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# “Strategic Straightjacket”: The United States and China in the 21<sup>st</sup> Century<sup>i</sup>

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## Introduction

The Bush Administration is rearranging the heavy furniture of international relations, with long-term implications for U.S. relations with major powers, with America's traditional allies, and for the future of the United Nations and other multilateral organizations.<sup>ii</sup> The rapid defeat of Saddam Hussein in March-April 2003 by the U.S. military reinforced numerous key elements of the administration's national security strategy: (1) maintaining and strengthening U.S. military preeminence; (2) pre-empting terrorist and weapons of mass destruction (WMD) threats; (3) pursuing regime change to rid the world of dangerous despots who seek WMD and support terrorism; and (4) spreading democratic rule to reap the putative rewards of a “democratic peace.”

For at least some Bush administration officials, these strategic priorities trump maintenance of alliances and support for multilateral institutions *qua* institutions. The administration advocates creating “coalitions of the willing,” as it did in ousting Saddam when some NATO allies opposed U.S. actions and the United States was unable to obtain UN Security Council endorsement of the use of force. Thus, the Bush administration seeks to use multilateral institutions and multilateral approaches only when they serve U.S. policy objectives. This reordering of U.S. strategic priorities and policies was reinforced by 11 September, although its architects supported such a strategic shift long before the horrific terrorist attacks on the World Trade Center and the Pentagon.

America's success in ousting Saddam prompted widespread speculation of “next steps” by the Bush Administration to confront Iran and North Korea, the surviving members of the “Axis of Evil.” Coercive efforts to provoke regime change elsewhere in the Middle East also loomed as a possibility. Some Chinese observers even worried that the ultimate goal of the administration was regime change in Beijing or long-term containment of China aimed at slowing its economic growth and military modernization while blocking the expansion of its political influence.

Despite the Bush administration's assertive security strategy and foreign policy, it seems highly unlikely that the administration will pursue a more confrontational approach to China,

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much less a military campaign to force a “regime change” in Beijing. Ironically, U.S. relations with China may be a notable beneficiary from the sharp shift in U.S. strategy under the Bush administration and the new strategic realities it has so far created. The strategic difficulties encountered by the administration in “winning the peace” in Iraq and Afghanistan have challenged the future of the most assertive aspects of its national security strategy, and increased its need for allies and strategic partners.

The reason for this change is not a new fondness for China within the administration, although Beijing has made a concerted and relatively successful bid to forge a new cooperative relationship with Washington. Rather, it reflects a “strategic straitjacket” that limits the strategic options for the United States in the era of globalization, notwithstanding the unprecedented dominance of U.S. power. Moreover, the United States and China need to forge unprecedented cooperation to cope with common threats emanating from the instability and disorder among weak, failing and “rogue” states. Both countries also need to address a wide range of transnational dangers that have been exacerbated by the impact of globalization, including the rapid global spread of deadly infectious diseases such as the severe acute respiratory syndrome (SARS) pandemic. As a result, neither the United States nor China has a viable alternative to an engagement strategy toward the other. A U.S. containment strategy toward China is no more sustainable than a Chinese anti-hegemony united front directed against the United States. This strategic straitjacket is likely to tighten rather than loosen in the future, even if China’s economic growth enhances China’s national power, including its military potential, relative to the United States. Such a strategic assessment strengthens the case for long-term strategic engagement between the United States and China, despite political pressures within both states to adopt a realist strategy that presumes an inevitable clash between a rising China and a hegemonic United States.

This strategic imperative also provides the possibility for a more normal relationship akin to U.S. relations with other major powers, despite the continued existence of a one-party authoritarian political system in China and China’s rapid emergence as a great power. The prospects for long-term U.S.-China strategic cooperation may be further bolstered by the blurring of distinctions between allies and “strategic partners.”

Although strategic logic may dictate developing a normal, stable Sino-American relationship, this is only one possible outcome. It will require wise leadership in both Washington and Beijing, tempering of domestic opposition to such a relationship in both countries, a favorable international strategic environment, and a good deal of luck. Otherwise, we could have more crises in Sino-American relations, like the EP-3 collision with a Chinese fighter in April 2001, or differences over more peripheral issues. There could also be a direct Sino-American military clash over Taiwan that could even escalate to all-out war between the two countries. But this is a remote possibility that could only result from serious policy failures in at least two of three relevant capitals.

## The Bush Administration Opts for Engagement

After an uncertain beginning, the Bush administration adopted a strategy toward China that is not substantially different from the Clinton administration's much derided policy of "constructive engagement." The President's National Security Strategy, released in September 2002, underscores the U.S. commitment to such a strategy. The report states that the U.S. welcomes "the emergence of a strong, peaceful and prosperous China" and that the United States "seeks a constructive relationship with a changing China." The document added that "we [the United States and China] already cooperate well where our interests overlap, including the current war on terrorism and in promoting stability on the Korean Peninsula." Moreover, the National Security Strategy asserts that the U.S. relationship with China "is an important part of our strategy to promote a stable, peaceful, and prosperous Asia-Pacific region."<sup>iii</sup>

Most importantly, the underlying strategic assumption of the Bush Administration China policy is that U.S. interests are best served by integrating China into international economic, political and security institutions and by encouraging China to adopt internationally accepted norms of behavior. It is hoped that China will evolve into a free-market democracy that will be a benign and stabilizing factor in international politics and a contributor to economic growth and prosperity of East Asia. By the Fall of 2003, Secretary of State Powell asserted that "U.S. relations with China are the best they have been since President Nixon's first visit"<sup>iv</sup> – a sentiment widely shared among American and Chinese officials and foreign policy experts.

