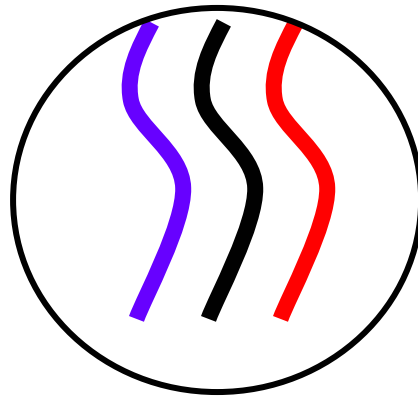


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Containment or Engagement?

The Debate about China's Rise and its Influence on
the Foreign Policy of the Bush Administration

by
Gunnar R uth

Abstract

China's economic, political and military rise has sparked a broad debate about the implications of the country's new role in the international system for the future of Sino-US relations. During the 1990's, the so called "China threat" school had become a vital part of this debate inside the U.S. Its exponents warn against Beijing's allegedly malicious intentions and advocate a hard line policy of containment. On the other side of the debate one can find a group of more optimistic observers who advocate continued engagement of China in order foster economic growth in the country, which – in the end - is hoped to lead to the democratization of the country's political system.

With the advent of the Bush administration in 2001 many observers had predicted that Washington would undertake a shift from the policy of engagement, which had been predominant under President Clinton, to a more containment oriented China-policy.

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Containment or Engagement?

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1	THE RISE OF CHINA AND U.S. HEGEMONY	4
2	THE CHINA THREAT	7
2.1	Ideological Threat	7
2.2	Economic Threat	8
2.3	Strategic Threat	9
3	POLICY IMPLICATIONS: A SHIFT TO CONTAINMENT	11
4	THE PEACEFUL RISE OF CHINA.....	12
5	POLICY IMPLICATIONS: CONTINUING ENGAGEMENT	13
6	THE CHINA-POLICY OF THE BUSH ADMINISTRATION.....	14
7	CONCLUSION.....	18

1 The Rise of China and U.S. hegemony

China's rapid economic growth, starting in 1978 with the beginning of the reform and opening era, has laid the ground for a broad and ongoing change of China's role in the international and regional system. The end of the Soviet Union and Russia's as well as Japan's continuing economic woes, have further contributed to a relative shift in the power structure in Asia.¹ There are still many domestic factors that might impede China's rise in the future, like increasing social tensions and rapid demographic change.² Moreover, Beijing's military and coercive powers - despite their steady growth - are currently still relatively limited, especially if compared to those of the United States. Nevertheless China is already increasingly using its newly won economic and military clout to influence policy outcomes in other nations according to its interests.³ Furthermore, China's ability to use elements of soft-power to advance its interests in Asia seems to be on the rise, too. Soft-power, in China's case refers to power that is gained through the appeal of China's successful economic development model, its public and official diplomacy, the increasing worldwide influence of its business community as well as its growing and ever more sophisticated foreign aid.⁴ Moreover, the appeal of Chinese culture and the demand for Chinese language schools is on the rise throughout Asia, while - partly encouraged by Chinese scholarship programs - more and more students from other Asian countries study at Chinese universities. This has already contributed to a change of China's perception by many Asian leaders, who are now more inclined to regard Beijing as a constructive regional actor.⁵

But China is not only increasing its influence in its immediate neighbourhood, but also worldwide. Africa is one case in point. China is expanding its trade links with the continent, while at the same time providing extensive medical and development aid to African countries, which- in contrast to most western countries' aid offers - is not tied to demands in regards to

¹ Zhao labels the strategic shift in Asia with the term "two ups and two downs", with Russia and Japan falling behind relatively to the rising US and China: Zhao, Quansheng: The Shift in Power Distribution and the Change of Major Power Relations, in: *Journal of Strategic Studies*, vol. 24, no. 4 (December 2001), pp. 49-78.

² For the possible influence of demographic change on China's rise see Eberstadt, Nicholas: Power and Population in Asia, in: *Policy Review*, Feb/ Mar 2004, issue 123, pp. 3-27.

³ One example would be China's continuing effort to lobby other countries to isolate Taiwan internationally; Sutter, Robert: Why does China matter?, in: *The Washington Quarterly*, 27:1, 2003, pp. 75-89.

⁴ American Enterprise Institute (AEI): Will China Wield Soft-Power in Asia?, summary of the "China in Asia" Seminar Series of the AEI- Seminar 8: "Will China wield Soft-Power in Asia?" 2005, <http://www.aei.org/events/filter.all.eventID.1211/summary.asp>, accessed on: 05.11.2006. The complete seminar can be viewed online under: http://www.aei.org/events/eventID.1211/filter.all/event_detail.asp, accessed on: 05.11.2006.

