Shaping China's Future in World Affairs: The U.S. Role

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SHAPING CHINA'S FUTURE IN WORLD AFFAIRS:
THE U.S. ROLE

Robert G. Sutter

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FOREWORD

In April 1996, the Army War College's Strategic Studies Institute held its Annual Strategy Conference. This year's theme was "China into the Twenty-first Century: Strategic Partner and . . . or Peer Competitor." As world events turned out, it was a prescient choice.

Robert G. Sutter, a Senior Specialist in International Policy with the Congressional Research Service of the Library of Congress, presented the following paper as part the conference's concluding panel, "China and the United States: The New Great Game." Dr. Sutter sets the scene for his discussion of the U.S. role in China's future by providing a comprehensive analysis of the key factors that shape China's domestic and international policies. He outlines a mixed picture—a regime today that is pragmatic in its international political and economic relations but highly protective on territorial and sovereignty issues. He also notes that it is a regime in transition and articulates the various interpretations of where that transition might be headed.

But if understanding China is vital to effective U.S. policy, so too are achieving consensus on U.S. objectives and framing coherent courses of action. On this count, Dr. Sutter finds several competing outlooks at work, both within and outside the U.S. Government. His review of these suggests that Chinese leaders will have as much difficulty predicting the future course of American policy as the other way around.

Dr. Sutter concludes his paper with several useful guidelines for those charged with formulating instrumental policy with respect to China. These insights complete a thorough survey of the major issues, interactions, and choices which will shape the U.S.–China strategic relationship. For that reason, I commend to you, Shaping China's Future in World Affairs: The U.S. Role.

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SHAPING CHINA'S FUTURE IN WORLD AFFAIRS: 
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INTRODUCTION

Backed by impressive economic growth and steadily increasing military power, China's international influence has grown substantially in recent years. Beijing's growing assertiveness in a variety of areas from trade policy to the Taiwan Strait has challenged important interests of the United States and others with a concern for international stability. Chinese power poses a set of questions markedly different than a few years ago when China's leaders appeared as an isolated and troubled regime following the suppression of pro-democracy demonstrators at Tiananmen Square in 1989.

In many important respects, Chinese leaders since the late 1970s have followed generally pragmatic policies that have integrated China's economy more closely with the rest of the world. The result has been a foreign policy seeking greater economic advantage in order to improve the material standard of living of the Chinese people and to increase support for continued Chinese communist rule. Seeking economic advantage has prompted Chinese leaders to be more flexible than in the past on differences with neighbors and to curb actions disruptive to the prevailing status quo in Asian and world affairs.

Although optimists judge that China's growing economic and military power will be moderated by an ever widening web of international interdependence, skeptics suspect that greater power will allow Beijing to be more assertive in backing nationalistic, territorial or other demands. Of course, actual Chinese policy could turn out to be moderate on some issues (e.g., trade disputes) and more assertive on others (e.g., territorial disputes). Political and economic developments inside China will partly determine whether Beijing follows an accommodating or assertive foreign policy. Determinants outside China include the important role U.S. policy plays in influencing Chinese behavior.

Largely because of China's closer economic interaction with the rest of the world, especially with the free market states of Asia and the West, China's future is more dependent than before on external factors. Inasmuch as other international actors in Asia and the West generally refrain from confronting China on difficult issues without the backing of the United States, it seems clear that the United States will be a key determinant in whether or not the international system constrains and presses China in the future. Heavy international pressure led by the United States against China could prompt the PRC to recalculate the costs and benefits of its recent pragmatic and interactive
approach to foreign affairs in favor of a more autarkic and assertive posture designed to reduce dependency and protect Chinese interests under U.S.-led pressure. On the other hand, the United States also has an opportunity to play a supportive role in China's development and interaction with the international system. This U.S. approach would involve a path of careful engagement, continuing vigilance against potentially disruptive and deviant Chinese behavior, and encouragement of PRC growth and influence with a goal of seeing China's power channeled along routes acceptable and helpful to broader goals of international development and peace.

BACKGROUND: EVOLUTION OF CHINA'S ROLE IN WORLD AFFAIRS

Under the leadership of Mao Zedong, China executed some wide swings in foreign policy behavior. During the 1950s, Mao charted a pro-Soviet, anti-U.S. foreign approach; in the 1960s, China shifted to a posture antagonistic to both superpowers; and in the 1970s, Mao sanctioned a realigning of China toward a rapprochement with the United States in opposition to perceived Soviet expansion. Throughout this period, Chinese leaders under Mao mixed hard and soft tactics in foreign affairs in ways that showed a strong willingness to threaten or use force in order to seek advantage or to respond to perceived encroachment or pressure from outside. China cultivated the image of an aggrieved "have not" power determined to struggle to change the world—at least over a period of time. Beijing supported revolutionary political movements and gave arms and training to radical insurgencies directed against established governments.

Outside analysts were able to discern core goals in Chinese foreign policy notably involving support for the security of the Chinese state and its Communist Party leadership; development of China's wealth and power; and China's great desire to stand strong and independent in world affairs. Nevertheless, the frequent shifts in priorities and tactics sometimes caught Chinese leaders unaware or unresponsive, leading to leadership confusion and conflict. Domestic politics would on occasion spill over into Chinese foreign policy, leading to sometimes serious leadership foreign policy debates. Perhaps the most graphic example of the latter occurred in the mid-late 1960s, during the most violent phase of the Cultural Revolution. This period saw a collapse of Chinese foreign policy, amid a broader collapse of Chinese government and party institutions, reflecting the life-and-death struggle for power then underway among the senior leaders in China.


China's relationship with the superpowers and especially the
Soviet Union remained at the heart of Chinese foreign policy through much of this period. In particular, Soviet power repeatedly impeded both China's efforts to expand its influence in Asian and world affairs, and its ability to secure China's broader foreign policy goals of security, independence and development.2

1969-76. During this period, China was only beginning to emerge from the violent domestic conflict and international isolation caused by the Cultural Revolution. The Soviet military buildup and the Sino-Soviet border clashes prompted a major reassessment in Chinese foreign policy that focused on countering the Soviet threat to Chinese security. As the United States was pulling back militarily from Asia under terms of the Nixon doctrine, Beijing saw an opportunity to work with this former adversary against Soviet pressure in Asia. It also used the opening to the United States to support China's broader effort to gain greater international recognition.

1976-80. The period began with the death of Mao, the purge of the Maoist "gang of four," and the rehabilitation of more pragmatic leaders led by Deng Xiaoping. Deng and his reform-minded colleagues began a major economic and political reform effort designed to end the ideological struggles of the past and to improve the material well-being of the Chinese people.3 In foreign affairs, they broadened the basis of China's interest in contacts with the West and the rest of the developed world from continued common anti-Soviet strategic concerns to include greater economic, technical, and other exchanges.

In the 1980s, Chinese leaders were generally pleased by the strong U.S.-led international response to the Soviet invasion of Afghanistan in December 1979. The election of Ronald Reagan and the buildup of U.S. military strength in the early 1980s were seen by Beijing as complementing similarly strong efforts against Soviet expansion by U.S. allies in Europe and Asia. As a result, China came to view Soviet expansion as held in check for the first time in over a decade—a trend that Beijing judged was likely to continue to pose difficulties for a USSR leadership already preoccupied with problems including leadership succession and deepening economic malaise.

Meanwhile, Chinese leaders began to reassess their close alignment with the United States in light of candidate Reagan's strong statements of support for Taiwan. In response, Beijing opted in 1981-82 for a more "independent" posture in foreign affairs that struck a favorable political chord in China and among Third World countries deemed important to China.