This U.S. interdependence strategy does not assume that China will necessarily emerge as a responsible power, only that the engagement strategy offers the best strategy for encouraging China to become such a power. Nor does it assume that China and the United States will cease to have important differences and some conflicts of interest. Moreover, many supporters of engagement in the Clinton and the Bush administrations have also advocated that the United States maintain a strong military presence in the Western Pacific and strengthen U.S. regional alliances, especially with Japan. Such steps are viewed as a hedge against the possibility that China could become a hostile force seeking to use its new found power to threaten American friends and allies, push the United States out of East Asia, and establish regional hegemony. Such a policy would guard against China becoming a "peer competitor," or, in President Bush's earlier characterization, a "strategic competitor." This hedging strategy also seeks to deter Chinese use of force against Taiwan and to maintain a sufficient U.S. military capability in the Western Pacific to fight and defeat Chinese forces in defense of Taiwan should deterrence fail.

Somewhat unexpectedly, therefore, the Bush administration's engagement policy reflects a traditional liberal or interdependence view of the world. Barring a major crisis in Sino-American relations that neither seeks to provoke, some variation of an engagement policy is likely to dominate U.S. policy toward China for the foreseeable future. But there is a lack of consensus within the administration on this strategy and on its underlying assumptions. Engagement and interdependence are rejected by many administration officials, including

officials in the Defense Department and the Office of the Vice President. This lack of consensus was most clearly evident in reluctance and foot-dragging by the Pentagon to implement President Bush's commitment to then-President Jiang Zemin in October 2001 to renew the military relations that the United States suspended after the EP-3 incident.

DoD's recalcitrance on resuming military ties with China does not simply reflect lingering anger over the EP-3 incident. The Pentagon's attitude also stems from a realist perspective that foresees a commensurate increase in China's military power as Chinese economic power grows. By this logic, China will seek hegemony and exclusion of the United States from the region, eventually emerging as a rival superpower intent on altering the strategic architecture to suit its national interests. Simply put, a rising China is assumed to pose a threat to the United States and its interests solely based on its accumulation of power – regardless of whether it is integrated into the world system and even whether it evolves into a democracy. Thus, it is in U.S. interest to prevent or slow the rise of China.

This realist strategy is also reflected in the President's National Security Strategy. This document posits a U.S. strategic goal of preventing the development of a strategic challenger to the United States. As stated in the report, U.S. forces "will be strong enough to dissuade potential adversaries from pursuing a military buildup in hopes of surpassing, or equaling, the power of the United States." The *New York Times* commented on some of the underlying assumptions of the new strategy: "[W]ith Russia so financially hobbled that it can no longer come close to matching American military spending, the doctrine seemed aimed at rising powers like China, which is expanding its conventional and nuclear forces." The civilian leadership in the Defense Department apparently continues to see China as America's primary potential "strategic competitor" that must be prevented from acquiring such a military capability. It is left unclear, however, how the Pentagon proposes to pursue such a strategy should China – or any other nation – actually seek to rival American power or contest U.S. supremacy.

Despite differences within the administration over strategy toward China, the President's policy and the dominant view in the administration remains within the policy parameters of previous administrations. The fundamental difference between the engagement strategy and a realist containment strategy is that engagement does not seek to isolate China and to slow or even prevent its development into a strong economic power. Rather, engagement seeks to enmesh China in the international system to increase its stake in maintaining the system and acting responsibly. It also encourages the development of a free market economy, the rule of law, and evolution toward democracy and a vibrant civil society within China.

Beijing, for its part, seeks to engage the United States in a constructive and cooperative relationship to temper U.S. policy toward China and Taiwan, to foster a peaceful and stable international environment, especially in Asia, and, most importantly, to pursue its economic modernization objectives. All these goals require a stable, positive relationship with the leader of the world economy and the most important market for Chinese goods as well as a key source of capital and technology.

## The Realist View of China

The realist paradigm leads to an unworkable and counter-productive strategy. A realist strategy may also be unnecessary in the era of globalization. Long-term interdependence is increasing for rising as well as established powers, and the United States, China and other major powers face a wide range of common threats that require parallel, complementary and cooperative foreign policies.

John Mearsheimer of the University of Chicago offered one of the clearest statements of realist thinking regarding China in the Fall 2001 issue of *Foreign Affairs*.<sup>vi</sup> He argues that the central aim of U.S. foreign policy has traditionally been to dominate the Western hemisphere while not permitting another great power to dominate Europe or Northeast Asia, and to prevent the rise of a peer competitor. In Mearsheimer's view, China is the only country with the potential to emerge as a global peer competitor because it has such "vast latent power potential" due to the size of its economy and its population. "What makes a future Chinese threat so worrisome," according to Mearsheimer, "is that it might be far more powerful and dangerous than any of the potential hegemonies that the United States confronted during the twentieth century." He contends that "if China were to become a giant Hong Kong, it would eventually have several times as much latent power as the United States, allowing it to gain a decisive military advantage in Northeast Asia. In that situation, it is hard to see how the United States could prevent China from becoming a peer competitor, or even from eventually becoming a more formidable superpower."

Once China had achieved such wealth, Mearsheimer maintains, "it would almost certainly use its wealth to build a mighty military machine." Moreover, he contends, "for sound strategic reasons" it would "surely pursue regional hegemony, just as the United States did in the Western hemisphere during the nineteenth century." According to Mearsheimer, "if Chinese relative power grows substantially, one should expect it to attempt to dominate Japan and South Korea, as well as other regional actors, by building military forces that are so powerful that those other states would not dare challenge it. One should also expect it to develop its own version of the Monroe Doctrine, directed at the United States; just as the United States has made it clear to distant great powers that they are not allowed to meddle in the Western Hemisphere, China will make it clear that American interference in Asia is unacceptable."

