

China: Making the Case for Realistic Engagement

by Michael E. Marti

Key Points

China seeks to become the major power in Asia by 2050. Under its so-called New Security Concept, it will attempt to displace the United States as the preeminent military presence in the region while avoiding arms races with its Asian neighbors. Beijing will also try to retake "lost territories" at the expense of other Asian countries. China also seeks to achieve economic supremacy in Asia, drawing other nations into a regional market dominated by the Chinese *yuan*. American military power has been insufficient to overcome cultural divisions and divergent interests in Asia, so attempts to multilateralize regional security on the model of the North Atlantic Treaty Organization failed. These efforts bolstered the impression that Washington was looking for a way out of regional commitments.

The U.S. policy of engagement has not yet produced its intended results. America needs to adopt a new realism in relations with China. Washington should leverage Beijing's need for capital, technology, and markets to influence nonproliferation and other issues. Such a new realism will promote stability in Asia and continued American presence.

The United States must recognize and reaffirm that only strong bilateral relationships and interaction with its allies will convince Asia that a U.S. presence is long-term and an alternative to Chinese dominance. Bilateral alliances should be strengthened and the network expanded to include India, Mongolia, Singapore, and Vietnam.

Chinese aspirations to become a great power in the 21st century have numerous regional implications. Beijing claims to seek a peaceful international climate so as to concentrate on domestic development. Yet under the rubric of a New Security Concept (NSC), China also is pursuing a long-term strategy to alter radically regional power relationships that have contributed to prosperity and relative stability in East Asia over the past 50 years.

The New Security Concept echoes well-established Chinese principles of peaceful coexistence first articulated by Premier Zhou Enlai at the Bandung Conference in 1955: mutual respect for territorial integrity and sovereignty, nonaggression, noninterference in the internal affairs of other states, equality and mutual benefit, and peaceful coexistence. Other Chinese statements stress the themes of mutually beneficial economic cooperation; elimination of inequalities and discriminatory trade relations; and the promotion of security through dialogue and cooperation, rather than by forming alliances against specific threats. Behind these generalizations, however, China has a two-fold goal: first, to allay the fears of its Asian neighbors, who are suspicious not only of China's claims in the South China Sea and other territories but also its efforts to build a military force unequalled (with the exception of the United States) in Asia; and, second, to challenge the rationale behind the U.S. alliances and military presence in Asia, which China characterizes as holdovers from the Cold War.

China's Strategy

According to official Chinese pronouncements, peace and development increasingly characterize the world; the major trends are

toward multipolarity and economic globalization; and the general international security situation is improving. In its 2000 Defense White Paper, the Chinese government asserts that it "is devoting itself to its modernization drive, [and the country] needs and cherishes dearly an environment of long-term international peace, especially a favorable peripheral environment." China characterizes its efforts to build the most powerful military force in the region as "pursuing a national defense policy that is defensive in nature, and its national defense construction (resources and funds) is in a subordinate position to and in service of economic construction."

The white paper also portrays another side to the existing order:

The world is far from peaceful. . . . No fundamental change has been made in the old, unfair, and irrational international political and economic order. Hegemonism and power politics still exist. . . . Certain big powers are pursuing "neo-interventionism," "neo-gunboat policy," and neo-economic colonialism, which are seriously damaging the sovereignty, independence, and developmental interests of many countries, and threatening world peace and security. . . . Only by developing a new security concept and establishing a fair and reasonable new international order can world peace and security be fundamentally guaranteed.

Such statements are significant because they reflect the lack of trust that the Chinese still hold toward the outside world. With the demise of the Soviet threat on its northern border and the diminished likelihood of nuclear war between the superpowers, China is free to spend more on economic growth and

less on defense. However, China also entertains visions of becoming the predominant power in Asia and thereby one of the poles in a multipolar world. To accomplish this goal, it must reorder the existing power structure in Asia to diminish the influence of the United States while avoiding arms races with neighbors.

China's ambitions must be understood from the perspective of its historical development. From 1840 to 1949, China was divided into spheres of influence and was effectively controlled by Western powers and Japan. The Communist revolution in 1949 finally ousted the foreigners and ended the period of colonialism. The use of the terms *neo-gunboat policy*, *neo-economic colonialism*, and *hegemonism* in the white paper is designed to recall images of foreign domination and humiliation and to link historic ill will to the current Chinese sense of frustration with the West in general and the United States in particular.