⁵ Kurlantzick, Joshua: China's Chance, in: *Prospect Magazine*, March 2005.

good governance, human rights and democratization. But China's efforts are far from selfless. In return Beijing hopes to gain access to natural resources and political support on the question of human rights as well as the upholding of Taiwan's international isolation.⁶

While China is no doubt extending its worldwide influence in a variety of ways, the United States still remains the sole superpower of the 21st century. Moreover, its web of strong bilateral alliances in Asia and its significant military presence, still make it the most important actor in China's own immediate neighbourhood. The U.S. still has over 37.000 soldiers currently stationed in Korea, while 40.000 troops are based in Japan.⁷ Moreover, security cooperation with Southeast-Asian nations like Singapore or Indonesia is currently being extended. Although Washington has recently publicized plans to cut back on the total troop numbers in Asia, there will probably be no significant change to the US general commitment to the region, as the ability to cope with vital security issues like the North Korean nuclear threat, the security of Taiwan and the war on terrorism, depends on Washington's ability to keep its influence in Asia. Thus, there is a large and stable bipartisan policy consensus in Washington that favours continuing engagement in the region aimed at upholding U.S. primacy.⁸

China's growing influence in Asia and other regions of the world, combined with the United States' intention to retain its dominant role, inevitably brings up a series of questions. What effect will China's rise have on vital U.S. interests and the position of the U.S. in the region and worldwide? What are China's intentions, and will future relations between Beijing and Washington be cooperative or marked by conflict?

The common answer offered by the Chinese side to this question is that China would not seek to challenge American hegemony, and that their nation's eventual rise to great power status would be peaceful and beneficial for the whole world.

“China will not follow the path of Germany leading up to World War I or those of Germany and Japan leading up to World War II, when these countries violently plundered resources and pursued hegemony. Neither will China follow the path of the great powers vying for global domination during the Cold War. Instead, China will transcend ideological differences to strive for peace, development, and cooperation with all countries of the world. [...] China's peaceful rise will further open its economy so that its population can serve as a growing

⁶ Gu, Xuewu : China returns to Africa, in: *Trends East Asia*, Study No. 9, February 2005, <http://www.ruhr-uni-bochum.de/oaw/poa/pdf/TEA%20S9.pdf>, accessed on: 05.11.2006.

⁷ Tomkins, Richard: US to cut back troops in Europe, Asia, in: *Washington Times*, August 16th 2005, <http://www.washingtontimes.com/upi-breaking/20040816-121133-8882r.htm>, accessed on: 05.11.2006.

⁸ Green, Michael: The United States and East Asia in the Unipolar Era, in: *Journal of Strategic Studies*, vol. 24. no. 4 (December 2001), pp.21-46, (pp. 22-35).

market for the rest of the world, thus providing increased opportunities for - rather than posing a threat to - the international community.”⁹

Yet, observers in the United States and abroad are undecided about China’s true intentions. The debate about the implications of China’s rise for the United States is raging among scholars, journalists and politicians. While there exists a wide range of diverse views on this issue, one can identify two broad opinion camps with often sharply contrasting perceptions of China’s rise.¹⁰

On the one side China is perceived as a threat to U.S. economic, political and strategic interests. Future relations are seen as potentially conflict-ridden, as China would eventually try to challenge the status-quo to gain regional hegemony in Asia. Signs for this are already seen in many of China’s actions today, such as Beijing’s continuing support for and cooperation with regimes that are hostile towards Washington such as North Korea, Myanmar, Iran, Zimbabwe or even close US neighbour Venezuela.¹¹ To counter the growing threat posed by China, many of Beijing’s critics advocate a strategy of containment instead of engagement.¹²

The other side of the argument is more inclined to believe Beijing’s claims of its peaceful intentions and perceives China’s rise not as a zero-sum game but a potential win-win situation whereas a Chinese gain in power does not necessarily result in a decrease of US power.

Below I will summarize the main arguments of both groups. Afterwards I will analyze the current U.S. administrations’ views of and policies towards China. Is the current Bush administration - as some analysts have expected - more willing to listen to what the China critics have to say¹³, or does it follow a course that is largely independent of the broader domestic debate about China’s rise?

⁹ Zheng, Bijian: China’s “Peaceful Rise” to Great-Power Status, in: *Foreign Affairs*, Sep/Oct 2005, Vol. 84, Issue 5, pp. 18-24.

¹⁰ For a more detailed categorization of the debate about China’s rise see: Friedberg, Aaron L.: The Future of Sino-U.S. Relations – Is Conflict Inevitable?, in: *International Security*, Vol. 30, No. 2 (Fall 2005), pp. 7-45.

¹¹ Economy, Elizabeth: A rise that’s not so ‘win-win’, in: *International Herald Tribune*, November 15, 2005, <http://www.ihf.com/articles/2005/11/15/opinion/edeconomy.php>, accessed on: 05.11.2006, and Cossa, Ralph: The Company China keeps, in: *Asia Times Online*, Aug 3. 2005, <http://www.atimes.com/atimes/China/GH03Ad06.html>, accessed on: 05.11.2006.

¹² See for example Krauthammer, Charles: Why we must contain China, in: *Time*, July 31st 1995.

¹³ See for example Zhao, Quansheng: , p. 60.