Mearsheimer therefore concludes that "the United States has a profound interest in seeing Chinese economic growth slow considerably in the years ahead." He voices concern that for much of the last decade "the United States has pursued a strategy intended to have the opposite effect. The United States has been committed to engaging China rather than containing it." American foreign policy elites, Mearsheimer contends, have been pursuing a misguided policy of trying to head off the emergence of China as a potential hegemon by "engaging China in the hope that, as it becomes more prosperous and democratic, its demands and behavior will moderate." According to Mearsheimer, this approach is misguided "because a wealthy China would be an aggressive one determined to achieve regional hegemony – not because a rich China would have wicked motives, but because the

best way for any state to maximize its prospects for survival is to dominate its region of the world.”

Theoretically, Mearsheimer’s realist argument is “reductionist” in that it reduces causality to one factor, that is, the balance of comprehensive national power, primarily economic power that can underpin military capability, especially power projection. In Mearsheimer’s logic, if a state has the economic potential to become a hegemon (and the geopolitical “necessity” for doing so), it will likely become a hegemon, which would threaten U.S. interests and would lead naturally to a U.S. effort to counterbalance and weaken the rising hegemon. Seeking to understand the strategic thinking and intentions as well as perceived national interests of a particular state is secondary if not irrelevant. Capabilities will determine strategic intentions and actions. If the state is strong enough to take aggressive steps to enhance its security, it will take those steps. A China that is strong enough to pursue hegemony in East Asia and beyond will pursue hegemony. The state’s strategic intentions are simply determined by its relative power. Nor is the era of globalization and its implications for geopolitics, geo-economics and national security judged especially germane to this assessment.

The realist approach ignores crucial factors influencing the behavior of both China and the United States. It leads to an incomplete and inaccurate understanding of U.S. strategy and foreign policy, especially since World War II.<sup>vii</sup> The United States may have in part followed a realist approach to foreign policy, but U.S. strategy has always been more complex. While counterbalancing and deterring the Soviet Union after World War II, American cooperation with its allies and other states also built an international order of multilateral political, economic and security institutions and regimes. These included the United Nations; the World Bank and IMF; the GATT and WTO; NATO; bilateral alliances in Asia; and a panoply of arms control agreements. The United States also fostered development of a global economy (including reconstruction and economic prosperity of America’s defeated enemies, Japan and Germany) to underpin U.S. power and security. In effect, the United States used military power and strategic deterrence to create an umbrella under which globalization could flourish, fostering advanced technology and enabling rapid growth in productivity in the United States and other free market economies, while undermining the planned and protected economies of the Soviet Union and its COMECON allies. This process contributed significantly to winning the Cold War and establishing market economies and democracy as the dominant political-economic systems, in contrast with the bankruptcy and perceived irrelevance of communist ideology and practice.

U.S. strategy also aimed at building a global regime of free-market economies, and encouraged all states to become part of the economic, political and security regimes that have regulated, integrated and stabilized the global economy. To seek to exclude a fifth of humanity from that process – or, more precisely, to inhibit China's success in that process and to keep its economy weak – would openly flaunt the long-standing commitment of the United States to foster global institutions, free markets and democratic development. Such a strategy would also undermine the basis of U.S. power itself which rests on this global system – and it would demonstrate a lack of confidence in the strategic formula that has

brought the U.S. such unprecedented success in shaping the world to reflect its values and serve its interests. In addition, it conflicts with the evolving Bush administration foreign policy doctrine of “integration” first enunciated by Ambassador Richard N. Haass, then Director of the State Department’s Policy Planning Staff, in April 2002. As Haass argued: “In the 21st century, the principal aim of American foreign policy is to integrate other countries and organizations into arrangements that will sustain a world consistent with U.S. interests and values, and thereby promote peace, prosperity, and justice as widely as possible.” Moreover, he asserts, “integration of new partners into our efforts will help us deal with traditional challenges of maintaining peace in divided regions as well as with transnational threats such as international terrorism and the proliferation of weapons of mass destruction.”<sup>viii</sup>

Mearsheimer also underestimates the ability of the United States to maintain its position as the leading nation in measures of comprehensive national power – including military, economic, technological, political, and cultural power. America is “bound to lead,” and no other nation, including China, can replace it as the world leader. More importantly, it will not be in any major nation’s interest to try to do so. There is no battle of ideological, political and economic systems comparable to that which animated the Cold War competition between the United States and the Soviet Union. A “peer competitor” would not seek to displace the United States just for the sport of it or for some 19<sup>th</sup> century view of the world.

Moreover, China’s immense population may be more a burden than an advantage in the longer term. The Chinese leadership must maintain rapid economic growth just to maintain the well being of such a large population. Some have suggested that the Chinese economy is like a bicyclist who must keep moving forward or fall over. It would seem that China will remain preoccupied with its own internal problems (the SARS epidemic highlighted some of its internal weaknesses and challenges) for decades, and will need a huge global market for its exports as well as continued access to large amounts of investment capital and technology. Nor is the United States standing still. The American economy is likely to continue to grow, and 3% growth of a \$10 trillion economy represents an additional \$300 billion of GDP, while 7% growth of a \$1 trillion Chinese economy is only a \$70 billion addition to GDP. Thus, the absolute size of the U.S. economy will grow ever larger, despite China's current faster rate of growth. This high rate of growth will also be more difficult to sustain as the economy matures. While China's *per capita* income may also grow at a faster pace than that the United States, the absolute gap between Chinese and Americans may also grow rather than narrow in the coming decades. The U.S. lead in key areas of technology (especially military technology) may well expand rather than contract over the next few decades. The notion of China “catching up” with the United States in the next few decades in economic strength and in comprehensive national power seems highly questionable, even if China’s GDP surpasses that of the United States.