In the mid-1980s, with the rise to power of Mikhail Gorbachev and his reform-minded colleagues in the Soviet Union,
China and the Soviet Union moderated past differences and appeared determined to improve political, economic and other relations. Leaders of both sides focused on problems of internal economic development and related political reform, and both were interested in fostering a stable, peaceful international environment conducive to such reform. Sino-Soviet ideological, territorial, and leadership differences of the past were less important. The two sides remained divided largely over competing security interests in Asia. Gorbachev began to meet Chinese interests in this area by starting to pull back Soviet forces from Afghanistan, Mongolia, and other places around China's periphery. Concurrently, Chinese military planners began to revise China's strategic plans. They downgraded the danger of Soviet attack and allowed for a major demobilization of Chinese ground forces.

The Soviet initiatives also dulled Chinese interest in cooperating closely with the United States and its allies and associates in Asia to check possible Soviet expansion or for other reasons. China's growing need for close economic and technical ties with these countries compensated to some degree for the decline in Chinese interest in closer security ties with them. Chinese leaders also wished to improve relations with the Soviets in order to keep pace with the rapid improvement of Gorbachev's relations with the United States and Western Europe. Otherwise, Chinese leaders ran the risk of not being considered when world powers decided international issues important to China.

**Foreign Policy After Tiananmen.**

The sharp international reaction to China's harsh crackdown on dissent after Tiananmen caught Chinese leaders by surprise. They reportedly had expected developed countries to move relatively swiftly back to China after a few months, but they had not counted on the rapid collapse of communism in Eastern Europe and the subsequent march toward self-determination and democratization throughout the Soviet empire, leading to the end of the USSR by 1991. Taken together, these unexpected events diverted the developed countries from returning to China with advantageous investment, assistance, and economic exchange; reduced China's strategic importance as a counterweight to the USSR; and posed the most serious challenge to the legitimacy of the Chinese communist regime since the Cultural Revolution.

In response, Beijing used foreign affairs to demonstrate the legitimacy and prestige of its communist leaders. High-level visits, trade and security agreements and other foreign policy means were used to enhance Beijing's image before skeptical audiences at home and abroad. As time went on, Chinese leaders
managed to reestablish political stability. To do this, Chinese leaders gave higher priority to the resource needs of the military and public security forces. Meanwhile, economic growth began to accelerate sharply, especially in southern and coastal regions.

Recognizing the inability of communist ideology to support their continued monopoly of power, leaders in Beijing played up more traditional themes of Chinese nationalism to support their rule. Thus, U.S. and other criticisms of the communist system in China were portrayed not as attacks against unjust arbitrary rule but as assaults on the national integrity of China. They were equated with earlier "imperialist" pressures on China in the 19th and 20th centuries.  

Meanwhile, Deng Xiaoping's initiative in early 1992 forced other PRC leaders out of their hesitant approach to economic modernization after Tiananmen. Deng's call for faster growth and less impeded economic interchange with the outside world coincided with the start of an economic boom still underway on the mainland. Double digit annual growth rates caused inflation, dislocation and numerous social problems, but they clearly caught the attention of the outside world. Many of China's well-to-do neighbors like Hong Kong and Taiwan had already positioned themselves well in the post-Tiananmen period to take advantage of the rapid growth. They were followed rapidly by Western European and Japanese visitors and traders. U.S. business interest in the China market grew markedly from 1992 to 1994 and was credited with playing an important role in forcing the shift in Clinton administration policy linking U.S. most favored nation (MFN) treatment and China's human rights conditions.

On specific issues in foreign affairs, Chinese leaders generally adhered to the logic underlying the pragmatic trend in Chinese foreign policy seen in the post-Mao period:

- Post-Mao Chinese communist leaders need to foster a better economic life for the people of China in order to legitimate and justify their continued monopoly of political power. These leaders cannot rely as Mao did on his enormous personal prestige as a successful revolutionary, or on the appeal of communist ideology: they have little of Mao's prestige, and the appeal of communist ideology is largely a thing of the past.

- China depends critically on foreign trade, and related foreign investment and assistance, for its economic development.

- China depends particularly heavily on its neighbors for aid, investment, and trade benefits, and on the United States to absorb its exports.
Therefore, to buttress their survival politically, post-Mao leaders emphasize their concern with maintaining a "peaceful" international environment which assures continued trade, investment, and assistance flows so important to Chinese economic well-being.

Thus, Chinese leaders put aside past ideas of autarky and self-reliance and allowed the Chinese economy to become increasingly integrated into the world economy. They sought to avoid dependence on any one power by encouraging broad competition. Beijing made efforts to meet the requirements of the United States and others regarding market access, intellectual property rights and other economic issues, and strove to become a member of the General Agreement of Tarriffs and Trade (GATT) and a founding member of the World Trade Organization (WTO). Chinese leaders duly accepted commitments and responsibilities stemming from their participation with such international economic organizations as the World Bank, the Asian Development Bank and the Asian Pacific Economic Cooperation (APEC) forum.

Chinese leaders remained sensitive on issues of national sovereignty and were less accommodating on international security issues. They did adjust to world pressure when resistance appeared detrimental to broader Chinese concerns. Examples included Chinese cooperation with the international peace settlement in Cambodia in 1991; Beijing's willingness to join the Non-Proliferation Treaty and to halt nuclear tests by the end of 1996 under an international agreement banning nuclear tests; China's willingness to abide by terms of the Missile Technology Control Regime (MTCR) and the Chinese leaders' reportedly helpful efforts to assist the United States in reaching an agreement with North Korea in October 1994 over the latter's nuclear weapons program. Beijing also endeavored to meet international expectations on other transnational issues like policing drug traffic, curbing international terrorism, and working to avoid further degradation of the world's environment.

It is easy to exaggerate the degree of Chinese accommodation to international concerns. Beijing's continued hard line against outside criticism of Chinese political authoritarianism and poor human rights record graphically illustrates the limits of Chinese accommodation. Continued Chinese transfer of sensitive military technology or dual use equipment to Pakistan, Iran and other potential flash points is widely criticized in the United States and elsewhere. And the Chinese political and military leaders are not reluctant to use rhetorical threats or demonstrations of military force in order to intimidate and deter those in sensitive areas like Taiwan, the South China Sea, and Hong Kong, who are seen by Beijing as challenging its traditional territorial or nationalistic claims.
In short, Beijing has been widely seen as accommodating pragmatically to many international norms not because such accommodation is seen as inherently in China's interest. Rather, Beijing is said to view each issue on a case-by-case basis, calculating the costs and benefits of adherence to international norms in each case. Thus, for example, Beijing saw by 1991 that maintaining its past support for the Khmer Rouge in Cambodia would be counterproductive regarding China's broader interests in achieving a favorable peace settlement in Cambodia and solidifying closer relations with the Association of Southeast Asian Nations (ASEAN) countries, Japan and the West--all of whom saw continued Chinese aid as a serious obstacle to peace. By the same token, the U.S.-led international moratorium on nuclear testing had reached a point in 1994 that Beijing had to announce its decision to stop nuclear testing by the end of 1996, and join a comprehensive nuclear test ban, or risk major friction in its relations with the United States, Japan, Western Europe and Russia.

Underlying the case-by-case approach is a rising sense of nationalism among Chinese leaders. Viewing the world as a highly competitive state-centered system, Chinese leaders remain deeply suspicious of multilateralism and interdependence. Rather, they tend to see the world in more traditional balance-of-power terms, and therefore argue that the current world trend is more multipolar (i.e., a number of competing nation-states) than multilateral (a system where nation-states sacrifice their independence and freedom of maneuver for the sake of an interdependent international order).

