

Sino-U.S. Relations and Regional Security

by Brad Glosserman

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Sino-U.S. Relations and Regional Security

Executive Summary

A few months ago, officials from both the United States and the People's Republic of China were describing Sino-U.S. relations as "the best ever." Americans continue to make this claim, but the Chinese no longer seem as sure. Lingering differences, especially over Taiwan, are raising concerns in China. This was the message being sent and received when analysts and observers from China and the U.S. met at Fudan University's Center for American Studies for the fifth in an annual series of meetings to assess the China-U.S. relationship. Although all the participants believe in the continuing value and importance of improved Sino-U.S. relations, we were disappointed to discover that perceptions of the relationship differed significantly between the two countries. As noted, the biggest issue is Taiwan. While both countries understand the importance of the island to the relationship, there is a wide divergence in how the two governments assess the other's handling of relations with Taipei. The difficulties are exacerbated by a profound lack of trust between the U.S. and China and an even deeper level of distrust between Beijing and Taipei. That distrust leads to the danger that "hedging" strategies in Washington and Beijing may create the negative outcomes they are designed to avoid.

Overall, the relationship has stabilized, has become constructive and cooperative, and is making progress. Yet even though the outlook is positive, the Chinese view is darker than that of Americans. Chinese highlight the lack of trust on both sides.

There are fundamental questions – about the roles of alliances, the nature of sovereignty, and the relationship between a government and its citizens – upon which the two governments do not agree. As one Chinese noted, "the many commonalities shared by the two countries don't go to the core of the relationship." The key issue for the U.S.-China relationship is how increasing interaction will affect divergences on principles.

Chinese are increasingly frustrated about a lack of reciprocity. Some argued that Beijing was helping the U.S. address its concerns (read: North Korea) but Washington was not doing the same (i.e., putting a lid on Taiwan's aspirations for independence). Some claimed the U.S. was encouraging Taiwanese independence, and rethinking its "one-China" policy.

Taiwan dominates discussions. This is not new; Beijing's willingness to discuss a U.S. role is. The U.S. is now called on to "sincerely encourage cross-Strait political dialogue." What that means is unclear, but when pushed, most Chinese seem to define "a more active U.S. role" as putting more pressure on Taiwan, rather than on acting as an honest broker between the two.

The chief issue is divergent perceptions between Washington and Beijing of Taiwan President Chen Shui-bian. China took heart from President Bush's unprecedented Dec. 9, 2003 public rebuke of Chen in the presence of visiting Chinese Prime Minister Wen Jiabao. Since then, views have again diverged. China was stunned and disappointed by

Chen's re-election to a second term and worries that the Democratic Progressive Party will use a second term to push even harder for independence. While the U.S. gave a positive evaluation to his May 20 inauguration speech, Beijing did not. Chinese participants believe that Chen has a timetable to declare independence, and they stressed that there could be no cross-Strait discussions if the Taiwan president continued on his current path. Chinese participants specifically dismissed the view that Taiwan had a "free pass" until the 2008 Summer Olympic Games that would be held in Beijing. China, they said, would be ready to pay the international price for military action if Taiwan went too far. American participants countered that China needed to do more to win the hearts and minds of the Taiwanese.

The U.S. and China have shared interests in seeing a peaceful resolution to the North Korean nuclear crisis, one that resulted in the complete, verifiable, irreversible dismantlement (CVID) of North Korea's suspected nuclear weapons programs. Indeed, the six-party talks have been "a demonstration of unprecedented U.S.-PRC cooperation." But while agreeing on goals is easy, agreeing on the tactics needed to achieve them is more difficult. A key question is the role China will play in the talks. Still, we agreed that the North Korean crisis provides an opportunity for the U.S. and China to transform their relationship. If they can solve this crisis, they will have established momentum that will allow them to rethink U.S.-China relations. They could then reassess Taiwan and ways to deal with that problem.