The realist strategic view of an inevitable threat of a strong China parallels the thinking of many officials in the Bush administration. These officials would like to curtail U.S dealings with China, including technology transfer, investment and trade as well as government-

government contacts, especially between the two militaries. It also apparently reflects the underlying assumptions of major reports on China issued by the Pentagon and a Congressional commission in July 2002.<sup>ix</sup>

### **The Pitfalls of Realist Strategy**

A realist strategy toward China would be difficult if not impossible to implement and would likely be counterproductive to advancing U.S. strategic interests. Mearsheimer asserts that “it is not too late for the United States to reverse course and do what it can to slow China's rise,” but he never suggests what the U.S. should do to put “obstacles” in the path of China's rise, nor does he address the strategic costs of trying to do so. We can only speculate on what the United States would need to do to implement a strategy aimed at slowing China's economic growth and the overall enhancement of Chinese national power. For example, the United States might try to halt and even reverse U.S. and other foreign direct investment in China; halt or severely restrict imports of Chinese goods into the U.S. market; force China out of the WTO to retard economic reform; organize an international embargo against China; and take other steps to undermine China's economy. The United States could also seek to increase its military build up around China to force Beijing to spend even more resources on the military, with the hopes that defense spending would bankrupt China like it did the Soviet Union.

An economic embargo was relatively easy to implement against China during the early days of the Cold War, when a backward Chinese economy was recovering from a devastating civil war and prior Japanese invasion and occupation. Current circumstances demonstrate the difficulty or outright impossibility of such a strategy, without a justification that would have to verge on a declaration of war. Absent an overriding and self-evident national security rationale, such harsh steps would be nearly impossible to justify domestically as well as internationally. The United States could presumably take less drastic steps to restrict U.S. FDI and technology transfer to China, slow imports from China, and interfere with other aspects of trade and investment. But half-measures might be the worst of both worlds – ineffective in achieving their strategic objectives while suffering all the negative implications of sterner measures.

U.S. adoption of a realist strategy, especially adoption of measures aimed at weakening China's economy, would likely be opposed by most of the international community, including Japan, Russia, the Europeans, and most states in East Asia. Unless most other states came to view China as an expansionist power that threatened their national security, none of them would be likely support a costly departure from the current engagement strategy, since a containment strategy would likely have negative and potentially grave consequences for their economic interests. Moreover, they would likely view such a realist strategy as a highly disconcerting departure from the avowed U.S. aim of promoting democracy and free markets throughout the world and especially in China. U.S. business interests and even American consumers who have benefited significantly from cheap, quality imports from China would also likely be highly reluctant to support a containment strategy.



There is also a moral problem in pursuing a strategy aimed at keeping China weak. The United States would be perceived within China and in the rest of the world as intentionally creating hardship for the Chinese people, for no apparent reason other than preventing another country from emerging as a peer competitor. America was portrayed as heartless and cruel for supporting UN sanctions against Iraq that led to great suffering of the Iraqi people for over a decade, even though arguably the Iraqi leadership, not the U.S., was responsible for its people's hardships.

Thus, it is not clear that the United States has the ability to prevent China's rise even if it chooses to do so, especially over the objections of its allies and other major powers. To be sure, the United States could take steps to slow Chinese economic growth and the development of Chinese power. But what would be the advantage to delaying China's presumed ability to challenge American strategic predominance from 2020 until 2025, or from 2040 to 2050? Would U.S. interests and strategic objectives be served if, as a cost for "successfully" postponing China's rise by five or ten years, the Chinese concluded that U.S. strategic intentions were hostile and that it needed to employ military force to secure its geostrategic position, heightening the risk of Sino-American military conflict and destabilizing East Asia? Such a U.S. effort to postpone China's ability to challenge the United States might not only damage U.S. relations with its allies in Europe and Asia; it would also have a significant negative impact on the world economy and U.S. economic strength and comprehensive national power.

Moreover, Mearsheimer's argument tells the Chinese that there is nothing they can do to alleviate U.S. concerns and win American support for their modernization drive – not even adopting free market economics, establishing a democratic political system, or accommodating to existing international rules. Rather, the message to China is that its success poses an inherent threat to the United States and must be blocked. The United States would be intent on denying China the national goal of economic modernization and prosperity. Such an adversarial U.S. strategy offers no outcome acceptable to the United States other than perpetual Chinese weakness.

It is thus likely that such a strategy would create long-term strategic hostility toward the United States among China's leaders and within most of the Chinese population, as well. Most Chinese would be aware of U.S. strategic intentions, and any Chinese government playing down U.S. hostility could face a severe political backlash. In May 1999, there were violent anti-American outbursts in China based on the misperception that the U.S. had intentionally bombed the Chinese embassy in Belgrade. Many Chinese sharply criticized the Chinese government for not taking strong counter actions against the United States in 1999 and again in 2001, following the collision of a Chinese fighter aircraft with a U.S. EP-3 reconnaissance plane near Hainan.