At bottom, Chinese suspicions of many multilateral efforts center on the role of the United States and the other developed countries. These nations are "setting the agenda" of most such multilateral regimes. They are accused of doing so to serve their own particular national interests and to give short shrift to the interests and concerns of newly emerging powers like China. As a result, many leaders in China see U.S. and other efforts to encourage or press China to conform to multilateral standards on international security, human rights, and economic policies and practices as motivated at bottom by the foreign powers' fear of China's rising power, their unwillingness to fairly share power with China, and their desire to "hold down" China--to keep it weak for as long as possible.

ASSESSMENT AND PROSPECTS

The above analysis of the international behavior of the PRC in recent years suggests several key themes.

-- Chinese leaders now see the security environment around China's periphery as less likely to be disrupted by a major
international power than at any time in the past. Of course, the reduced big power military threat does not preclude danger posed by possible conflicts between China and its neighbors over territorial disputes or other issues that China itself might provoke. Nor does it automatically translate into growing Chinese influence in Asia or sanguine Chinese leadership attitudes regarding the evolving balance in Asia. Regional economic and military powers (e.g., Japan, Indonesia, India) are among leaders asserting their influence as East-West and Sino-Soviet tensions have ended.

-- Regional security trends are generally compatible with China's primary concern with internal economic modernization and political stability. So long as the regional power balance remains stable and broadly favorable to Chinese interests, it will not intrude on Beijing's recent effort to give pragmatic development of advantageous economic contacts top priority in its foreign affairs. At least some leaders in Beijing appear prepared to embark on a more assertive Chinese stance in the region presumably after China has achieved solid progress in its economic modernization program.

-- Ideological and leadership disputes have less importance for Chinese foreign policy than in the past. Although Chinese leaders could be divided between more conservative officials and those who are more reformist, the differences within the leadership over foreign affairs have appeared markedly less than they were during the Maoist period.

-- Reflecting the more narrow range of foreign policy choices present among Chinese leaders, Beijing's foreign policy has become more economically dependent on other countries, especially the Western aligned, developed countries, than in the past. Particularly as a result of the new openness to foreign economic contacts and the putting aside of Maoist policies of economic self-reliance, Beijing has come to see its well-being as more closely tied to continued good relations with important developed countries, notably Japan and the United States. They provide the assistance, technology, investment and markets China has needed to modernize effectively.

-- China's overall pragmatic adjustments in world affairs do not depend on just one or two leaders in China. Although Deng Xiaoping picked up senior foreign policymaking duties from Mao Zedong and Zhou Enlai, the policies followed have represented, in broad terms, an outline agreed upon among senior Chinese leaders who are advised and influenced by a wide range of experts and interest groups in China. Many of these groups have a strong interest in dealing pragmatically with world affairs. This has included particularly strong economic, technological and other interconnections between Chinese enterprises and interest groups.
and counterparts outside China. As a result, they are loathe to pursue autarkic, confrontational or provocative policies that could jeopardize their particular concerns, as well as China's economic progress in an increasingly interactive world. A substantial segment of the Chinese leadership does remain suspicious of U.S. pressure and very sensitive regarding issues of national sovereignty.

The outlook for Chinese foreign policy over the next 5-10 years remains uncertain. Optimists in the West tend to extrapolate from the pragmatic trends seen in Chinese foreign policy behavior since the death of Mao and the rise of pragmatic nation-building policies of Deng Xiaoping. They argue that the logic of post-Mao foreign policy will continue to drive Chinese leaders in directions of greater cooperation, accommodation and interdependence with the outside world, and especially China's neighbors and the advanced developed countries led by the United States. According to this view, as China becomes economically more advanced, it will undergo social and eventually political transformation, that will result in a more pluralistic political decisionmaking process in Beijing that will act to check assertive or aggressive Chinese foreign actions or tendencies. Moreover, as Beijing becomes more economically interdependent on those around China and the advanced developing countries, it will presumably be less inclined to take aggressive or disruptive actions against them.

Proponents of this view see ample evidence at present to support their opinion. They cite, for example, the fact that PRC leaders continue to give top priority to economic development rather than military expansion or political assertiveness; that PRC leaders have been increasingly flexible in accommodating international economic norms in order to benefit from the international economic system; and that PRC leaders have also shown more flexibility in dealing with sensitive security and political issues through multilateral organizations like the Asean Regional Forum and through bilateral talks and exchanges with other countries.

Pessimists in the United States and elsewhere in the West are more inclined to focus on the strong nationalistic ambitions and intentions of the Chinese leaders. They are often struck by the strong nationalistic views of at least a segment of PRC leaders in the past 2 years who voice deep suspicion of U.S. pressures directed against China. These Chinese leaders see these U.S. pressures and other U.S. policies, such as support for Taiwan, as fundamental challenges to China that must be confronted and resisted.

In the past, Chinese nationalistic ambitions ran up against, and were held in check by U.S.-backed military containment or
Soviet-backed military containment. Later, Beijing's need for advantageous foreign economic interchange to support economic development at home, and thereby legitimate continued communist rule in China, caused it to curb assertive, nationalistic behavior abroad. But the pessimists believe that Beijing has now or will soon reach a point of economic development where it will no longer need to cater so much to outside concerns. For example, the government in Beijing may have reinforced its political legitimacy by its record of material progress in recent years. And China's economy has become such a magnet for foreign attention that the Sino-foreign tables could be reversed—that is, foreign countries now will feel an increasing need to accommodate China or risk being closed out of the booming China market, rather than China feeling a need to accommodate foreign interests. China is now widely acknowledged as a world-class economic power and possibly a nascent superpower. None of this is unrecognized by China's leadership.

Whether China will follow the path of the optimists or pessimists, or some other future course, will depend heavily on two sets of factors:

- Internal--political stability and the course of economic and political performance;
- External--the interaction of Chinese relations with key states around its periphery and Chinese adjustment to international trends in the so-called "new world order."

Internal Variables.

Developments inside China that could cause a shift from pragmatism to a more assertive and disruptive emphasis on nationalism in Chinese foreign policy are:

- A major economic failure or change in political leadership. These could prompt Beijing leaders to put aside their current approach to nation-building and adopt a more assertive foreign policy; this could be accompanied by harsher reactions to internal dissent and to Western influence in China;

- The achievement of such a high level of economic success and social-political stability that Chinese leaders would feel confident that China was strong enough to pursue its interests in the region and elsewhere with less regard for the reaction or concerns of other countries.

Some have argued that it might be good for Asian and world stability if China continued to make progress toward economic modernization, but failed to achieve full success. Under these
circumstances, Beijing leaders would likely continue to see their interests as best served by pursuing a moderate, conventional nation-building program. They would likely remain preoccupied with the difficulties of internal modernization and would not achieve the level of success that would allow for a more forceful policy in Asian and world affairs for some time to come.

An examination of variables governing China's development and reform efforts suggests that Beijing appears to face such future prospects. Beijing leaders are unlikely to achieve fully their current development objectives for some time because of significant economic constraints, the complications from efforts to implement proposed reforms, and leadership and political instability. Major short-term economic constraints include an inadequate transportation system, insufficient supplies of electric power, an expanding government spending deficit, money-losing state enterprises, and a shortage of trained personnel. Long-term impediments include growing population pressure, the difficulty of obtaining enough capital to develop available energy resources and general industry, and the slowdown of agricultural growth after the rapid advances in the recent past.