2 The China Threat

Emma Broomfield has analyzed US views on China as displayed in several conservative publications. She finds that critical views on China are mainly focused on the perceived ideological, economic and strategic threat China's rise allegedly poses to US interests.¹⁴

2.1 Ideological Threat: Nationalism, Authoritarianism and Anti-Americanism

After the demise of the Soviet Union, China was seen by some as the new ideological leader of what was left of the world communist movement, and therefore the new main competitor of the US and its liberal and democratic values. This claim, however, became increasingly hard to make, as China's economy continued to be integrated into the liberal world economic system. While still being a one-party dictatorship, China today seems to put less emphasis on communist ideology. Thus the attention of many China critics has shifted to rising nationalism, which is seen as a possible rationale for future Chinese territorial expansion in the region. What is even more worrying to some US observers is the fact that this nationalism often seems to be mainly directed against the US.¹⁵ Large Anti-American protests, that have taken place after the US bombing of the Chinese embassy in Belgrade in 1999 and the collision of an American EP-3 surveillance plane with a Chinese fighter jet in 2001 are interpreted as especially worrying signs of growing Chinese Anti-Americanism.¹⁶ China critics say that these were not single events but instead signs of a larger strategy to oust the US from Asia, which Beijing views as its own natural sphere of influence.

“China's leaders are asking themselves: Why should, distant, flawed, self-interested America be the hegemon in a part of the world where for the better part of two millennia China reigned supreme? As far as we can tell, the entire leadership in Beijing has by now been swept into the view represented by that question.”¹⁷

But not only does the US interfere in China's own backyard, but also in China itself, because – as China critics see it - American values are incompatible with the current Chinese political system and thus their increasing influx poses a threat to domestic stability, that Beijing cannot tolerate indefinitely.

“[The] Chinese government [...] represents the opposite of what America represents – discipline instead of freedom; control instead of rights; tradition instead of innovation.

¹⁴ Among them *The Washington Times*, *The American Spectator*, *National Review*, *The Weekly Standard* and the *Heritage Foundation Reports*; Broomfield, Emma: Perceptions of Danger: The China Threat Theory, in: *Journal of Contemporary China* (2003), 12(35), pp. 265-284.

¹⁵ Ma, Ying: China's America Problem, in: *Policy Review*, February/March 2002, No111, pp. 43-57.

¹⁶ Broomfield, Emma (2003), pp. 188-192.

¹⁷ Bernstein, Richard / Munro, Ross: *The Coming Conflict with China*, New York 1997, p. 31.

Especially to a Chinese government turning to the appeal of nationalism as a means of holding on to power, the United States is a handy natural enemy.”¹⁸

Thus, according to Bernstein and Munro, the only question remaining for the Chinese leadership is a tactical one: Should the US be expelled from Asia gradually by peaceful means or by force?¹⁹

Other observers have also emphasized the problems posed by the nature of one-party rule in China. Beijing’s violations of human rights, especially the 1989 Tiananmen Square incident and the persecution of *Falun Gong* members and political dissidents, are seen as evidence for China’s inability to adapt to western liberal values. Conflict is therefore seen as inevitable in the long run, as the possibility of gradual domestic change and reform is often neglected by China critics. Similarly, Yahuda argues that the nature of one-party rule, especially the inherent lack of transparency, will probably constrain the ability of Beijing to engage in more cooperative, institutionalized forms of conflict solution and thus keep China from becoming a “cooperative power”.²⁰

2.2 Economic Threat: Aggressive Guided Capitalism

One of the major concerns of many China critics is the growing US trade deficit with China, which is viewed by some observers as a direct result of a Chinese strategy to make economic gains at the cost of the US. The trade deficit has already surged to a record high of over 160 billion US-Dollars in 2004²¹ and is expected to rise even further, sparking continuous criticism, especially from the US congress.²² China is seen as using a system of “aggressive guided capitalism” in order to raise export numbers and to keep US imports out of China. This strategy is said to comprise of subsidies, tariffs and non-tariff barriers as well as China’s manipulated currency exchange rate.²³

Moreover, there are fears that China might use its growing economic contacts with the US in order to “steal” technology, for example, by requiring US companies to produce a considerable amount of the components for their end products on Chinese soil. Gertz even asserts that the Chinese government in 1997 put up a very successful large-scale program to undertake “covert and overt efforts to steal, buy, or otherwise acquire sensitive military

¹⁸ ibd. p. 36.

¹⁹ See the chapter on Anti-Americanism in China in ibd. pp. 22-50.

²⁰ Yahuda, Michael: Chinese Dilemmas in Thinking about Regional Security Architecture, in: *The Pacific Review*, Vol. 16, No. 2, 2003, pp. 189-206, (p.197).

²¹ U.S. Census Bureau: Foreign Trade Statistics, <http://www.census.gov/foreign-trade/balance/c5700.html#2005>, accessed on: 05.11.2006.

²² China Urged to Cut Surplus with U.S., in: *Washington Post*, January 6th 2006, <http://www.washingtonpost.com/wp-dyn/content/article/2006/01/10/AR2006011000085.html>, accessed on: 05.02.2006.