Popular perceptions of strategic intentions do matter. Chinese reactions to misperceptions of U.S. strategic intentions have been mild compared to those in the Islamic world. In the latter case, this phenomenon was a significant factor in the rise of Al Qaeda and widespread anti-Americanism and political instability in greater Middle East. Should such tendencies

emerge within China, such alienation would likely produce Chinese challenges on issues of strategic importance to the United States, including proliferation of WMD, terrorism, regional stability, and in the UN Security Council. The Chinese government could also seek to counter U.S. power through strategic alignments and an accelerated military buildup, with planning for all forms of asymmetrical warfare. There would also be increased pressure on the government to take more forceful steps to achieve reunification of Taiwan with the Mainland. A pure realist strategy could needlessly provoke a protracted and costly confrontation and even military conflict between the United States and China, based on an overly simplified view of nations' motivations and behavior that are at best only part of the story.

If other nations applied a realist strategy to relations with the United States, they would view American power as a threat and seek to counterbalance the United States regardless of their perceptions of U.S. strategic intentions. America's overwhelming economic and military power would trigger counterbalancing reactions from around the world, including major military buildups and the formation of anti-U.S. coalitions. Most nations, however, do not view the United States as a threat because they take into account perceived U.S. strategic intentions and national interests, history, values, domestic politics and other factors. The U.S. war in Iraq has created a new level of global mistrust of U.S. intentions, and increased concern over American unilateral military actions which, if unaltered for a protracted period, could change global perceptions of U.S. strategic intentions and lead to a more hostile and lonely international environment for the United States.

China has not put top priority on military modernization and anti-U.S. coalition building, however. In assessing long-term strategic trends, the leadership has maintained Deng Xiaoping's "peace and development" policies, and his prescriptions for China based on that assessment. But some Chinese, especially nationalist and neoconservative forces critical of the leadership for "selling out" to the United States (many of whom are also critics of globalization), have advocated alternative policies, including a return to more egalitarian socialist practices.<sup>x</sup>

On balance, a realist strategy is unnecessary as well as unworkable for China. It fails to appreciate the changing basis of national power and national interests under conditions of globalization. The present era thus differs profoundly from the geostrategic realities of the 19<sup>th</sup> and even much of the 20<sup>th</sup> Century. Moreover, it fails to account for how Chinese leaders view the country's long-term national interests and strategy.

### **China's Engagement Imperative**

If the United States is constrained from adopting a realist strategy toward China, Beijing is even more limited in its strategic options. China has no viable alternative to an engagement strategy toward the United States. This strategic straitjacket for China is likely to tighten rather than loosen, even though China's growing economic power would seemingly widen its options and enhance its military potential. Constraints on China reflect the dynamics of globalization and China's chronic internal weaknesses and challenges. Nearly all countries

perceive a clear stake in maintaining the international system, and in protecting their own umbilical cord to that system; China is no exception.

Then President Jiang Zemin noted China's need for integration into the world economy on the occasion of Hong Kong's return to Chinese sovereignty in July 1997: "Economic globalization, being an objective tendency of the development of the world's economy, is independent of man's will and cannot be avoided by any country. The world today is an open world and no country can develop its own economy if [it is] isolated from the outside world. We must firmly implement the policy of opening up, keep in line with economic globalization, energetically take part in international economic cooperation and competition, and make full use of various favorable conditions and opportunities brought by economic globalization."<sup>xi</sup> Five years later, Vice Premier Qian Qichen noted that the changes in the international situation following 11 September have "confirmed this truth [that] the globalization of technology, capital and information in the world today has deepened the degree of mutual dependence between states, societies, and peoples, and only multinational coordination, division of work, and cooperation can more effectively drive forward the continued accumulation of wealth."<sup>xii</sup>

China's behavior represents its changing calculus of national interests in the globalization era. Chinese leaders recognize that disruption of China's economic relations with the outside world would have a devastating impact on China's economic growth and modernization, with politically destabilizing consequences. Moreover, they also recognize the strategic importance to China of sustaining the complex set of international institutions and norms as well as global economic growth. They recognize that China's security is not enhanced by occupation of land (Taiwan is a question of national unity and not acquiring territory) or seeking to militarily dominate a region. China's dependence on good relations with the United States and maintenance of the U.S.-led international system will likely grow further, as it becomes even more integrated into the global economy and society, and with the United States.

China's new thinking on foreign policy reflects these strategic realities. According to well-informed Chinese experts advising the Chinese leadership, Beijing is genuinely committed to pursuing an engagement strategy. Chinese leaders have concluded that China should not challenge the United States, but seek cooperation with the United States on the broadest possible range of economic, political and security issues. Moreover, the SARS pandemic has reinforced the view that China's predominant problems are internal and not the result of outside designs or plots. In addition, the pandemic and its immediate economic fallout demonstrated China's inescapable connectedness to the rest of the world, and its need to strengthen that connection and take responsible actions to maintain the well being of the international system as well as maintaining the confidence of foreign investors.

Thus far, Beijing has only begun to take an active role in responding to emergent dangers, especially with regard to terrorism and proliferation of WMD technology. In the past, the Chinese often opposed active intervention to deal with these threats, citing the principle of "non-interference in the internal affairs" of another country. They feared that accepting

such interference could establish a precedent for foreign intervention in China's internal affairs on human rights issues or sovereignty issues, including Taiwan and Tibet. This principle was behind China's opposition to the U.S./NATO attack on Yugoslavia in 1999. But China is changing. After 9/11, the Chinese voted for the UN resolution authorizing the U.S.-led coalition attack on Afghanistan to unseat the Taliban regime, apparently based on recognition that developments within a country, such as government-supported terrorist training, could threaten other nations. U.S. officials have praised Beijing for its cooperation in the war on terrorism<sup>xiii</sup> and in taking an active role in trying to solve the North Korean nuclear weapons crisis. Moreover, influential Chinese analysts are advocating that China adopt a new, more assertive foreign policy aimed at upholding and strengthening the international order from which China has so handsomely benefited, and from which it will need even more in the future. It remains uncertain whether China will take a more active stance to address potential crises involving weak, failing and rogue states, but support within China toward this end seems increasingly evident.