Reflecting these and other important constraints, the Chinese leadership at present continues to delay some changes in prices and economic restructuring because it fears they would have serious consequences for Chinese internal stability. Such changes can trigger inflation and cause hoarding. Closing inefficient factories forces workers to change jobs and perhaps remain unemployed for a time. Decentralized economic decisionmaking means that local managers can use their increased power for personal benefit as well as for the common good. The result of these kinds of impediments has been a zig-zag pattern of forward movement and slowdown in economic reforms.

The problems of political stability focus on leadership succession—as principal leader Deng Xiaoping's health slowly fades—and the difficulty Beijing has in trying to control students, workers, and others demanding greater accountability, less corruption, or other steps that would curb central authority. The repeated political difficulties over the results of the economic reforms and political measures continue to demonstrate the volatility of politics in China.

Of course, the widely publicized difficulties of the reform efforts sometimes obscure their major accomplishments and the political support that lies behind them. Reflecting the rapid economic growth in China over the past 17 years, the constituency favoring economic reform includes representatives of coastal provinces, enterprise managers, prospering farmers, many intellectuals, and technically competent party officials. The major alternatives to current policies (e.g., Maoist self-
reliance, Soviet-style central planning) have been tried in the past and have been found wanting. Some of the followers of purged party leader Zhao Ziyang provided an alternative favoring greater political as well as economic reform, but thus far no leader has emerged with a program with viable support or constituency able to lead China in a direction markedly different than the current Communist Party-led development effort. Thus, on balance, it appears likely that Beijing will remain focused on economic reform while stressing the need for political stability, even in the event of strong leadership and political disputes and economic complications in the next few years. Nevertheless, analysts are sometimes concerned about what they see as Chinese assertiveness in the post-Cold War order in Asia.

**External Relations.**

The foreign powers around China's periphery and those who have an important role to play regarding Chinese interests in international organizations, trade and global issues could influence the course of China's future in several ways. Some may adopt policies on issues sensitive to Beijing that would prompt Chinese leaders to subordinate pragmatic interests for the sake of protecting Chinese territorial or other national claims. Most notable in this regard are outside challenges to China's claims to disputed territories. In the case of Taiwan, for example, if the leaders in Taipei were to formally declare independence from the mainland, Beijing might be hard put not to follow through on its repeated pledge to use force to stop such a development. And in the case of disputed claims to islets in the South China Sea, Chinese naval forces could be expected to respond promptly to any effort by Vietnam or others to expand their territorial holdings by force.

On global economic issues, there is uncertainty as to how far the Chinese government will go in compromising with or retaliating against the United States and others unless China is allowed expeditiously to enter the WTO. What is clear, however, is that a major shift toward protectionism among the developed countries would clearly undermine the basis of China's export-led growth. It could lead to a major shift in China's foreign policy, away from continued cooperation with the developed countries. By the same token, if foreign powers were to appear to "gang up" against China and impose sanctions because of PRC arms exports, human rights or other policies, this, too, might prompt a serious Chinese reevaluation of the costs and benefits of cooperation with the international status quo.

In contrast to those who argue against heavy or provocative external pressure on China are those who argue against the dangers of appeasement or weakness in the face of China's growing
strength. Even those who want foreign countries to "engage" closely with China often add that this must be done from a firm position. As a recent Trilateral Commission Study concluded,

a cooperative approach may not elicit a constructive Chinese response . . . the strength and prosperity of the Trilateral Countries—not their weakness—generate Chinese respect. Such classic considerations as balance of power, realism and a keen sense of Trilateral interests must also govern Western and Japanese thinking about China. 14

Before reviewing specific areas of Chinese-foreign interaction, it is useful to review some generalizations regarding the post-Cold War world system that affect Chinese actions and those nation-states and others who interact with China. These generalizations include the following:

• The international political system is characterized by multipolarity among several power centers rather than the U.S.-Soviet bipolar order that prevailed during the Cold War.

• Trends toward democracy, free-markets and interdependence are growing. Tightly controlled economic and political state systems unwilling to interact openly with the outside world are anachronistic and in decline.

• Most leading states (e.g., United States, Japan, European Union countries, China, Russia) are preoccupied with domestic economic development and domestic politics. There are few strongly internationally focused leaders on the current world scene.

• Economic issues have new importance now that security concerns have been reduced with the demise of the Cold War.

• Other transnational issues have grown in importance including concerns regarding environmental conditions, human rights, proliferation of weapons of mass destruction, health, drugs and terrorism.

• Technology and communications have spread widely knowledge about issues in international affairs and have made it more difficult for elites to control foreign policy decisionmaking. In general, more inclusive, pluralistic approaches are required in order to establish lasting foreign policies that will be supported over time by the better informed and more involved peoples of individual countries. 15

The Former Soviet Union. The military threat posed to China by the Soviet Union was downgraded substantially by PRC leaders
in the 1980s and is now not of major immediate importance. Indeed, at no time in the past has the PRC been so free from great power military pressure and threat. Russia, the newly emerging central Asian countries, and the new Mongolia do not pose a substantial national security threat to China over the near term. Beijing can relax its military guard against them.

Instability in these areas could pose a danger to China's desire to maintain firm control of minority populated areas along the inland frontier of China. The collapse of communism in the USSR has also put pressure on PRC leaders to justify their continued efforts to legitimate the Chinese Communist Party as one of the few remaining ruling communist parties in the world. Meanwhile Russia does provide some opportunity for the PRC to acquire weapons and advanced technology to advance the wealth and power of China.

Japan, Korea. China's relations with Japan and Korea likely will continue to reflect the delicate balance of often conflicting economic and security concerns. Japan seems likely to follow policies over the next few years conducive to China's continued preoccupation with economic development. Thus, the Japanese appear likely to continue to rely on the United States for security support and to use their economic might and slowly growing military power to foster greater economic development and peace in Asia. Japan remains China's major source of foreign assistance and advanced technical equipment.

As part of its more relaxed stance regarding Soviet policy in Asia, Beijing muted or reversed past vocal support for greater Japanese defense efforts, the U.S.-Japan security treaty and the U.S. military presence in Japan. It also muffled public support for Japanese claims to the so-called Northern Territories, islands north of Hokkaido that have been occupied by Moscow since World War II.

Indeed, as the perceived danger of Soviet military expansion subsided, some official Chinese pronouncements and popular demonstrations registered sharply critical views of Japan's growing role in Asian affairs. Some warned bluntly about the danger of revived Japanese militarism; criticized U.S. encouragement of greater Japanese military spending; and sharply attacked alleged Japanese efforts to "infiltrate, control and exploit" the Chinese and other Asian economies. Other, more sophisticated Chinese views also registered concerns over alleged expanding Japanese efforts to use economic-backed power to gain political and economic influence in parts of Asia considered sensitive by China. In particular, some Chinese officials expressed concern that Japan would use improved trade and aid relations with Vietnam, Laos, and Cambodia to build strong influence there as the war in Cambodia is settled. At bottom,
however, Chinese leaders have been loathe to allow such concerns to interfere substantially with China's interest in encouraging greater trade, investment and assistance from Japan.  

In Korea, Beijing has worked since the mid-1980s to reduce tensions associated with the dangerously volatile military confrontation between North Korea and U.S.-backed South Korea. It has seen the tense arms race on the peninsula working against Chinese interests. Thus, in the 1980s, the USSR used its ability to provide advanced fighter aircraft and other equipment China could not provide in order to gain greater influence in Pyongyang. Military confrontation also increased the risk of a conflict which could pit China (an ally of North Korea) against its main economic partners in the United States and Japan (supporters of South Korea). The North-South split in turn slowed Chinese efforts to open greater economic exchanges with economically dynamic South Korea. China has made considerable progress in trade relations with South Korea. But Beijing hesitated to move faster in exchange with South Korea for fear of alienating North Korea. The Chinese were especially sensitive since North Korea's leadership situation has been unstable while the country appears to be trying to develop weapons of mass destruction, notably an atomic bomb.