Against this background, China has never accepted the contemporary geopolitical system in the region, which is characterized by American bilateral military alliances and forward-based troop deployments, or Western, mainly American, preeminence in global economic decisionmaking. Hence NSC, which is both a new post-Cold War concept and an Eastern creation by virtue of its basis in the Bandung Principles, is China's attempt to establish a regional alternative to Western dominance. This effort resonates with Chinese intellectual arguments of earlier periods that sought salvation from foreign domination, including arguments for the doctrine of Marxism as an alternative to Western-style capitalism.

China's ambition to become a prosperous and powerful nation also includes reacquiring what it calls "lost territories." While NSC advocates peaceful coexistence, China has ongoing territorial disputes with India, Japan, Malaysia, the Philippines, Russia, Taiwan, and Vietnam. It went to war with India in 1962 and with Vietnam in 1979, and it clashed with Vietnam in 1988 and the Philippines in 1995 over the South Sea Islands. While some of these claims have a weak historical basis, they nonetheless figure prominently in Chinese identity.

China professes not to seek hegemony in Asia; however, its determination to reclaim lost territories and become a preeminent power in the region can be accomplished only at the expense of the status quo. What are the implications for the nations of Asia that must deal with the growing economic and military power of their giant neighbor?

The Russian Connection

A cash-strapped Russia has been selling arms to China to its potential detriment, especially in light of China's claims to territories

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lost through "unequal treaty" agreements made over the years with both tsarist Russia and the Soviet Union. Russia also is aware that China seeks to edge it out of the Far East by developing a competing economy there, most likely in conjunction with Japan. However, Russia has chosen to ally with China in the near term in an attempt to stave off any precipitous Chinese move to force it out of Asia before it has recovered its military, economic, and political prowess. Thus, to stay engaged as a regional player, Russia has signed China's five-nation border agreement initiative with its former Central Asian states of Kazakhstan, Kyrgyzstan, and Tajikistan. Also, Western media reported that President Vladimir Putin has agreed to Beijing's anti-American position on national missile defense (NMD) and theater missile defense (TMD), despite his earlier statements that a limited system would be acceptable in Europe.

Russia also has sought to shore up its other relations around the region. It has begun talks with Outer Mongolia on mutual coopera-

tion to reestablish political and economic ties. Putin has persisted in his courtship of Pyongyang, despite occasional setbacks. He also has sought to reaffirm ties to India through arms sales and support for its position against Pakistan, which relies on China for political and military support.

The Sino-Russian relationship can be characterized as a marriage of convenience. China wants to end Russian influence in the region as much as it wants to end American influence, but it needs the military hardware and technology that only Russia is prepared to provide. Russia needs time to sort out its domestic situation and to reclaim its superpower status, and this affects Chinese goals in the short term.

Japanese Concerns

For Japan, critical interests involve access to the Chinese market and a significant role in exploiting the Russian Far East, either in partnership with China and Russia, or alone. Japan accepts that China's long-term goal is to gain power in the region and that Beijing will attempt to use its economic potential as the prize for ending Tokyo's security alliance with Washington.

Japan continues to solidify and strengthen its ties to the United States to counter Chinese designs but is wary that America may tire of the cost of maintaining its protective military umbrella. Therefore, Japan has been developing its own military capability. If its military power eventually matches its economic power, Japan may pursue an independent role in regional and global affairs. Through NSC, China hopes to allay Japan's fears, thereby forestalling its rearmament.

The Two Koreas

Since its communist takeover, North Korea has relied heavily upon China and Russia for economic and military support. South Korea, however, has begun to make accommodations with China, despite its history of conflict with that nation and its ties to the West—especially to the United States. Like other countries with developed economies, South Korea would like access to China's market, but it also wants Beijing's assistance in improving relations with the North. Under Kim Dae Jung's "Sunshine Policy," the South seeks to open relations—including economic trade and development—

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with the North as part of its long-term goal of reconciliation and reunification.

China needs the sort of investment capital, technology, and markets that South Korea has to offer, but the prospect of a unified Korea holds even greater benefit. With economic and political ties to China, a unified Korea could be drawn into a *yuan*-dominated regional market to counter Japan's economic and potential military influence. Even more important, however, the rationale for United Nations and American troops in Korea would be gone, furthering China's goals of becoming a regional hegemon and pushing the United States out of Asia.