Although this new orientation of Chinese foreign policy does not eliminate the possibility of China using military force to defend and advance its national interests, the Chinese recognize political and economic risks and declining benefits of the use of force. Even the United States faces potentially high costs in using force against other nations if its actions are perceived as unilateral, unsanctioned by the international community, and in violation of international rules and institutions. U.S. military actions in Iraq, for example, were perceived by many Americans and by many abroad as undermining the system of international law and institutions on which U.S. power is based, including the authority of the United Nations. Chinese leaders are far more constrained than the United States from the unilateral, unprovoked use of force, including against Taiwan. If America is constrained from seeking forceful “regime change” in Beijing, certainly China is constrained from using force to affect regime change in Taipei, with all its attendant consequences.

Although it is unlikely that Beijing would launch an unprovoked attack on the island, it is still possible that the United States and China could find themselves in a military conflict over Taiwan in a worst case scenario. So long as there is a threat of Taiwan declaring *de jure* independence, the PLA believes it must prepare for the possibility of military conflict with the United States over Taiwan. In preparing for that possibility, the PLA can never have “enough” military capability to meet the combined Taiwan and U.S. “threat.” If the Taiwan issue were resolved in a manner satisfactory to both sides or if Beijing were confident the *status quo* would persist for a protracted period of time, the pace of China's military modernization might slow, and the PLA's focus on U.S. military power might diminish. In addition, the prospects for comprehensive security cooperation with the United States, Japan and other East Asian nations would greatly increase for China, creating the possibility of a win-win rather than zero-sum dynamic to regional and global security. China could become a partner with the United States in maintaining regional peace and stability rather than potential adversary.

Nevertheless, the Chinese will continue to “hedge” against the possibility of military conflict with the United States over Taiwan, or against the sharp deterioration of Sino-American

relations over some other issue, by playing “catch up” in modernizing their military forces. The U.S. military must also prepare for the possibility of a Sino-American military confrontation over Taiwan as well as hedge against the possibility that China may pursue aggressive military actions against U.S. interests in the region, as noted by Michael McDevitt elsewhere in this volume. This latent rivalry between the U.S. and Chinese militaries is likely to persist at least as long as the Taiwan issue remains unresolved, even if Washington and Beijing forge increasingly close ties through extensive cooperation on issues of strategic importance to both sides.

### **Conclusion: Globalization, Interdependence, and Engagement**

Neither China nor any other state whose power rests on its success in a globalizing world will conclude that its strategic interests are best served by trying to militarily confront the United States, although sometimes even U.S. allies would like to see the “arrogant” United States brought down a notch or two. Unlike the Soviet Union and its client states, all the major powers today depend on the health of the U.S.-led international economic system for their prosperity and often their security. Other nations, including China, need the United States. America also needs these ties (especially with a large and economically important country like China) to help maintain U.S. prosperity and security. As Richard Haass has noted, “war between the great powers” is “almost unthinkable.”<sup>xiv</sup>

National security may frequently override economics, but the key question is a state’s national interests, and what motivates it to pursue policies of war and peace. China’s overriding national interest – trumped only by direct military threats to its national security and, possibly, Taiwan independence – is economic development, which Chinese leaders perceive as requiring lasting integration into the global economy. Without continued movement in this direction, the Chinese bicycle will fall over and the Communist Party itself will likely fall from power. While Chinese leaders will continue to worry about Taiwan, that does not mean they need to implement a Monroe Doctrine to protect their interests or to ensure their overall national security.

Thus, China’s primary concern is to pursue a successful engagement strategy toward the United States and the international community while avoiding provocative behavior toward Taiwan. Should Beijing conclude that the United States is pursuing a realist strategy aimed at keeping China weak and divided, this would become justification for a Chinese strategy that fulfilled the expectations of the American realists. This could lead China to accumulate military power with the aim of dominating East Asia and compelling the United States to withdraw its military forces from the Western Pacific and to terminate its alliances with Japan, South Korea and other Asia Pacific states.

For the United States, the strategic objective of preventing the emergence of China as a world power is both impractical and highly counterproductive to U.S. strategic, economic and political interests. It would damage the health of the global economy and international institutions and regimes, weaken support for other U.S. objectives among U.S. allies and friends, and decrease the chances of avoiding potentially dangerous hostility with China.

Thus, America also has no viable strategic choice but to follow some variant of an engagement strategy. This has been the position of U.S. administrations since President Nixon engineered the initial opening to China in 1971, and will likely be the position of this and future presidents.<sup>xv</sup> It is likely that President George W. Bush and future presidents will also seek to avoid a conflict with China over Taiwan and thus will maintain some semblance of a “one China” policy, despite pressures from within the government and the Congress to upgrade ties with Taiwan or even to support Taiwan independence. Presidents have repeatedly come to understand that an engagement strategy toward China is incompatible with support for Taiwan independence or abandonment of the “one China” principle.

Despite the strong advocacy of a realist strategy by some administration officials as well as by some members of Congress and by prominent intellectuals, President Bush has rejected arguments to prevent the rise of China. However, realists in the administration have won a victory on the military strategy front. The U.S. security strategy insists “that the president has no intention of allowing any foreign power to catch up with the huge lead the United States has opened since the fall of the Soviet Union more than a decade ago.” Moreover, according to the document, “our forces will be strong enough to dissuade potential adversaries from pursuing a military buildup in hopes of surpassing, or equaling, the power of the United States.”<sup>xvi</sup> Since China apparently is not seeking to equal or surpass the United States in military power, such a strategic military posture is unlikely to be an obstacle to overall improvement and development of Sino-American relations, although it will continue to fuel suspicions between the two militaries.