Over the longer term, some Chinese observers worry about the implications of Korean reunification. Some see a reunified Korea as a hedge against emerging Japanese power, but others worry about scenarios in which Japan would come to dominate the peninsula in opposition to China's influence there. They also worry about the economic and security challenges a reunified, possibly nuclear armed Korea would pose in its own right.

Taiwan, Hong Kong. Beijing's main political concern regarding Taiwan has been to check the possible emergence of "separatist" political tendencies on the island that would challenge the long-standing position of "one China" held by the Communists on the mainland and the Nationalists on Taiwan. At present, movement toward de jure political independence of Taiwan is held in check by Nationalist leaders in Taipei, who continue to adhere to the "one China" principle for practical and ideological reasons, and by the growth in trade and people-to-people contacts between the island and the mainland since 1987, when Taipei dropped formal opposition to Taiwan residents visiting the mainland for family reunions and other humanitarian reasons.

Beijing's concerns about separatist trends on Taiwan are not unfounded. Taiwan's rapidly growing economy has pushed per capita income to over 20 times that of the mainland. The recent relaxation of authoritarian political and other controls in Taiwan stands in contrast to Beijing's crackdown on political and
intellectual dissent. The opposition party in Taiwan advocates the right of the people of Taiwan to determine their political future—including political independence. (The party's stance enjoys some support from U.S. officials in Congress, although the U.S. Administration repeatedly affirms its support for "one China.")

The Nationalist leaders in Taiwan have modified their past rigid adherence to their claim to be leaders of the legitimate government of all of China. Under the rubric of "flexible diplomacy," they now publicly pursue possible diplomatic arrangements that would continue to recognize the principle of "one China," but would also recognize that there are two competing governments in China. This "one China--two governments" or "one China--two areas" stance has been condemned by Beijing officials as an effort to garner international recognition of Taiwan's separate identity from the mainland.

Beijing's concerns over Taiwan are linked to its management of the return of Hong Kong to Chinese sovereignty in 1997. Beijing has held up the "one country--two systems" model it created in the 1984 Sino-British agreement calling for Hong Kong's reversion as a model for Taiwan's reunification with the mainland. The credibility of Beijing's promise to allow autonomy in Hong Kong after 1997 plummeted as a result of its handling of student-led demonstrators in China in mid-1989. It was unclear what the longer term effects of the crisis would be on the stability and prosperity of Hong Kong although the economy in Hong Kong improved along with that of the Chinese mainland in the 1990s. If Beijing grossly mismanages the Hong Kong situation, resistance in Taiwan to any sort of union with the mainland could grow. Beijing also has an important economic stake in Hong Kong, which is China's main trading partner and its main source of foreign exchange and investment. Although there is more uncertainty than ever as to what Hong Kong residents will do as 1997 approaches, one view among those who plan to stay in the territory after reversion appears to be a wish to avoid confrontation with Beijing. These individuals appear determined to make the best of the situation by encouraging Beijing to see China's interests served best by leaving Hong Kong with as much autonomy as possible.

Indochina, Southeast Asia. As the Vietnamese withdrew forces from Cambodia in the late 1980s, China focused strong efforts to insure that a peace agreement in Cambodia would guarantee complete Vietnamese military withdrawal and the establishment of a new government in Phnom Penh that was not dominated by the Vietnamese. The collapse of the USSR increased Vietnamese incentives to accommodate China over Cambodia and other disputes, and China was ready to reciprocate in the interests of securing its southern boundary and playing a
prominent role in the Cambodian settlement. Beijing was prepared to pressure its client, the Khmer Rouge, as they threatened to disrupt the Cambodian settlement process which China saw as serving its interests in securing influence in Indochina and elsewhere in Southeast Asia.

There remains a risk that some other power or coalition of countries will emerge to challenge and resist Chinese interests in Southeast Asia. Japan is one possibility. At present, Beijing seems to anticipate a number of regional and other powers active in the region in ways that do not fundamentally challenge Chinese interests. One area of possible exception involves the conflicting territorial claims of China and Southeast Asian nations to islands in the South China Sea. There, assertive Chinese military actions have appeared to belie Chinese diplomats' expressions designed to reassure Southeast Asian nations of Chinese intentions. China has also worked with U.S. oil companies to assert its claims to resources under the sea. An intensified territorial dispute might cause the ASEAN states to seek greater outside support against China, setting the stage for a confrontation in the region.

South, Southwest Asia. Elsewhere in Asia, China is likely to be an important foreign policy player, but it remains hampered by distance and geographic barriers from exerting as strong an influence as it does in Northeast and Southeast Asia. In South Asia, India's ambition and defense buildup support its ability to face China along the disputed border. But the two sides have downplayed tensions and relations have improved especially since Prime Minister Gandhi visited Beijing in December 1988—the first high-level state visit since the Sino-Indian border war 30 years earlier.

India depended heavily on the Soviet Union for advanced military equipment. Now it needs to find other suppliers. India also seeks to reach out to China, Japan, the United States and the West as it readjusts its foreign and domestic policies to take account of recent world trends. While China is prepared to reciprocate Indian gestures of good will, it continues to supply Pakistan, India's main strategic rival on the subcontinent, with an array of aircraft, tanks, and other military equipment.

Beijing has used arms sales and transfers of sensitive technology to gain economic profits and garner influence throughout the Persian Gulf region. China has sold several billion dollars worth of arms to Iran, Iraq and Saudi Arabia. Its influence suffered a setback after the 1990-91 Persian Gulf War, but Beijing has worked hard to reestablish strong ties with Iran and others in the region during the ensuing period. Recent Sino-Iranian exchanges reportedly include the sale of Chinese nuclear reactors to Iran. Nevertheless, few world conflicts lent
themselves as readily to Chinese weapons sales, and Chinese transfers declined sharply by 1990-91.\textsuperscript{22}

**Features of the New World Order: Implications for China’s Policy.**

Whether or not there is continued pragmatism in Chinese foreign policy will also depend on transnational issues and trends and how they could possibly affect China. In general, those features often reinforce trends supporting continued Chinese pragmatism in world affairs, or they have results that are less than probable to produce consequences that would see a substantial shift in Chinese policy.

The international, western-led norms of the new world order include:

*Greater emphasis on international organizations, especially the United Nations.* This trend seems to work to the advantage of China’s current policies. It assures that China, by virtue of its seat on the Security Council, will continue to play a major role in world decisions. Other powers that might be inclined to pressure China will need to take account of China’s U.N. role in assessing their policies.

*International trade practices.* The developed countries and the financial institutions they lead are requiring countries like China to adhere more closely to free market and less politically controlled economic development approaches. This puts pressure on China’s desire to follow certain neo-mercantilist strategies in order to build foreign exchange reserves to purchase needed commodities, including high technology, abroad. While Chinese leaders might be expected to resist outside pressures for more reform and transparency in the Chinese economy, they also want to maintain access to foreign markets in order to gain foreign exchange and purchase high technology.

*Arms transfers and proliferation.* Recently enhanced international efforts to curb the sale of weapons systems and technology associated with weapons of mass destruction pose a direct concern to segments of the PLA and others in the Chinese leadership. They rely on these sales for their personal benefit and to gain the foreign exchange needed to purchase needed technology and supplies abroad. The sales also build better political relations as well as other ties where China’s military can possibly gain access to information, technology and other material which developed countries try to restrict in transfers to China.