Chinese stressed that China is looking at foreign policy in new ways. The emphasis on economic development means Beijing's foremost concern is the need to create a favorable security environment. Chinese speakers stressed that Beijing is taking a "more realistic attitude toward the U.S. role in regional security." Specifically, China harbors "no desire to push the U.S. out of Asia" and "it welcomes the U.S. to play a positive role in regional security."

Uncertainties remain, however. Japan's future role is one big question. Chinese do not understand the motivations behind Japan's new high-profile foreign policy. A second concern is the U.S. pursuit of primacy in Asia, and fears of what Chinese call the "potential military encirclement of China." U.S. alliances worry Beijing. Yet the *National Security Strategy of the United States* explains that the Bush administration is ready to work with other powers to deal with international issues. The question from a U.S. perspective is will China rise to the challenge. North Korea will prove a key test.

A new era in U.S.-China relations is possible, likely, and necessary. Cooperation is possible on global, regional, bilateral issues, and Taiwan. While a strategic partnership is not necessary – the two countries already have significant accomplishments – a shared vision is important. The question is who will articulate this vision and move the process forward. Given the nature of most official high-level encounters, the burden falls on track-two organizations and meetings such as ours to help fill the gap. That may be too much to ask from the private sector. But at a minimum, the relationship needs certainty – or at least more clarity. The two sides must work harder to answer questions each has about the other.

Sino-U.S. Relations and Regional Security

Fudan University

By Brad Glosserman

Despite taking office three years ago with a suspicious view of China, the Bush administration has forged what looks like, from the American perspective, the best relations between the two countries in three decades. In August, analysts and observers from China and the U.S. met at Fudan University's Center for American Studies for the fifth in an annual series of meetings to assess the China-U.S. relationship and to see if that judgment was accurate.¹ Although all the participants believe in the continuing value and importance of improved Sino-U.S. relations, we were disappointed to discover that perceptions of the relationship differed significantly between the two countries. To no one's surprise, the biggest issue is Taiwan. While both countries understand the importance of the island to the relationship, there is a wide divergence in how the two governments assess the other's handling of relations with Taipei. The difficulties are exacerbated by a profound lack of trust between the U.S. and China and an even deeper level of distrust between Beijing and Taipei. That distrust leads to the danger that "hedging" strategies in Washington and Beijing may create the negative outcomes they are designed to avoid.

Our meeting began with an assessment of relations since our last session, which was held a little over a year ago in Hawaii. Yang Jiemian of the Shanghai Institute of International Studies started the discussion by providing a Chinese view of the events of the last year. He argued that the bilateral relationship has stabilized, has become constructive and cooperative, and was making progress. Yet even though the overall outlook was positive, Yang noted that the Chinese view is considerably darker than that of Americans, and especially from those – most notably Secretary of State Colin Powell – who hail relations as the best since normalization. He highlighted the lack of trust on both sides.

Yang noted that a little over a year into the tenure of the fourth generation of leaders, Chinese policy showed more continuity than change. Strategy and foreign policy were largely continuing their previous course. The primary changes were to be found in the emphasis on a more proactive diplomacy, evident in China's role in the six party talks on the North Korean nuclear crisis, and its "people centered diplomacy," which aims at allaying fears about the consequences of China's rise. Yang characterized the foreign policy as "low cost, low risk."

¹ These meetings have occurred under the stewardship of Wu Xinbo, professor at the Center for American Studies and associate dean at the School of International Relations and Public Affairs at Fudan University, and Ralph Cossa, president of the Pacific Forum CSIS. The meeting venue alternates between Shanghai and Hawaii. This year, more than 20 individuals from the two countries joined the two-days of spirited discussions. All discussions are held on a nonattribution basis to encourage frank and open dialogue. The comments of individuals identified here are drawn from papers they presented during the meeting.