²³ Broomfield (2003), pp. 272-274.

technology.”²⁴ Furthermore, there are claims that companies controlled by the People’s Liberation Army (PLA) would earn over twenty billion US-Dollars in foreign trade worldwide every year, so that US-Consumers would actually in part finance Chinese military modernization.²⁵

China critics are especially concerned that the economic advantage, which is seen to have been unfairly gained by the People’s Republic, could become a tool of power politics in turn to be used against the US, because “China even now effectively uses its newly built economic power, threatening to withhold contracts or to turn to other markets as a tool of great power diplomacy, especially to fend off criticism of its human rights record”.²⁶

2.3 Strategic Threat: Military Modernization and Growing Assertiveness

The above discussion has already shown that economic and strategic questions are often closely interwoven. China’s economic rise no doubt is a necessary precondition for it to acquire the means to become strategically more assertive, if it wanted to do so. The question thus is, if China wants to use its economic power in such a way.

According to some China critics there can be no doubt that China’s economic rise also provides a compelling rationale for greater military assertiveness around the world that could eventually lead to a direct conflict with the US. One reason could be China’s growing dependence on foreign energy resources. Windybank argues that China is already implementing a strategy to guard its vital shipping lanes militarily from possible interruption by the US.²⁷ This strategy would include the construction of strategic deep water ports in different countries along China’s main supply routes, the build-up of a blue-water navy and the acquisition of a range of new military technologies.²⁸ According to Robert Kaplan, the upgrading of the Chinese navy will inevitably lead to conflict with the US:

“The Chinese navy is poised to push out into the Pacific—and when it does, it will very quickly encounter a US Navy and Air Force unwilling to budge from the coastal shelf of the Asian mainland. It's not hard to imagine the result: a replay of the decades-long Cold War [...]”

Other observers are worried by the aggressive posture Chinese officials have taken in regard to issues like Taiwan. The Anti-Secession law that was passed by the Chinese Parliament in March 2005, for example, authorises the use of military means in case Taiwan undertakes

²⁴ Gertz, Bill : *The China Threat*. Washington 2000, pp. 59-74.

²⁵ Broomfield (2003), p.197.

²⁶ Bernstein / Munro (1997), p.61.

²⁷ Windybank, Susan: The China Syndrome, in: *Policy*, Vol. 21, No. 2, Winter 2005, pp. 28-33, (pp.31-32).

²⁸ Gertz, Bill: China builds up strategic sea lanes, in: *Washington Post*, January 18th 2005.

moves towards official independence. Comments by Chinese officials according to which China would be willing to sacrifice millions of its people in a conflict, if necessary, have further reinforced the belief among China critics that Beijing's willingness to force reunification of Taiwan with the mainland is growing. Chinese aggressiveness is furthermore seen to be rising in the South China Sea, where Beijing claims sovereignty over the Spratley Islands.

Another point of concern, which is closely connected to China's perceived growing strategic assertiveness, is the modernization of the People's Liberation Army. Official figures by Beijing already show a steep rise in defence spending throughout the 1990s, but critics complain that official numbers do not take into account the earnings of PLC owned companies, hidden budget allocations, and secondary sources of research and development as well as operating and maintenance funds. Moreover, they argue that the current military build-up is far too extensive to be viewed only as providing defensive measures against possible adversaries in the region, and thus would – at least in part – be directed against the U.S..²⁹ While all these fears are mainly concerned with possible future crises, China critics also claim that Beijing is already deliberately undertaking measures to undermine U.S. security today by supplying conventional weapons as well as technology to build weapons of mass destruction to “rogue states” like North Korea, Syria, Iraq and Iran.³⁰

Most of the criticism of China is derived from a negative view of the current Chinese government and often implies the existence of some kind of secret plan to undermine U.S. security worldwide. For example, Bernstein and Munro argue, that most problems currently posed by China's rise could be solved, if the country were to democratize.³¹

But there are also different views according to which China will become a growing threat, regardless of the actual nature of the Chinese political system. John Mearsheimer, for example, argues in his book “The Tragedy of Great Power Politics”, that China would eventually strive for – and probably achieves – regional hegemony if its economy continued to grow at a robust pace. Mearsheimer follows the classical realist paradigm of an international system of nation states that is marked by anarchy and uncertainty about potential rival states' intentions. In this view the structure of the regional system and the relative distribution of power within it, are more important to determine future developments than the political settings inside these states. Thus he concludes that a growing China, in order to

²⁹ Broomfield (2003), pp. 277-281.

³⁰ Gertz (2000), pp. 101-121.

³¹ „The single most important change, one that would, almost at a stroke, eliminate the sharpest areas of conflict with the United States, would be for China to follow the global trend toward democracy.“, in: Bernstein / Munro (1996), p. 204.

guarantee its own safety, will inevitably “attempt to dominate Japan and Korea, as well as other regional actors, by building military forces that are so powerful that those other states would not dare challenge it.” Moreover, “China will make it clear that American interference in Asia is unacceptable”.³²

3 Policy Implications: A Shift to Containment

In the eyes of many observers a future antagonistic relationship with Beijing can hardly be avoided. But what kind of policy would China Critics recommend to cope with the growing threat posed by a rising China?

The huge trade imbalance between the two countries is a major concern for China critics. Thus, many critics demand that their government take tougher measures to get Beijing to adapt a free floating currency regime, comply fully with all WTO regulations and abolish all official and unofficial trade restrictions.