One can argue that China’s leaders are prepared to adjust to this feature of the new world order, even though on balance it
probably has a more negative than positive impact on immediate Chinese interests. Longer term Chinese interests may be seen as better served by preserving an image of Chinese cooperativeness with the international regimes to control proliferation of sensitive weapons systems and technologies. A case can be made that the actual lost sales for China from such control regimes may be small, while the intangible but substantial costs of China appearing to obstruct global arms control would appear large. Of course, China will almost certainly try to have its cake and eat it too (e.g., appear cooperative but also engage in sales where possible). In any event, the sharp decline in Chinese arms sales in recent years—due largely to market forces—suggests that this issue may be less important in determining Chinese policy in the future.

*Drugs, terrorism, environment.* Beijing has appeared generally cooperative in working with recently enhanced international efforts to curb the flow of drugs, to pressure those who harbor terrorists, and to deal with worldwide environmental issues. Significantly, such cooperation involves infringement on traditional Chinese concepts of national sovereignty but Beijing has gone along with international efforts in these areas with little complaint and often with considerable enthusiasm. Evidently, Chinese leaders bridle at some outside "intrusions" into China's or other countries' sovereign affairs (e.g., over the human rights issue, see below), while they wink at others.

*Human rights.* China seems to take particular offense with heightened world efforts to press China to bring its human rights practices into closer alignment with the broad participatory, accountability and democratic standards followed by other governments. It sees such pressure as an affront to China's national sovereignty and as designed, at bottom, to undermine the legitimacy and power of the Chinese communist regime. Beijing is particularly concerned when human rights issues are used in conjunction with calls for greater freedom for self-determination in places like Tibet and Taiwan. Such outside advocacy is then seen to amount to little more than disguised efforts to overthrow China's government and split the nation apart.

Chinese leaders are especially concerned about this aspect of the new world order. Nonetheless, a pragmatic Chinese approach is still warranted if one judges that the ability of outside powers to threaten China is limited. Limits are imposed by distance, the absence of major resources devoted to this effort, and major differences in the West and among Asian-Pacific countries regarding how prominent a role human rights should play in interaction with a country like China.
ROLE OF THE UNITED STATES AND U.S. POLICY CHOICES

Although the United States does not border on China, Beijing recognizes that the United States still exerts predominant strategic influence in East Asia and the Western Pacific; is a leading economic power in the region, surpassed locally only by Japan; and is one of only two world powers capable of exerting sufficient power around China’s periphery to pose a tangible danger to Chinese security and development. As the world's only superpower, the United States also exerts strong influence in international financial and political institutions (e.g., the World Bank and the U.N.) that are very important to Beijing, and its role in particular areas sensitive to Beijing, notably policy regarding Taiwan and international human rights, is second to none.²³

The pattern of international interchange with China's growing strength in recent years appears to underline the importance of the U.S. role. Few of China's neighbors are willing to challenge or express strongly different views than the PRC on major issues. They privately support a significant U.S. military presence in the region, partly because it serves as an implicit counterweight to China's military power. They and more distant developed countries also privately support firm U.S. efforts to open China's markets, end unfair commercial practices, and protect the integrity of the world trading system. And they appreciate U.S. efforts to press China to end nuclear testing and proliferation of equipment and technology for weapons of mass destruction.²⁴ Notably, however, this support is usually not expressed openly.

Beijing, too, sees the United States as the key link in the international balance of power affecting Chinese interests. This judgement goes far toward explaining why Chinese leaders so avidly seek a visit to China by President Clinton. It would signal to all at home and abroad that the United States has muted its opposition to and endorses cooperation with the Beijing government. Of course, as noted above, some Chinese leaders remain deeply suspicious of U.S. motives. They believe the U.S. Government is conspiring to weaken and undermine the Chinese leadership and "hold back" China from a more prominent position in world affairs.²⁵

There is general agreement in the United States that Washington should use its influence in order to have Beijing conform to international norms and over time to foster changes in China's political, economic, and security systems compatible with American interests. At the same time, there is little agreement in Washington on how the United States should achieve these objectives.
Caught up in the drama of the recent changes inside China, Western specialists and other observers have understandably focused on internal variables and factors as the most important determinants of China's future. Indeed, most foreign powers, led by Japan, Russia, India, the ASEAN states and others around China's periphery have appeared willing in recent years to accommodate and work with China, and to avoid actions and pressures that could prompt a sharp adjustment or shift in Chinese policy or a change in China's future policy orientation.

Not so the United States. U.S. policy now intrudes on such a wide range of issues sensitive to Beijing and to the future of China's policy as to represent perhaps the most critical current variable in determining China's future direction.

- The United States clearly has it within its power through trade sanctions or protectionist trade measures to seriously complicate PRC economic development plans.

- The United States has the option at this time to instigate or exacerbate regional security tensions over China's rising power in ways that could seriously complicate China's desire for an accommodating security environment in the region.

- The United States also plays a key role in such sensitive territorial questions for the PRC leadership as Taiwan, Tibet, Hong Kong and the South China Sea. Any PRC leadership that does not handle these issues appropriately is widely seen as vulnerable to challenges from others in the communist hierarchy. Beijing's leaders' view of the challenges posed by such territorial problems also is seen as going far toward determining PRC willingness or reluctance to associate closely with outside powers and develop an interdependent approach to world affairs.

- Sharp tensions in U.S.-China relations would presumably force key countries in the region like Japan, South Korea, Russia and Australia, and key international actors like the international financial institutions that provide several billion dollars of aid to the PRC annually, to feel the need to choose between Washington and Beijing on important issues—choices with unpredictable and potentially serious implications for China's ability to sustain a cooperative foreign environment.

By the same token, the United States also appears to have a potentially large influence on encouraging China to engage with the world in a positive and constructive way. With its superior military strength and intelligence capabilities, the United States could take the lead in reassuring Asian states over China's growing military power and at the same time reassuring China of the regional response to China's rise. As the world's largest economy, the United States can play a very important role
in determining the most constructive ways to engage the Chinese economy in the WTO and other multilateral economic organizations. U.S. policy on issues like Taiwan, Tibet, Hong Kong, the South China Sea and other territorial questions sensitive to Beijing could be done in ways that encourage constructive PRC responses to accepted international norms. Similar arguments can be made regarding U.S. policy toward trade, proliferation, human rights, environment and other questions now at the center of U.S. interaction with China.

In a word, a case can be made for the argument that, for the time being, the United States has it within its power to move the direction of PRC policy in one way or the other. Whether U.S. policymakers realize their influence and what they propose to do with it remains to be seen.

An effective U.S. policy toward China, whether tough or accommodating, does not seem likely in the near future. There remains too much uncertainty and unpredictability in the conduct of U.S. foreign policy in the post-Cold War environment to allow for such an organized American approach. There are many reasons for this knotted situation in U.S. foreign policy.

Numerous issues and variables affecting U.S. policy make it difficult to chart the general direction of U.S. policy. The task is made all the more difficult because the previous framework for U.S. policy, based on the primacy of security issues and opposition to Soviet expansion, is now obsolete. Imperatives of economic competitiveness, democracy, human rights, and other values have achieved greater prominence in U.S. policymaking. The ability of the executive branch of government to use the argument of U.S. strategic competition with the Soviet Union as a means to keep foreign policymaking power in its hands is also at an end. American policymaking will likely reflect more sharply the pluralistic nature of U.S. society and the various pressure groups and other representative institutions there for some time to come.