One important innovation is Beijing's willingness to discuss Taiwan with Washington. Chinese concerns about the intentions of Taiwan President Chen Shui-bian were a constant throughout our meeting. In remarks that were echoed throughout the conference, he stressed China's determination to defend its sovereignty and territorial integrity, warning that China was not a "paper tiger" and that the U.S. should honor both the letter and the spirit of the three communiqués; in particular, Washington should not increase military ties with Taiwan.

Richard Baker's presentation on the U.S. perspective should have allayed Chinese fears that Washington does not appreciate their concerns. Baker, from the East West Center, noted that the relationship was becoming increasingly competitive, but such competition was normal and even healthy. In any interesting contrast, Baker noted that U.S. rhetoric had become more realistic while the Chinese leadership was "firing rhetorical shots across the bow" when it comes to Taiwan, at a minimum to convey the seriousness of their concern. Baker's presentation, like the comments of other Americans, made plain that analysts (at least) understand Taiwan's role in the bilateral relationship.

Baker attributed most of the problems in the "atmospherics" surrounding the relationship to the U.S. elections, although misreporting was also a contributing factor; specifically, he identified the media coverage of the U.S. *Summer Pulse* military exercises. Summer Pulse 04 was a U.S. Navy exercise involving the deployment for training of seven U.S. aircraft carriers worldwide over the course of three months. Erroneous press reporting had all seven "operating off the coast of China, near Taiwan," (none was) with Taiwan navy participation (also not true). The fact that the reporting was false did little to stem Chinese complaints about the Pentagon's hostile policy toward China.

Baker also argued that the key challenge for the two governments is managing real differences over important issues such as Taiwan and the Korean Peninsula in ways that avoid conflict, don't create crises, and allow both sides' interests to be accommodated. In other words, as several Chinese agreed, the key is managing issues, not necessarily solving them.

This discussion anticipated many of the themes that were developed throughout our meeting. Americans focused on China's renewed confidence, and Beijing's growing assertiveness in foreign policy. This thread linked many of our agenda items: in particular, there was the sense, evident from both U.S. and Chinese comments, that China wanted to connect developments on the Korean Peninsula with developments in the Taiwan Strait. Americans have tried to dissuade Chinese strategists from taking this approach, arguing that China has distinct reasons to want a peaceful solution to the North Korean nuclear crisis. In Washington's view these are two separate and distinct issues. Nonetheless, Beijing seems willing to explicitly connect the two.

Chinese participants countered that assertiveness was not the issue. Rather, there is growing frustration in China about a lack of reciprocity in the relationship: in plain terms, Beijing was helping the U.S. address its concerns (read: North Korea) but Washington was not doing the same (i.e., put a lid on Taiwan's aspirations for independence). Some

claimed the U.S. was even encouraging Taiwanese independence, and was rethinking its “one-China” policy. When challenged, Chinese participants pointed to Department of Defense actions that appeared to more closely link Taiwan and the U.S. Some even asserted that the Pentagon had its own foreign policy, and was using Taiwan to “contain” China. Explanations that U.S. policy was an attempt to “hedge,” and an attempt to prepare for uncertain futures, did not appear persuasive.

We agreed that the relationship has become increasingly intertwined and interdependent, and that the two countries had common interests and objectives: peace and stability in the region, a nonnuclear Korean Peninsula, a peaceful resolution to the Taiwan issue, to name but three. But we also agreed that there were fundamental questions – about the roles of alliances, the nature of sovereignty, and the relationship between a government and its citizens – upon which the two governments did not agree. As one Chinese discussant noted, “the many commonalities shared by the two countries don’t go to the core of the relationship.” The key issue for the U.S.-China relationship is how increasing interaction will affect these divergences on principles.