Concerning human rights, Bernstein and Munro demand that the U.S. government make more serious efforts to scrutinize and publicize Chinese human rights violations, especially in international organizations and forums like the United Nations Commission on Human Rights, where past efforts are criticized as having been too half-hearted because of the primacy of economic relations. Furthermore, they would like to see increased support for Chinese dissident groups abroad. All this is said to be aimed at leading China on a path of democratization.³³

But most importantly many China critics want the U.S. to also give up its policy of constructive engagement and instead follow a policy of containment, which would be similar to U.S. attempts at containing Communism during the Cold War. Krauthammer, for example, spoke out for such a strategy shift as early as 1995. In his view the U.S. should improve relations and eventually build alliances with Chinese neighbours like Vietnam, India and Russia, in order to be able to counterbalance China in the future. At the same time, he speaks out for a strengthening of existing security arrangements, like the U.S.-Japan alliance.³⁴

Similarly Mearsheimer asserts that the current U.S. strategy of helping China develop and become a prosperous nation, is misguided, because it would help China to threaten the status quo much earlier. In line with his neorealist views he predicts that “the structural imperatives of the international system, which are powerful, will probably force the United States to

³² Mearsheimer, John: *The Tragedy of Great Power Politics*, New York 2001, p. 401.

³³ Bernstein / Munro (1997), pp. 203-223.

³⁴ Krauthammer (1995).

abandon its policy of constructive engagement in the near future”.³⁵ Accordingly he also favours a strategy of building strong alliances with China’s neighbours.³⁶ Kaplan sees the U.S. Pacific Command (PACOM) as already being in the process of becoming the centre of a military alliance aimed at balancing China. In his view, PACOM should become for the containment of China in Asia what NATO was for the containment of Russia in Europe during the Cold War. This would have to be accompanied by a reform of the U.S. military, which should develop the capabilities to be able to fight limited “proxy wars” against smaller regional allies of Beijing.³⁷

4 The Peaceful Rise of China

The grim predictions of the of the propagators of an alleged Chinese threat are contrasted by a variety of more positive views of China’s rise, in which many of Beijing’s actions are interpreted very differently.

Ong, for example, argues that China’s military build-up should mainly be viewed as an understandable reaction to a general trend of greater military spending in the region that is spurred by strong growth of the regional economies as well as “concerns that an American military and perhaps even political retrenchment from the region might expose East Asian states to various tensions and confrontations”³⁸. Furthermore, Broomfield reminds of the fact, that the level of China’s military expenditures per capita is still far lower than that of the United States and that China would have “a fairly benign track record, asserting its power only in areas that it has long contested and can make a somewhat legitimate claim like Taiwan and the South China Sea. [...] The portrayal of China as a looming military threat to the United States is therefore a gross exaggeration.”³⁹

Moreover, when it comes to China’s future role in Asia, many observers do not believe in the inevitability of conflict. Shambaugh, for example, argues that China is increasingly regarded as a benign status-quo power by other Asian countries. This is seen as a direct result of an accommodating Chinese foreign policy, through which Beijing has managed to peacefully resolve most of its border disputes and significantly extend its diplomatic contacts with the countries of the region. China’s engagement in a series of regional institutions like the

³⁵ Mearsheimer (2001), p. 402.

³⁶ Mearsheimer, John: The Rise of China will not be Peaceful, in: *The Australian*, 18th November 2005.

³⁷ Kaplan, Robert: How we would fight China, in: *The Atlantic Monthly*, Volume 295, No. 5/ 2005, pp. 49-64, (p.50).

³⁸ Ong, Russel: China’s Security Interests in the Post-Cold War Era. London 2002, p. 164.

³⁹ Broomfield (2003), p. 278.

ASEAN Regional Forum, ASEAN + 3 and the Shanghai Cooperation Organization as well as its signing of the “ASEAN Declaration on the Conduct in the South China Sea” are further seen as evidence for China’s non-threatening approach towards the region. While China critics often view Chinese engagement in multilateral arrangements as driven by the intention to block the development of these institutions or shape them according to China’s interests, Shambaugh concludes, that “China’s efforts to improve its ties with ASEAN [...] represent, in some cases, fundamental compromises that China has chosen to make in limiting its own sovereign interests for the sake of engagement in multilateral frameworks and pursuit of greater regional interdependence”.⁴⁰

For some analysts, this benign regional policy is also reflected in the Chinese policy towards the U.S.. According to Brzezinski, Beijing has no intention to challenge the United States. Not only did it lack the capabilities to do so, but also the will, as China would probably continue to focus on economic growth instead of aggressive foreign expansionism, which could threaten domestic development. Moreover, the absence of aggressive intentions is also seen in the fact that China refrains from building a larger nuclear arsenal to threaten the U.S., and thus “forty years after acquiring nuclear-weapons technology, [...] has just 24 ballistic missiles capable of hitting the United States”.⁴¹

5 Policy Implications: Continuing Engagement

The different views of China naturally also transmit into differing policy prescriptions that are often diametrically opposed to those of many China critics. Directly referring to John Mearsheimer and his assertion that a growing China would inevitably threaten the U.S., Shambaugh writes:

“It is the classic example of an International relations theorist, who is not well grounded in regional area studies, deductively applying a theory to a situation rather than inductively generating theory from evidence. As a China specialist, I do not recognize the China that Mearsheimer describes, and I see no evidence of his “Chinese Hegemony” thesis and thus reject his policy prescription of pre-emptive containment”⁴²

Shambaugh represents the opinion of many analysts when he argues that the greatest danger to regional stability would not come from a strong, but from a weak and instable China, and

⁴⁰ Shambaugh, David: China Engages Asia, in: *International Security*, Vol. 29, No.3 (Winter 2004/2005), pp. 64-99, (p.76).