Southeast Asia

The Association of Southeast Asian Nations (ASEAN) recognizes that China is emerging as a military and economic power. In response to China's growing status and in anticipation of a possible diminished U.S. presence, members have formed the ASEAN Regional Forum (ARF) to discuss regional issues. Concentrating on the common economic interests of ASEAN and China, the forum has permitted China to participate in its meetings and is thus constrained from putting any threat issues on the agenda. In response to one such attempt in 1995, China appeared to support the ASEAN multinational approach to preserve the status quo in the South China Sea, where it and several ASEAN members (Brunei, Malaysia, the Philippines, and Vietnam) have conflicting claims. Instead, it undertook bilateral negotiations to settle the claims. ASEAN also attempted confidence-building measures, including a code of conduct to prevent clashes such as those that occurred between China and the Philippines in 1995 over Mischief Reef in the Spratly Islands. Yet this approach to a regional solution also failed because China refused to allow this territorial issue, or any other, to be raised in any meaningful manner in the forum. Beijing anticipates the time when it will be strong enough to negotiate bilaterally with each claimant and apply political, economic, and military pressure accordingly.

China points to the existence of ARF as proof that regional cooperation is possible in Asia without a U.S. presence. ASEAN members, not willing to oppose growing Chinese political and military power, rely on an American presence to keep China's ambitions in check.

South Asian Players

In South Asia, India is developing a regional nuclear *force de frappe*, shoring up relations with Russia and trying to mend fences with the United States, because it believes China is the real threat to its security. Areas along the Sino-Indian border, where the two countries fought a war in 1962, are still in dispute. In the Indian Ocean, China is establishing a presence in Burma that could be a staging base to challenge Indian dominance of the region. In Pakistan, Beijing is facilitating the dispute over

the Bush administration is committed to a tougher stance on China, which means that the policy of engagement must be redefined

Kashmir with continuing supplies of military technology and supplies to Islamabad.

By Beijing's calculation, India increasingly will be a force in Eurasia. China's alliance with Pakistan gives it not only a buffer against India but also the perception of having leverage over such issues as Tibet, the Dalai Lama, border claims, and nuclear and missile development. To China, Pakistan is a convenient and cooperative check on Indian activity.

Central Asia

The newly independent states of the former Soviet Union bordering on China are, of necessity, making accommodations with both Russia and China. Landlocked, squeezed between two powerful neighbors, and sitting on significant oil and gas resources, these Central Asian states hope to balance one power with the other. They also must deal with the threat of Islamic radicalism from within and across their borders. Russia and China will act forcefully to prevent separatist or Islamic radicalism from threatening the stability or economic potential of the region. Mongolia will have to look again to Russia to fend off historic Chinese territorial claims and yet somehow avoid being reintegrated into the Russian sphere. Western help probably will be necessary for Mongolia to maintain its independence.

American Response

The Clinton administration policy of engagement accepted China as a major player in Asia and on the world scene; therefore, Chinese cooperation was needed on issues such as weapons proliferation, international crime, and the environment. American leaders engaged Chinese leaders in a dialogue, hoping to find some common ground. However, that dialogue was largely a one-way conversation, with China dictating the subject and terms. In pursuing the Chinese market, the United States failed to exact any meaningful concessions from China on such issues as weapons proliferation, human rights, and access to open markets. China continued to destabilize the Middle East and South Asia by supplying nuclear and missile technology and systems to states of those regions. It also erected artificial barriers to market access by American businesses, especially in the areas of telecommunications, insurance, and financial services. Despite U.S. and Western protests, China continued to persecute dissidents and religious groups, such as Catholics and Falun Gong.

The Bush administration is committed to a tougher stance on China, which means that the policy of engagement must be redefined. First, China must be made to realize that there would be consequences for its failure to cooperate on issues that are important to the United States. For instance, America offers a major source of the foreign investment, technology, and markets that the Chinese economy needs, giving it considerable leverage over China. The creative use of regulatory and health and labor standards could seriously affect Chinese imports to the United States. Likewise, laws could curtail investment capital. In addition, transfer of dual-use technology, aircraft, computers, semiconductors, and other similar items could be banned.