Our second session examined the impact of domestic politics on the bilateral relationship. Tao Wenzhao, of the Institute of American Studies of the Chinese Academy of Social Studies, maintained that the Beijing leadership is focused on domestic concerns and that this colors relations with the U.S. China wants a peaceful and stable relationship with the U.S. so that it can devote energy and attention to economic development. He highlighted: the rising gap between the rich and poor and the need for more balanced development; securing stable energy supplies; and Taiwan. Tao said that increasing numbers of mainlanders are disappointed that economic integration has not lead to changes in the political thinking of Taiwanese. In a departure from previous meetings, Tao called on the U.S. to “sincerely encourage cross-Strait political dialogue,” conceding that Washington could play a role in what has hitherto been considered “an internal Chinese issue,” although the extent of that role remained unclear. When pushed, most Chinese seem to define “a more active U.S. role” as putting more pressure on Taiwan, rather than on acting as an honest broker between the two.

Chinese worry about the role of neo-conservatives in U.S. foreign policy making. While U.S. speakers tried to diminish their importance, Chinese saw the neo-con hand in many U.S. policies: in particular, the stymieing of U.S.-China military-to-military relations and policy toward Taiwan.

Brad Glosserman, of the Pacific Forum CSIS, forecast continuity in U.S.-China relations, largely dismissing the possibility of big shifts no matter who wins the November presidential ballot. Changes will reflect strategic considerations rather than domestic politics. Both speakers agreed that China has not yet been a political punching bag, as some had feared, either on strategic or economic issues. Glosserman warned that a Kerry victory would increase dissonance in the U.S. as Republicans who would like to see the U.S. take a harder line on China and do more to support Taiwan would no longer swallow criticisms as they had during the Bush presidency. He also warned against a rise in

Chinese nationalism – and especially a nationalism that used the U.S. as a scapegoat for domestic ills – that could generate ill will in the U.S. toward China.

Just as U.S. speakers tried to convince Chinese participants that the role of the neo-cons was overstated, Chinese participants downplayed rumors of a split between former President Jiang Zemin and the new leadership. Noting that Chinese foreign policy has stayed on course during the transition to the next generation, they asserted that there are no divisions among the leadership, especially when it comes to the U.S. We were told that military influence in foreign policy was diminishing and that nationalism was a natural outgrowth of patriotic sentiment; the Beijing government was not using it for political purposes. Chinese speakers provided examples of Beijing's efforts to dampen such feelings. They also noted that hardline voices that were emerging in China are often trained in the U.S.

Our third session focused on Taiwan. Denny Roy of the Asia Pacific Center for Security Studies (APCSS) provided an outline of U.S. views toward Taiwan, emphasizing that U.S. opinion was not monolithic. He noted that the traditional U.S. conception of the trilateral relationship – in which China deters Taiwan, Taiwan assures China, and the U.S. assures and deters both – was no longer valid. The chief issue is divergent perceptions between Washington and Beijing of Taiwan President Chen Shui-bian.

China took heart from President Bush's unprecedented Dec. 9, 2003 public rebuke of Chen in the presence of visiting Chinese Prime Minister Wen Jiabao. Since then, views have again diverged. China was stunned and disappointed by Chen's re-election to a second term and worries that the Democratic Progressive Party will use a second term to push for independence. While the U.S. gave a positive evaluation to his May 20 inauguration speech, Beijing did not. In fact, China appears to have been disappointed that the U.S. did not do more to get Chen to pursue a cross-Strait dialogue. Roy noted that China is looking for results from the U.S.; efforts to encourage moderation and cross-Strait dialogue are not enough. He concluded, as did most Americans, that Beijing will do little until the end of the year, and wait to see how the December Legislative Yuan elections turn out.

Chinese participants reiterated their concern that Chen Shui-bian has a timetable to declare independence. In their view, he has devoted his life to that cause and will use his second term to realize that goal. In Chinese eyes, the process consists of first building Taiwan consciousness, then state building. A new constitution is critical to this second step. Chen's inaugural promise not to touch issues related to sovereignty – found in the first six articles of the constitution – was dismissed. Chinese view his behavior since the election – moving to purchase \$18 billion in weapons from the U.S., including hard-line independence supporters in the Cabinet, and exaggerating the threat from the mainland – as proof of his determination to declare independence.