⁴¹ Brzezinski, Zbigniew / Mearsheimer, John: Clash of the Titans, in: *Foreign Policy*, Jan/Feb 2005, issue 146, pp. 46-51.

⁴² Shambaugh (2005), p.94.

that therefore the U.S. should continue its policy of engagement started by the Clinton administration and try to foster China's integration into a cooperative regional and international system, a process that could eventually also lead to a liberalization of China's political system.⁴³

6 The China-Policy of the Bush Administration

Many analysts have predicted that the Bush administration would lean more to the side of the China critics and undertake a clear shift in policy away from the engagement strategy of the Clinton administration. George Bush's reference to China as "strategic competitor" as opposed to "strategic partner" (the term often used by Clinton) during the 2000 U.S. presidential campaign indeed pointed clearly to the likelihood of such a change. But has the Bush administration really undertaken such a strong shift in its policy towards China?

Some analysts argue that the terror attacks of 11th September 2001 on the United States had a significant impact on the China-Policy of the Bush administration. Before the attacks, the U.S. actually seemed to be willing to take a tougher stance on China. After the EP3-incident in 2001, when the crew of a U.S. surveillance plane was temporarily detained by China, the U.S. cut all informal and regular military contacts with Beijing. Moreover, Washington announced a four billion U.S.-Dollar deal to sell arms to Taiwan, and President Bush emphasized publicly that the U.S. would do anything in its power to provide Taiwan with the means to defend itself. Such clear remarks had been avoided by his predecessors.

After September 11th 2001, however, Washington's policy towards China became more engagement-oriented, as Beijing was needed as a partner in the fight against terrorism. Indeed China supported the U.S. invasion of Afghanistan diplomatically and provided a considerable amount of money for the reconstruction of the country. Washington, in return, refrained from strong criticism of Chinese human rights violations as well as stronger demands for market liberalisation.⁴⁴

This seeming shift in attitude towards Beijing after September 11th should not be surprising at all, since the policy prescriptions of both the advocates of containment as well as the proponents of engagement had always been part of the China strategy of the Bush

⁴³ See also Shambaugh, David: Containment or Engagement of China? Calculating Beijings Response, in: *International Security*, Vol. 21, No. 2, (Autumn 1996), pp. 180-209.

⁴⁴ Kolkman, Michael: Die China-Politik der USA – Konzepte – Erfahrungen – Perspektiven [The China Policy of the USA – Concepts – Experiences – Perspectives], Study of the German Institute for International Politics and Security, Foundation for Science and Politics, Berlin 2005, http://www.swp-berlin.org/common/get_document.php?id=1241, accessed on: 05.11.2006, pp. 19-20.

administration. Which side of this strategy is emphasised is largely dependent on Beijing's actions. After the crew of the EP-3 plane was detained in 2001 Washington reacted in an assertive way. After Chinese offers to help the U.S. in the fight against terrorism Washington emphasised the engagement-part of its strategy.

Washington's two sided approach was already clearly articulated in an essay by incumbent Secretary of State Condoleezza Rice, which had been published shortly before she was appointed National Security Advisor in 2001. Therein Rice expresses hope that China might liberalize under the influence of bilateral exchange and continuing integration into the world economy.

“The big trends toward the spread of information, the access of young Chinese to American values through educational exchanges and training, and the growth of an entrepreneurial class that does not owe its livelihood to the state are, in the end, likely to have a more powerful effect on life in China. [...] Trade in general can open up the Chinese economy and, ultimately, its politics too.”⁴⁵

But at the same time she also speaks of the potential threat posed by China and the necessity to build and maintain alliances with China's neighbours.

“China is still a potential threat to stability in the Asia-Pacific region. Its military power is currently no match for that of the United States. But that condition is not necessarily permanent. [...] China resents the role of the United States in the Asia-Pacific region. This means that China is not a "status quo" power but one that would like to alter Asia's balance of power in its own favor. [...] The United States must deepen its cooperation with Japan and South Korea and maintain its commitment to a robust military presence in the region.”⁴⁶

This shows that the effects of September 11th have not brought about a significant change in the Bush administrations' approach towards China. It is rather a case of seeing two different sides of one strategy:

“U.S. policy toward China requires nuance and balance. It is important to promote China's internal transition through economic interaction while containing Chinese power and security ambitions. Cooperation should be pursued, but we should never be afraid to confront Beijing when our interests collide.”⁴⁷

This outline of a foreign policy towards China has been consistently adhered to by the U.S. since 2001. The Bush administration obviously endorses some parts of a containment strategy as is also advocated by propagators of an alleged Chinese threat. Washington's continuing efforts to strengthen its bilateral security alliance with Japan and include the country in its missile defence scheme as well as recent attempts to build a strategic partnership with India⁴⁸

⁴⁵ Rice, Condoleezza: Campaign 2000: Promoting the National Interest, in: *Foreign Affairs*, 79 (January/February 2000), Vol. 79, No. 1, pp. 45-62, (p.55-56).

