally effective ties at an institutional and personal level. Each can more often than not anticipate the general position the other side will take as major issues come up, and we have proven ourselves able to manage—even if we cannot fully resolve—the many issues on which we do not have full agreement. On balance, the degree of success over the past 30+ years—despite changes of leaders in both countries and major changes on the world scene—is truly remarkable.

Dense. Our two governments and societies interact very extensively. Almost every U.S. cabinet department—not just State, Defense, Commerce, Treasury, and the U.S. Trade Representative, but also Housing and Urban Development, Health and Human Services, Environmental Protection, Transportation, Energy, Education, Agriculture, and so forth—deals with its Chinese counterpart every week.

Our economies have become interdependent to the point where neither side can take strong measures against the other without in the process seriously injuring itself. U.S. corporations are major investors in China, and the United States is China's largest single export market. China holds more

U.S. sovereign debt than does any other country, and Chinese investments in the United States are growing rapidly. While the two sides have serious economic and trade problems, each realizes that it cannot do without the other.

More students from China than from any other country are studying at American colleges and universities, and the U.S. government seeks to have 100,000 American students studying in China. The number of people who travel between our countries in any recent year tops 2 million.¹ And Chinese has become second only to Spanish as the most studied foreign language in American schools, while English is the most widely studied foreign language in China.

Thus, U.S.–China relations are not merely a diplomatic phenomenon. The relationship is grounded in dense ties that increasingly encompass the younger generation, too, on both sides.

Expanding. As China's global footprint continues to expand, regions of the world that previously played a marginal role in U.S.–China relations are becoming more central. For example, the United States has been the dominant external military power in the Persian Gulf for decades and has also been highly dependent on imports of oil from there. But as of 2013, less than 15% of America's imported oil comes from the Gulf, and that number should drop to virtually zero by 2015 or soon thereafter. While the United States will for many years remain the dominant outside military power in this region, it is less likely to get embroiled in a war over oil there than it has been in recent decades.

China's position is very different. As of 2013 more than 50% of its oil imports come from the Persian Gulf, and that number should grow to over 70% by 2020. Yet China will not have the military capacity to shape events in the Persian Gulf by 2020—or for a considerable time thereafter. But China's oil dependency will draw it ever deeper into the politics of the region in a way that Beijing has largely avoided heretofore.

The United States and China should, therefore, focus on the best mix of economic, military, and diplomatic stances in the Persian Gulf that will protect their overall interests, including America's ongoing interest in the free flow of reasonably priced oil out of this region. But China lacks people with a deep knowledge of both the Persian Gulf and the United States, and the United States lacks people with a deep knowledge of both the Persian Gulf and China.

U.S.–China relations will increasingly require finding ways to discuss and manage an expanding menu of issues in which the two sides lack needed expertise and experience. This applies both geographically (such as to the

Persian Gulf) and functionally (with new issues such as cyber-security). The expansion of the scope of issues that are key to U.S.–China relations will make this relationship more difficult to manage in the future.

Distrustful. The pioneers in U.S.–China relations assumed that greater familiarity would produce increased mutual trust. They therefore promoted increasing contacts, for example, among educators and scientists as well as diplomats and security specialists. But perhaps the greatest single failure in more than 30 years of formal diplomatic ties is the failure to develop trust in the long-term intentions of each toward the other (“strategic trust”). Arguably, indeed, distrust has actually grown in recent years.

Such distrust can be deeply damaging. It colors perceptions of motivations in ways that make sincere cooperation more difficult and that foster suspicion over even well-intentioned acts. It also increases the opportunities and power of those in each country who out of belief or interest promote skepticism about the intentions of the other side.

There are very good reasons why the United States and China should have trouble developing strategic trust. The two countries differ enormously in their respective histories, cultures, political systems, social structures, and economies. Both are continental-scale and extremely complex societies and thus are especially difficult to comprehend. Neither has a good “feel” for the domestic politics of the other, and thus each is inclined to see the other as more strategic, disciplined, and internally well coordinated than is really the case. This leads both sides to attribute strategic significance to various developments that in fact are not the result of intentional policy on the other side.

Within this context, strategic distrust on the Chinese side appears based especially on China’s analysis of the past. China’s international experience since the middle of the 1800s has convinced it that Western industrialized countries (including Japan) play to win and seek to prevent rivals from gaining sufficient power to knock them off of their perches. With the world’s second largest GDP, China now foresees at some point overtaking the United States in total economic size. Many Chinese have apparently concluded from this that the United States must be so concerned not to lose its No. 1 ranking to China that it therefore is very likely engaged in a wide-ranging effort to delay, complicate, or even disrupt China’s rise. This effectively frames overall U.S.–China relations in zero-sum terms.

I am very worried about this perspective, especially as it has developed despite the fact that the United States has worked hard to increase Chinese