To discourage rash behavior, Chinese speakers urged the U.S. to stick to the “one China policy,” to say it “opposes” independence, to say that it won’t defend Taiwan if Taipei provokes the mainland, and to help find a way to resume the cross-Strait dialogue. Chinese speakers cautioned that Chen had to change course. There could be no discussion if the Taiwan president continued on his current path.

The Taiwan discussion brought out Chinese suspicions of the U.S. From the mainland’s perspective, the U.S. is encouraging Chen and independence supporters because an independent Taiwan can contain China and restrain its rise. The rhetoric – repeating that China is no “paper tiger” and stressing the country’s willingness to sacrifice – underscored the national determination to keep Taiwan from becoming independent. Chinese participants specifically dismissed the view that Taiwan had a “free pass” until the 2008 Olympic Games that would be held in Beijing. China, they said, would be ready to pay the international price for military action if Taiwan went too far. One speaker called this a “critical moment for China-U.S. relations,” and, pointing to the series of U.S., Chinese, and Taiwanese military exercises scheduled for the summer, noted that “current military preparations were the most intensive and substantial in history.”

American participants countered that China needed to do more to win the hearts and minds of the Taiwanese, a view that several Chinese repeated. One suggestion was that Beijing should support Taiwan’s membership in the World Health Organization as a health entity. Another called for better dialogue between Taipei and Beijing in the World Trade Organization, noting that China’s behavior appears designed to insult Taiwan. Some noted the link between U.S. arms sales to Taiwan and Chinese military actions, and wondered if there could be some sort of deal.

This returned the focus to U.S. policy. One Chinese scholar argued that the current U.S. policy toward Taiwan is no longer useful. Washington cannot have normal relations with the PRC and military relations with Taiwan: “It’s like dancing with two parties.” (A more provocative analogy equated the U.S.-China relationship with a marriage, with Taiwan as a concubine.) He claimed that the U.S. may be forced to choose between the two in the next two years. Even if this was an extreme view, there were repeated calls for the U.S. to “put more content” into its one-China policy. From a U.S. perspective it was argued that Washington’s responsibility was to not make cross-Strait matters worse. It required cooperation and direct dialogue between Beijing and Taipei to make things better.

In our fourth session, we looked at developments on the Korean Peninsula and the North Korean nuclear crisis. All agreed that the U.S. and China have shared interests in seeing a peaceful resolution to the crisis, one that resulted in the complete, verifiable, irreversible dismantlement (CVID) of North Korea’s suspected nuclear weapons programs. Shen Dingli, the Chinese presenter for this session, argued that there is no logical alternative to CVID. Nevertheless, he maintained that striking a deal would be difficult since denuclearization goes to the heart of North Korean national interests. Dingli suggested that other parties to the talks should offer Pyongyang “CVIA” –

complete, verifiable and irreversible security assurances in return – and China could set up the basic bargain.

Scott Snyder of the Pacific Forum noted that the six party talks have been “a demonstration of unprecedented U.S.-PRC cooperation.” Yet he also argued that the impasse in the talks reflected, among other things, the basic lack of trust between the U.S. and China: agreed objectives mask important differences, such as how to achieve that goal, and what to do in the event of a breakdown or failure of the talks. As one Chinese participant noted, common interests should lead to common policies, but using the same name for a policy does not mean that two policies are in fact similar. In other words, agreeing on goals is easy; agreeing on the tactics needed to achieve them is considerably more difficult.

Again, we explored linkages between Korea and Taiwan. One Chinese speaker noted that the two theaters have been historically linked, recalling the tensions in the Taiwan Strait that followed the outbreak of war on the Korean Peninsula in 1950. Another argued that the two situations were typical of the post-Cold War era, in which third parties are increasingly autonomous and “the tail is wagging the dog.” Yet another explained how the two are mirror images: in North Korea, China is focused on the negotiating process and the U.S. wants results. When it comes to Taiwan, the roles are reversed: Washington is focused on process, while Beijing wants results. As noted, Chinese participants complained that Beijing’s efforts to settle the crisis were not being reciprocated by U.S. efforts to deal with Taiwan. Americans countered that China has its own reasons to want a nonnuclear Korean Peninsula; there was no need for a quid pro quo.