⁴⁶ *Ibid.* p. 56.

⁴⁷ *Ibid.* p. 57.

⁴⁸ See, for example, Gentleman, Amelia: 'New' Era on Defense for India and U.S., in: *International Herald Tribune Online Edition*, June 30th 2005, <http://www.iht.com/articles/2005/06/29/news/india.php>, accessed on: 05.11.2006.

can be understood before this background. Moreover, the 2006 Quadrennial Defense Review of the U.S. Department of Defense seemed to support the claims of a “China threat” when it criticized Beijing for its military build-up and named China “the greatest potential challenge to the U.S. military”.⁴⁹ Similar claims were made by Secretary of Defense Donald Rumsfeld in June 2006, when he criticized the lack of transparency in Beijing’s defense spending.⁵⁰ Nevertheless the underlying rationale for such actions and rhetoric is quite different from that of the supporters of the “China Threat” idea. While many China threat theorists see conflict with China as largely inevitable, Washington still wants to – and believes it can – avert such an outcome, in part by continuing to engage Beijing and by openly addressing issues of concern in bilateral relations. Therefore – despite some parallels in rhetoric – the China policy of the Bush administration does not seem to be inspired by the inherent pessimism that feeds the views of most China threat theorists. Instead the Bush Administration’s views of China – and therefore future U.S. policy towards the country – will probably depend more on Beijing’s future conduct in international affairs. This is also reflected in an article by Michael Green, who was appointed Asia Director of the National Security Council in 2001.

“If China’s foreign policies aim at undermining or challenging American leadership, then Washington will respond with ‘constraint’ if not outright containment. [...] As long as China does not threaten U.S. leadership, the United States will focus on cooperation.”⁵¹

Other observers similarly argue that the U.S. follows a policy of ambivalence towards China, which largely stems from the uncertainties that are inherent in China’s development.

“U.S. policies aim to bind China further into the existing international system of norms, rules, and institutions and to shape its evolving interests and values through bilateral and multilateral engagement. Yet, U.S. policy also includes implicitly competitive and potentially coercive policies that seek to discourage China from challenging the current regional security order and to deter China from using coercion and/or force to pursue its current or future economic or security interests in Asia, such as reclaiming Taiwan.”⁵²

Understanding this two-sided nature of the China policy of the Bush administration helps to explain certain seemingly contradictory phenomena in current U.S. foreign policy, namely the concomitance of Washington’s continuing measures to counter-balance China, as described above, and signs of engagement of China as can, for example, be seen in Deputy Secretary of State Robert Zoellick inviting China to become a “responsible stakeholder that will work with

⁴⁹ Gertz, Bill: China’s emergence as military power splits strategists on threat to U.S., in: *Washington Times*, February 7, 2006, <http://www.washtimes.com/national/20060206-102324-3179r.htm>, accessed on: 05.11.2006.

⁵⁰ Pound Dawson, Kate: Rumsfeld Urges China to explain increased military spending, in: *Voice of America Online*, 03 June 2006, <http://www.voanews.com/english/archive/2006-06/2006-06-03-voa2.cfm?CFID=6363643&CFTOKEN=10625580>, accessed on: 05.11.2006.

⁵¹ Green (2001), p. 97.

⁵² Medeiros, Evan: Strategic Hedging and the Future of Asia-Pacific Stability, in: *The Washington Quarterly*, Winter 2005-06, 29:1, pp.145-167, (p.147).

the United States and others to sustain, adapt, and advance the peaceful international system that has enabled its success.”⁵³

This is not only empty rhetoric, but also backed by concrete attempts at cooperating with Beijing, even in sensitive areas such as the military, where an agreement to expand bilateral contacts was signed during Secretary of State Donald Rumsfeld’s 2005 visit to the country.⁵⁴ Other recent U.S. initiatives include, for example, the Department of Energy encouraging increased Sino-U.S. energy cooperation to solve common problems like dependence on foreign energy sources.⁵⁵ The Bush administration is also actively trying to expand Chinese influence in international institutions like the International Monetary Fund (IMF), even against protests by the U.S. legislature.⁵⁶ Thus, in many regards Washington does the exact opposite of what the advocates of containment would recommend.

But why are the views of the China threat theorists not reflected more strongly in the current policy of the Bush administration? A detailed answer to this question is beyond the scope of this study, but the following thoughts might provide part of the answer.

While there are many Anti-China voices gathered in the U.S. Legislature, their influence on foreign policy is limited.⁵⁷ This is especially true since Congress has lost its most important tool to directly influence U.S. policy towards Beijing, i.e. the threat to withhold Most Favoured Nation (MFN) status from China. In the past this had led to heated annual debates about trade and human rights issues. But since U.S. lawmakers granted China Permanent Normal Trade Relations in 2000, Congress and Senate had to switch to more indirect lobbying efforts, for example through the newly established U.S. China Economic and Security Review Commission.⁵⁸

Therefore many China critics lack a direct channel of influence. But more importantly, their lobbying efforts are not successful because the Bush administration knows that any attempt to contain China would not only be hard to realize, but it would also directly harm U.S. interests. Washington simply does not have any viable options other than continuing to engage China while at the same time hedging against the possible dangers of a rising China. The two

⁵³ Zoellick, Robert: Deputy Secretary Zoellick Statement on Conclusion of the Second U.S.-China Senior Dialogue, December 8, 2005, <http://www.state.gov/r/pa/prs/ps/2005/57822.htm>, accessed on: 05.10.2006.