New threat perceptions in the United States, especially since 9/11, have led to a shift in focus and priority in U.S. foreign policy that is likely to endure, and offer opportunities for forging closer Sino-American strategic cooperation and strengthening the overall U.S.-China relationship. U.S. foreign policy is now focused primarily on the threats of terrorism and the proliferation of weapons of mass destruction (WMD). Moreover, these specific threats have pointed to the dangers emanating from weak, failing and “rogue” states that present both near-term and long-term challenges for the United States and the rest of the world.<sup>xvii</sup> These challenges range from the evolving crises with North Korea and potentially with Iran, to the potential disintegration of Pakistan. It also includes instability in weak states from Indonesia in Southeast Asia through South and Central Asia, the Middle East and much of Africa. This instability fosters religious extremism, terrorism and efforts to acquire nuclear weapons and other WMD and contributes to other transnational threats spawned by poverty, authoritarian governments, and weak economic, social, governmental, education, and health infrastructures. Such threats include civil wars that spill over into neighboring countries, regional conflicts, international crime and drug trafficking, incubation and rapid dissemination of infectious diseases, and environmental destruction with regional and global implications.

The dangers emanating from weak, failing and rogue states affect the entire developed and developing world, not just the United States. China, which has many of these states on its periphery, is especially vulnerable to these dangers. With its critical and growing dependence

on a peaceful international environment, secure energy supplies, and a healthy global economy, China has an increasing stake in mitigating these threats and strengthening the institutions and regimes that underpin the global economy and international security. This common threat calls for long-term cooperative responses, especially between the United States and China. The prospects for such cooperation are strengthened by China's growing emphasis on contributing to international stability and growth, and the U.S. emphasis on "coalitions of the willing" to solve problems, whether built on alliances or on *ad hoc* groupings of allies and partners.

For the United States, what another nation "brings to the table" is, at least in some cases, more important than whether or not it is an ally. For example, China may at times be more important to the United States than Japan and South Korea, as demonstrated by China's role in dealing with the North Korean nuclear weapons threat. Moreover, the United States and China have a common interest in managing their bilateral economic relationship and in working together to manage the global economy, including through multilateral institutions such as the WTO and the G-8. As Richard Haass suggested, "we can turn our efforts from containment and deterrence to consultation and cooperation. We can move from a balance of power to a pooling of power."<sup>xviii</sup> The United States and China can move toward "pooling" of their power to address the real challenges and threats to U.S. and Chinese security that emanate not from each other but from weak, failing and rogue states as well as economic dislocations and instabilities produced by globalization. Closer coordination and cooperation with the United States would serve the interests of both countries and could also dramatically strengthen mutual trust and confidence in the bilateral relationship. U.S.-China cooperation on these issues could provide a crucial strategic complement to the growing U.S.-China economic relationship, thereby underpinning long-term stability in U.S.-China relations. But Washington and Beijing need to avoid a Sino-American confrontation over Taiwan that would undermine the new Sino-American strategic relationship and could even lead to military conflict between China and the United States.

Both the world situation and U.S. strategy have entered an unusually volatile period, with an unsettled situation in the post-Iraq War Middle East, a dangerous evolving crisis on the Korean Peninsula, and an unsettled and perhaps unsettling future of U.S. relations with allies and with international organizations. Even a "wild card" like SARS created a new factor of instability affecting the world economy, political stability in China, and perhaps in other countries. In this uncertain and crisis-ridden international environment, both the United States and China have an even greater mutual interest in strengthening and stabilizing their bilateral relationship. Moreover, they have a mutual interest in moving beyond a relationship based on a "strategic straitjacket" to one that would enable parallel pursuit of common strategic interests in dealing with a world of instability and disorder.

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<sup>ii</sup> Neo-conservative thinkers inside and outside the Bush administration have ambitious notions of U.S. strategy and strategic goals beyond the Iraq War. See, for example, Max Boot, "What Next? The Bush Foreign Policy Agenda Beyond Iraq," *The Weekly Standard*, 5 May 2003, and Thomas Donnelly, "The Underpinnings of the Bush Doctrine," *AEI Online National Security Outlook*, 1 February 2003.

<sup>iii</sup> The National Security Strategy of the United States of America, September 2002, p. 27.

<sup>iv</sup> Secretary Colin L. Powell, "Remarks at The Elliott School of International Affairs," George Washington University, Washington, DC, 5 September 2003, <http://www.state.gov/secretary/rm/2003/23836pf.htm>. Powell added: "This is not just because the 9/11 attacks led us to shuffle priorities. It's not just because we championed Chinese accession to the World Trade Organization. It's not just because a new generation of leadership is taking the Chinese ship of state in hand. It is certainly not because we've ignored basic differences we have with China on their human rights practices or their proliferation activities or the reluctance of China's leadership to match political reform to economic reform. We have not ignored these differences. The relationship has improved for a reason that transcends all these particulars. It is that neither we nor the Chinese leadership anymore believe that there is anything inevitable about our relationship -- either inevitably bad or inevitably good. We believe that it is up to us, together, to take responsibility for our common future. And we do not conceive that future in zero-sum terms... And we seek a constructive relationship with that China. Indeed, we welcome a global role for China, so long as China assumes the responsibilities commensurate with that role."

<sup>v</sup> David A. Sanger, "Changes in Strategy," *New York Times*, 20 September 2002.