History has shown that this fluidity and competition among priorities is more often than not the norm in American foreign policy. Presidents Wilson and Roosevelt both set forth comprehensive concepts of a well-integrated U.S. foreign policy, but neither framework lasted long. The requirements of the Cold War were much more effective in establishing rigor and order in U.S. foreign policy priorities, but that era is now over. In retrospect, it appears as the aberration rather than the norm in the course of U.S. foreign policy.

In general terms, there appear to be three distinct tendencies or schools of thought concerned with U.S. foreign policy after the Cold War. Although contemporary U.S. foreign
policy advocates cover a wide range of opinion and issues, one can discern these three approaches. By understanding what these schools stand for and observing the actions of U.S. policy in specific areas regarding China, one can get a better sense as to how difficult it will continue to predict the future direction of U.S. policy toward China.

On one side are Americans who are concerned with what they see as a relative decline in U.S. power that gets in the way of U.S. efforts to protect important interests abroad. They call for the United States to work harder to preserve important interests abroad, but with fewer U.S. resources and less U.S. influence available to do the job. These leaders' review of recent developments causes them to expect further changes in world affairs, sometimes in unexpected ways. They see relatively limited or declining U.S. power and influence to deal with those changes.

They stress in particular several "realities" governing the current U.S. approach to Asia and the Pacific and world affairs in general:

- U.S. attention to China, Asia and the Pacific and elsewhere abroad has been diverted by the need to focus on pressing U.S. domestic problems.

- U.S. Government decisionmaking will remain difficult because of the possibility that the executive branch will remain in control of one U.S. political party, and the Congress in control of another party.

- The U.S. Government and the U.S. private sector have only limited financial resources to devote to domestic and foreign policy concerns.

- The priorities in U.S. policy toward China will remain unclear. Security, economic, and cultural-political issues will vary in receiving top priority in U.S. policy.

- There remains no obvious international framework to deal with foreign issues. U.S. policy must use a mix of international, regional, and bilateral efforts to achieve policy goals.

Under these circumstances, these advocates see a strong need for the United States to work prudently and closely with traditional U.S. allies and associates. Their cautious approach argues, for example, that it seems foolish and inconsistent with U.S. goals not to preserve the long-standing U.S. stake in good relations with Japan and with friends and allies along the periphery of Asia and in Oceania. Their security policies and political-cultural orientations are generally seen as in accord
with U.S. interests. Although opinion surveys sometime claim that the American public and some U.S. leaders see Japan as an economic competitive "threat" to U.S. well-being, these observers stress a different line of argument. They highlight the fact that few polls of U.S. public opinion or U.S. leaders support the view that it is now in America's interest to focus U.S. energies on the need to confront the Japanese economic threat, in a way that confrontation with the Soviet Union came to dominate U.S. policy during the Cold War.

In the view of these advocates, caution is in order in anticipating future U.S. relations with other major regional actors--the former Soviet Union, China, and India. All three are preoccupied with internal political-development crises. Few appear to be seeking to foment tensions or major instability in the region. All seek better ties and closer economic relations with the West and with the advancing economies of the region. U.S. policy would appear well advised, they say, to work closely with these governments wherever there is possible common ground on security, economic, or political issues.

In considering U.S. assets available to influence trends in the region, these advocates call on U.S. leaders to go slowly in reducing U.S. military presence in the region. The economic savings of such a cutback would be small; the political costs could be high inasmuch as most countries in Asia have been encouraging the United States to remain actively involved in the region to offset the growing power of Japan or the potential ambitions of China or others.

A second major school of thought on U.S. foreign policy emerged in the 1990s. These proponents have argued for major cutbacks in U.S. international involvement and a renewed focus on solving U.S. domestic problems concerning crime, drugs, lagging economic competitiveness, educational standards, homelessness, poverty, decaying cities and transportation infrastructure, and other issues. Variations of this view are seen in the writings of William Hyland, Patrick Buchanan, and other well-known commentators, and in the political rhetoric of Ross Perot.

Often called an "American First" or "Neoisolationist" school, these advocates argue for sweeping cuts in U.S. military, diplomatic, and foreign assistance spending abroad. They are skeptical of the utility of the international financial institutions, the United Nations, and the international efforts to promote free trade through the GATT, WTO and other means. They argue that the United States has become overextended in world affairs; has been taken advantage of in the current world security-economic system; and must begin to retreat from international commitments in order to gather together the resources needed to deal with American domestic problems. As to
specific recommendations, these proponents tend to favor a complete U.S. pullback from foreign bases; drastic cuts in foreign assistance and foreign technical/information programs; and termination of various international economic talks that help to perpetuate a world trading system, which they see as basically contrary to American economic interests. Many in this school favor stronger government intervention in the domestic U.S. economy and related areas of promoting technology, education, and social welfare. Some favor trade measures that are seen as protectionist by U.S. trading partners.

Meanwhile, on the other side of the debate lies a third, somewhat less well articulated school of thought. This school generally judges that U.S. policy needs to more strongly and actively promote U.S. views of the world political, military, and economic order; to press those countries that do not conform to the U.S. view of an appropriate world order; and to lead strongly in world affairs, attempting to avoid compromises and accommodations with others that would reduce the impact and strength of U.S. leadership.

This school of thought has always been present in American politics. But it appears far stronger today than at any other time since at least the 1960s for several reasons:

- **Impact of Reagan policies.** After a prolonged period of introspection and doubt following the Vietnam War, the oil shocks, and the Iran hostage crisis, U.S. opinion became much more optimistic about the United States and its future after two terms of Ronald Reagan.

- **Victory in the Cold War.** This represented a great accomplishment for the U.S.-backed system of collective security and for U.S. political and economic values.

- **Persian Gulf War.** U.S. military doctrine, equipment, and performance were strong; U.S. ability to lead in a world crisis also appeared strong.

- **Economic developments.** Although the United States is seen facing still serious difficulties, advocates point to analysts who are now more optimistic about U.S. ability to prosper in the increasing competitive world economic environment.

- **Values-Culture.** The United States is seen as better positioned than any other country to exert leadership in all major areas of cultural influences; i.e., ideas and values, political concepts, life-style, and popular culture.

Further giving impetus to this school of thought is the perception of a power vacuum in the world, in which the United
States is more free to exert its influence. Thus, proponents of this viewpoint are not deterred by the seeming decline in economic resources available to U.S. policymakers. In particular, the former Soviet Union, China, and India are likely to remain internally preoccupied for some time. Meanwhile, Japan and Germany are acknowledged to be economically powerful; but politically they have shown themselves to be uncertain as to how to use their new power and culturally they appear to be not nearly as influential as the United States.

In recent years, advocates of this third tendency have been most vocal in pressing their concern for strong U.S. policy in support of U.S. political values of democracy and human rights. In this regard they have sometimes argued for a more active U.S. foreign policy, leading some recipient countries to view U.S. policy as illegitimate interference in a country's internal affairs. They have also reinforced the strength and determination of the U.S. case in opposition to economic or trading policies seen in the United States as grossly inequitable or predatory; and they have reinforced strongly the U.S. policy against the proliferation of weapons of mass destruction. Other areas where they have exerted more influence involve international sanctions against countries that harbor terrorists or promote the drug trade. They have also pushed the U.S. Government to be more assertive in promoting humanitarian relief and in recognizing politically the legitimacy of people's right to self-determination.

In sum, it is not hard to see the evidence of clashes among these three, often competing tendencies in U.S. policy toward China. Most obvious in recent years have been those of the third group who have strongly pursued human rights, proliferation, trade practices and other issues with China. They have pressed Beijing hard to meet U.S. sanctioned international norms, threatening sometimes very serious economic or other sanctions if China did not conform. By contrast, the more cautious and accommodating first group sees the strong advocates of U.S. values and concerns as being unrealistic about U.S. power and unwilling to make needed compromises with the Chinese government and others in order to protect U.S. interests in relations with China.