⁵⁴ See also Yuan, Jing-Dong: Rumsfeld sets new China tone, in: *Asia Times Online*, Oct. 21 2005, <http://www.atimes.com/atimes/China/GJ21Ad01.html>, accessed on: 05.11.2006.

⁵⁵ Krause, Susan: Official Urges Increased U.S.-China Energy Security Cooperation, 06 August 2006, <http://usinfo.state.gov/xarchives/display.html?p=washfileenglish&y=2006&m=August&x=20060806115016ASesuarK0.2069513>, accessed on: 05.11.2006.

⁵⁶ Weisman, Steven R.: U.S. Seeks Bigger China Role in I.M.F., in: *New York Times*, August 30, 2006.

⁵⁷ See, for example, Lubman, Stanley: The Dragon as Demon: Images of China on Capitol Hill, in: *Journal of Contemporary China* (2004), 13(40), August, pp. 541-565.

⁵⁸ The Commission, whose members are partly appointed by the U.S. Senate and Congress, regularly publishes reports, which are highly critical of Beijing. See: <http://www.uscc.gov>.

countries are already intertwined in a very close trade relationship, as China has become the third largest trading partner of the U.S. A conflict between Beijing and Washington would harm the U.S. economy, which relies on cheap manufactured goods from China. But the U.S. not only relies on China's economic power, but also on Chinese political support, for example in solving the North Korean nuclear crisis. Moreover, it is obvious that there would not be much international support for hard-line a U.S. strategy towards Beijing, even among close U.S. allies such as South Korea, Japan or Australia, least so among South East Asian nations, as most countries of the region have an interest in simultaneously maintaining good economic and political relations with Beijing and Washington.

The influence of the advocates of a containment strategy will therefore probably remain limited, as Washington will continue to try to avert a clash between the two countries. Yet, this may change if Beijing were to continue to openly undermine U.S. foreign policy aims. For example, the Bush Administration has already made it clear that Beijing's role in the dispute over Iran's alleged nuclear weapons program will be one of the main benchmarks for Washington to decide if China can really be trusted as a "responsible stakeholder" in the international system. While Beijing is certainly neither interested in angering Washington nor in allowing Iran to develop nuclear weapons, China's choices are limited by its energy interests in the country.⁵⁹ China's role in the dispute is therefore hard to predict, but it will certainly have a significant impact on overall Sino-U.S. relations and future U.S. policy towards Beijing.⁶⁰

7 Conclusion

At the moment there is no viable alternative to the two-sided approach of the Bush Administration. China's intentions are indeed hard to predict. This is partly due to the fact that the country is undergoing a period of rapid change which naturally brings with it a lot of uncertainties, but it is also a result of the still opaque nature of the Chinese political system. Moreover, even if one were to assume that the current Chinese leadership was mainly interested in economic development and peaceful relations with its neighbours, this must not necessarily be true for future political elites, especially since nationalism has already become

⁵⁹ For a detailed discussion of China's conflicting interests in this case see Shen, Dingli: Iran's Nuclear Ambitions Test China's Wisdom, in: *Washington Quarterly* 29:2 (Spring 2006), pp.55-66.

⁶⁰ Other cases explicitly named by the Bush administration include China's relations with Burma and Syria. See: Möller, Kay: Die Chinapolitik der USA [U.S. China Policy], in: *Aus Politik und Zeitgeschichte* 14/2005, pp. 12-18, (pp. 17-18).

a potent force in Chinese politics. A foreign policy that also prepares for possible negative outcomes of China's political development is therefore only prudent.

But such a two-sided approach also brings with it a serious problem. What if conflicts arise because China feels encircled by the containment element of the strategy, i.e. Washington's regional alliance system? The outcome could resemble the security dilemma described by Mearsheimer and might thus also lead to a Chinese attempt to gain hegemony in Asia, if only for reasons of a desire for self-protection. Therefore much depends on how Washington is able to communicate its approach to Beijing in a reassuring and non-threatening way. Moreover, it is important that Washington addresses Beijing's legitimate concerns when dealing with issues such as the Iranian nuclear dispute, where China's energy security is at stake.

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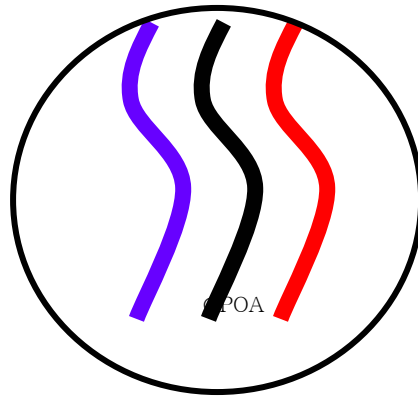
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