<sup>vi</sup> John F. Mearsheimer, "The Future of the American Pacifier," *Foreign Affairs*, Vol. 80, No. 5, September/October 2001.

<sup>vii</sup> Mearsheimer apparently believes the U.S. has followed "realist" principles since its founding and that these principles "have served it well." This is a narrow interpretation of U.S. strategy.

<sup>viii</sup> Integration "will also help bring into the globalized world those who have previously been left out. In this era, our fate is intertwined with the fate of others, so our success must be shared success. . . . The Bush Administration is also aggressively promoting trade as a way to integrate more nations and peoples into a more stable, prosperous, and equitable international order. The latest Economic Report of the President highlights support for global economic integration as a top Administration priority..." Richard N. Haass, "Defining U.S. Foreign Policy in a Post-Post-Cold War World," Remarks to Foreign Policy Association, New York, 22 April 2002.

<sup>ix</sup> See Annual Report on the Military Power of the People's Republic of China, report to Congress by the Department of Defense pursuant to the 2000 National Defense Authorization Act, pp. 5-10; 55-56. See also "The National Security Implications of the Economic Relationship between the United States and China," prepared by the U.S.-China Security Review Commission.

<sup>x</sup> For a discussion of differing Chinese views of globalization, see Banning Garrett, "China Faces, Debates the Contradictions of Globalization," *Asian Survey*, May-June 2001.

<sup>xi</sup> "Jiang Zemin's Speech at Public Gathering to Celebrate Hong Kong's Return," *Xinhua*, 1 July 1997, in FBIS-CHI-97-182, cited by Thomas G. Moore, "China and Globalization," in *East Asia and Globalization*, Samuel S. Kim, ed. (New York: Rowman and Littlefield, 2000), p. 125.

<sup>xii</sup> Qian Qichen, "The International Situation and Sino-U.S. Relations Since the 11 September Incident," presented at the Foreign Affairs College School, 13 September 2002, *Beijing Waijiao Xueyuan Xuebao*, 25 September 2002, FBIS CPP20021015000192.



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<sup>xiii</sup> The State Department report, “Patterns of Global Terrorism 2002,” Department of State Publication 11038, Office of the Secretary of State, Office of the Coordinator for Counterterrorism, April 2003 notes: “The People’s Republic of China continued to cooperate with the United States in the war on terrorism. Chinese officials regularly denounced terrorism, both in public statements and in international fora, and China regularly participated in UN Security Council discussions on terrorism and served as a permanent member of the UN Counterterrorism Committee established under UN Security Council Resolution (UNSCR) 1373. In 2002, China was well represented at international meetings, including the Munich Conference on Security Policy and the Southeast Asia Counterterrorism Conference held in Honolulu. During the 2002 Asian Pacific Economic Cooperation meeting, Beijing again articulated its counterterrorism stance and joined in statements denouncing terrorism. Beijing continued to undertake measures to improve its counterterrorism posture and domestic security, including careful monitoring of its borders with Afghanistan and Pakistan and some efforts toward disrupting the financial links of terrorist groups. China made some progress in 2002 in strengthening financial-monitoring mechanisms, including prompting China’s financial institutions to search for and freeze assets of designated terrorist entities. Beijing regularly holds expert-level consultations with the United States on the financial aspects of terrorism, conducts semiannual counterterrorism consultations, and shares information through law-enforcement channels concerning persons possibly involved in terrorist activities.... China is a party to nine of the 12 international conventions and protocols relating to terrorism.”

<sup>xiv</sup> Richard N. Haass, “Defining U.S. Foreign Policy in a Post-Post-Cold War World,” Remarks to Foreign Policy Association, New York, 22 April 2002.

<sup>xv</sup> This engagement approach is reflected in Bush administration references to China in major addresses on broader topics. For example, Richard Haass commented in his 22 April 2002 address on the Bush administration’s doctrine of “integration” that “one of the major challenges and opportunities of the post-post-Cold War world is the integration of China and India into the international system. This is already happening. We are encouraged by Beijing’s entry into the WTO last November and its cooperation in the war against terrorism.” “Defining U.S. Foreign Policy in a Post-Post-Cold War World.” Deputy Secretary of Defense Paul Wolfowitz, a leading advocate within the administration for realist thinking, underscored this policy position in June 2002: “Historically, the emergence of major new powers has frequently threatened the stability of the existing order, but we can be much more hopeful of a positive outcome in China’s case because all of the countries of the region are prepared to welcome a strong Chinese role in a constructive regional order.” Remarks to the International Institute for Strategic Studies, Asia Security Conference: The Shangri-La Dialogue, Singapore, 1 June 2002. Secretary of State Powell also called for a cooperative relationship with China in June 2002: “The United States wants to work with China to make decisions and take actions befitting a global leader. We ask China to collaborate with us and with our allies and friends to promote stability and well-being worldwide. To pressure governments that sponsor or harbor terrorists. To bring peace to regions in crisis. To become a global partner against poverty and disease, environmental degradation and proliferation.” Speech at the Asia Society in New York, 10 June 2002.

<sup>xvi</sup> The National Security Strategy of the United States of America, p. 30.

<sup>xvii</sup> For an analysis of the challenges posed by weak and failing states, see Banning Garrett and Dennis M. Sherman, “Non-Globalized States Pose a Threat,” Yale Global Online, 7 July 2003, <http://yaleglobal.yale.edu/display.article?id=2032>.

<sup>xviii</sup> Richard N. Haass, “Defining U.S. Foreign Policy in a Post-Post-Cold War World,” Remarks to Foreign Policy Association, New York, 22 April 2002.