The three approaches that emerge from this complicated mix to influence current U.S. policy toward China are noted below. At present there is little indication as to which approach will ultimately succeed.26

On one side is an approach favored by some in the Clinton administration, the Congress and elsewhere who argue in favor of a moderate, less confrontational and "engaged" posture toward China. Some in this camp are concerned with perceived fundamental
weaknesses in China and urge a moderate U.S. policy approach out of fear that to do otherwise could promote divisions in and a possible breakup of China with potentially disastrous consequences for U.S. interests in Asian stability and prosperity. Others are more impressed with China's growing economic and national strength and the opportunities this provides for the United States. They promote close U.S. engagement with China as the most appropriate way to guide the newly emerging power into channels of international activity compatible with American interests.

Sometimes underlying this moderate approach is a belief that trends in China are moving inexorably in the "right" direction. That is, China is becoming increasingly interdependent economically with its neighbors and the developed countries of the West, and is seen as increasingly unlikely to take disruptive action that would upset these advantageous international economic relationships. In addition, greater wealth in China is seen pushing Chinese society in directions that seem certain to develop a materially better-off, more educated and cosmopolitan populace that will over time press its government for greater representation, political pluralism and, eventually, democracy. Therefore, U.S. policy should seek to work ever more closely with China in order to encourage these positive long-term trends.

A second, tougher approach is that of some U.S. advocates inside and out of the U.S. Government who have doubts about the interdependence argument. These U.S. policymakers and opinion leaders stress that Beijing officials still view the world as a state-centered competitive environment where interdependence counts for little and compromises sovereign strength. China's leaders are seen as determined to use whatever means at their disposal to increase China's wealth and power. At present, Beijing is seen biding its time and conforming to many international norms as it builds economic strength. Once it succeeds with economic modernization, the argument goes, Beijing will be disinclined to curb its narrow nationalistic or other ambitions out of a need for international interdependence or other concerns for world community. When strong enough, China, like other large powers in the past, will possess great capabilities and will attract few friends or allies.

Under these circumstances, this approach encourages U.S. leaders to be more firm than moderate in dealing with China. Rather than trying to persuade Beijing of the advantages of international cooperation, the United States is advised to keep military forces as a counterweight to rising Chinese power in Asia; to remain firm in dealing with economic, arms proliferation and other disputes with China; and to work closely with traditional U.S. allies and friends along China's periphery in
order to deal with any suspected assertiveness or disruption from Beijing.

A third approach is favored by some U.S. officials and others who believe that the political system in China needs to be changed first before the United States has any real hope of reaching a constructive relationship with China. Beijing's communist leaders are seen as inherently incapable of long-term positive ties with the United States. U.S. policy should focus on mechanisms to change China from within while maintaining a vigilant posture to deal with disruptive Chinese foreign policy actions in Asian and world affairs. The development of an authoritarian superpower more economically competent than the USSR is not to be aided.

OUTLOOK FOR U.S. POLICY

Given the continued wide range of opinion in the United States over the appropriate U.S. policy toward China, it appears likely that U.S. policy will continue its recent pattern of trying to accommodate elements of all three approaches. On some issues, like linking MFN treatment and human rights, the U.S. Government has seen U.S. interests best served by an approach that meets PRC concerns. On others, like intellectual property rights protection and proliferation of missile technology, the U.S. Government seems prepared to threaten sanctions or to withhold benefits from Beijing until it conforms to norms acceptable to the United States. Meanwhile, although many U.S. officials would see as counterproductive any declaration by the U.S. Government that a policy goal was to change China's system of government, there is a widespread assumption that greater U.S. "engagement" will encourage such desirable changes.

Whether the U.S. Government policy synthesis of these three tendencies is done smoothly or is accompanied by the often strident policy debates accompanying U.S. China policy decisions in recent years depends partly on U.S. leadership. In this vein, several rules of thumb are suggested that U.S. leaders could consider when determining whether the United States should try to accommodate, confront or change China on a particular policy issue:

- How important is the issue at hand for U.S. interests? (In general the more important U.S. interests at stake, the less accommodating and more forceful U.S. leaders should be.)

- How does the issue at hand fit in with broader U.S. strategic interests in relation with China? (Presumably, some U.S. officials would be inclined to soft pedal relatively minor disputes with China when they are pressing for broader gains elsewhere).
• How much leverage does the United States have over the PRC on this issue? (In general, the greater the degree of U.S. leverage, the easier it is for U.S. leaders to press for their demands.)

• What are the attitudes of U.S. allies and associates? (If they do not support a firm U.S. stance, U.S. efforts to pressure China may be outflanked, Quixotic and counterproductive.)

• How sensitive is the issue at hand to the PRC? (Experience has indicated that Beijing has shown less sensitivity and greater flexibility on international economic issues, and has shown more sensitivity and less flexibility on issues involving domestic political control and territorial claims. Many analysts believe that PRC leadership flexibility on sensitive issues will be restricted for a time as a result of the decline of Deng Xiaoping's health and the ongoing leadership succession struggle).

Other matters of importance in considering specific China policy issues include:

• How does the U.S. stance affect broader U.S. interests in Asian stability and international affairs?

• What is the U.S. "bottom line"? Chinese officials will press for the advantage until they find it.

• Can this matter be effectively pursued in an overall friendly and respectful atmosphere? This reduces suspicions in Beijing regarding the alleged overall hostile intent of U.S. policymakers toward China-- suspicions which greatly limit PRC flexibility.

• Can this issue be pursued with the aid of U.S. allies, associates and other international leaders to create an atmosphere that would prompt Beijing to change in directions favored by the United States? (The United States used this approach in part to get Beijing to go along with international sanctions and military action against Libya and Iraq; with planned sanctions against North Korea; and with provisions of the 1991 Cambodian peace accord that were opposed by Beijing's former client, the Khmer Rouge.)

ENDNOTES

1. Among the many useful reviews of Chinese foreign policy and behavior in this period see A. Doak Barnett, China and the Major Powers in East Asia, Brookings, 1977; Harry Harding, (ed.), China's Foreign Relations in the 1980s, Yale, 1984; June Teufel

2. This analysis draws heavily from Robert Sutter, Chinese Foreign Policy in Asia and the Sino-Soviet Summit: Background, Prospects and Implications for U.S. Policy, CRS Report 89-298F, May 15, 1989, pp. 7-11.

3. The political reforms fell notably short of political pluralism or democracy as there remained strong measures to prevent dissent from emerging as a serious challenge to the regime.


7. For background, see CRS Issue Brief 92056 and CRS Report 95-46S.


9. Discussed, among others, in Ming Zhang, "China and the Major Power Relations," The Journal of Contemporary China, Fall

11. Reviewed in China in Transition, CRS Report 93-1061S, December 20, 1993, 23 p. Of course, among other arguments are those that stress that an economically successful China would be very closely integrated with and depend on the world economy, and would not be disruptive in world politics.

12. See, among others, CRS Issue Brief 93114.


15. This section benefited from the insights of Thomas Robinson.


17. Some U.S. experts judge that there is a generational debate in China on Japan with younger Chinese specialists accepting Japan's playing a bigger role in world affairs.

18. See, among others, the article by Paris Chang, in Annals, January 1992. See also CRS Report 92-658S, Taiwan–Mainland Relations--Implications for the United States, by Robert Sutter, August 6, 1992, 26 p.


24. See sources cited in notes 5 and 15.


26. See sources noted in notes 5 and 15.