China remains vulnerable to internal pressures that could be exacerbated by outside influences. The United States could provide a forum for political and religious dissidents, and it could give financial and moral support to oppressed minority groups, such as the Tibetans and Uighurs, to enable them to establish governments in exile. It also could continue to supply Taiwan with state-of-the-art defensive weapons and encourage Japan to build a military commensurate with its economy. Stronger policies in these areas may make China realize

that it cannot undermine U.S. interests around the world with impunity.

A new policy of engagement should respond to China's intent to displace the United States as the major power in the Western Pacific and Asia and should adopt proactive policies to meet the challenge by shoring up the American geopolitical position in the region. America has used a system of bilateral alliances to achieve its dominance in the Pacific, which has ensured regional stability since the end of World War II. Washington should maintain its preference for bilateralism.

The Clinton administration worked to multilateralize regional security, an effort that was driven by the Western view that American largesse and military might could influence Asian nations to form a collective security community in East Asia similar to NATO. Such a community eventually would include China, and, it was hoped, mutual cooperation in such efforts as disaster relief, humanitarian assistance, and confidence-building measures would develop into a regional community of shared interests that would promote stability and economic development. However, Asian countries have shown little desire to form a collective security bloc, and their historical development weighs strongly against it. ARF, which is the best current example of collective action, has been stunningly ineffective in preventing conflict or resolving territorial issues. The United States was ignoring history and reality in its attempt to draw the culturally diverse states of Asia into a collective security arrangement. The effort only served China's long-term goal of weakening and undermining American influence by creating the impression that Washington was watering down its commitment preliminary to withdrawal.

The United States must

- recognize and reaffirm that only strong bilateral relationships and ongoing meaningful interaction with its allies will convince Asia that a U.S. presence is long-term and an alternative to Chinese dominance

- strengthen bilateral alliances with Australia, Japan, the Philippines, South Korea, and Thailand, and expand this network to include India, Mongolia, Singapore, and Vietnam

- lead economic development in the region by providing domestic incentives for investment and promoting free trade

- guarantee regional resolutions to territorial disputes and the unimpeded flow of commerce throughout the Pacific and Indian Oceans

- support South Korea's Sunshine Policy to engage the North, and link all progress on reunification to its continued local presence to support peace, stability, and economic development, the absence of which could force the Koreans into China's greater *yuan* arena and undermine a key component of the U.S. geostrategic position in Asia.

China's national security strategy is on a collision course with U.S. goals and interests in

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the region. Beijing has joined Moscow in a tactical alliance against Washington to rally international opposition against American missile defenses. This priority was underscored at the Putin-Jiang Zemin summit meeting in July 2001 in Moscow, where both sides signed a 20-year Treaty of Friendship and stated that the Anti-Ballistic Missile Treaty should be maintained in its current form. Moreover, Putin and Jiang Zemin called for active cooperation between their countries in discussing missile defenses and disarmament as a way to enhance their efforts at building a multipolar world and a "rational" international order.

Past engagement policies vis-à-vis China have failed. China is no more cooperative, humane, or democratic as a result of U.S. engagement. To the contrary, it remains inimical to American policies, values, and interests globally as well as regionally. Beijing seeks nothing less than the withdrawal of the United States from Asia and hegemony over the region. Therefore, the question is whether a harder line would affect China's attitude. The

answer is yes, because the paramount concern is the economy. Modernization of the Chinese economy is the key to China's future as a great nation and a great power. It cannot achieve this goal by turning inward; instead, it needs access to technology, markets, and capital. No other nation has the wherewithal to supply these commodities to the extent that the United States does. By leveraging these assets, Washington has the power to influence Beijing's domestic and foreign policies constructively. However, leveraging does not require cutting off trade. Through the judicious use of trade policy, the United States can reward and encourage reform and signal displeasure with Chinese handling of issues, such as weapons and technology proliferation. Thus, a harder U.S. line would promote regional stability because China would quickly discover the boundaries of acceptable behavior. In addition, Asian allies of America's would be reassured by its consistency of purpose.

The United States must put its China policies on a new foundation. China must no longer be the focus of an Asian policy in pursuit of markets that are yet to materialize, notwithstanding its admission to the World Trade Organization. Indeed, fostering trade and development with the other nations of the region could prove more productive. China's importance in the region cannot be denied. Isolation of China would be an ill-advised, unrealistic alternative to past failed policies. Engagement should continue, but it must be based on a realistic appraisal of the costs and benefits to America's national interest.

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