Our discussions focused on the nature of Chinese leverage over Pyongyang. While China has placed itself at the center of the six-party process, it is unclear what Beijing is supposed to do. Is it a mediator or an interested party? The U.S. expects China to take the latter role, taking sides if need be. Chinese participants showed a reluctance to go that far. As one American cautioned, U.S. expectations of China could become dangerously high, and a failure to act would have a negative impact on the U.S.-China relations. In this regard, one American warned that China’s questioning of U.S. intelligence about North Korea’s highly enriched uranium (HEU) program – given Beijing’s contacts with both Pakistan, which is thought to have supplied the technology, and Pyongyang – is not helpful and raises questions about Beijing’s commitment to a resolution of this problem.

Here, too, doubts about U.S. intentions toward China surfaced: did the U.S. hope for regime change in Pyongyang as a way of encircling or containing China? That led to discussion of the long-term prospects for the current leadership in North Korea. We agreed that the Pyongyang government was more resilient than anticipated and that betting on regime change was a long shot. (One wag noted that Pyongyang was probably betting on regime change in Washington first.) One American pointed out that economic reform was designed to increase China’s leverage over North Korea; that is a double-edged sword. It could increase Chinese leverage over North Korean decision making, strengthening its position in any bargaining and solidifying its standing on the Peninsula

and in the region if the crisis is peacefully resolved. But it also makes China more responsible for eventual outcomes in the North.

One U.S. participant noted that the North Korean crisis provides an opportunity for the U.S. and China to transform their bilateral relationship. If they can solve this crisis, they will have established momentum that will allow them to rethink U.S.-China relations. A next step would consist of reassessing Taiwan and ways to deal with that problem.

Our fifth session tackled the two countries' engagement with the region. Wu Xinbo, of Fudan University's Center for American Studies, provided an outline of China's "new thinking and new approaches" to Asia. He argued that China's primary goal is economic development and that, unlike other major powers, China's rise would be a peaceful process. Beijing's "increasing sense of responsibility and realization of the need for cooperation" obliged it to pay more attention to relations with neighbors. As a result, the reliance on "good neighborliness" and pursuing friendly ties needed to expand to encompass a more comprehensive approach; this thinking underlies the economic overtures to neighboring countries.

The foremost concern is the need to create a favorable security environment. That means increasing activism in Northeast Asia (i.e., its diplomacy in the six party talks), a new dialogue with Southeast Asia (realized by signing ASEAN's Treaty of Amity and Cooperation and opening a military dialogue in the ASEAN Regional Forum), improving relations with India, and restructuring relations with Central Asia through the Shanghai Cooperation Organization (SCO). Within the U.S.-China framework, Beijing is taking a "more realistic attitude toward the U.S. role in regional security." China harbors "no desire to push the U.S. out of Asia" and "it welcomes the U.S. to play a positive role in regional security." China is also promoting regional economic cooperation to push political and security relations.

This strategy is complicated by two factors. The first is Japan: Beijing does not know how to deal with "an increasingly conservative Japan whose security role is increasingly aggressive." The second factor is the U.S.'s pursuit of primacy in Asia and what appears to be the "potential military encirclement of China."

Brad Roberts of the Institute of Defense Analysis responded to some of those concerns in his assessment of U.S. strategy toward the region. He began by looking at the meaning and rationale behind the U.S. plans to redeploy military forces around the world. He explained the new plans stressed partnerships to promote flexibility, the ability to deploy quickly in times of crisis, and the need to break down rigid regional structures that limit deployments. He noted that restructuring has been a goal of the Bush administration since it took office, that it predates the war in Iraq and the war on terror, and that it is designed to respond to a new international threat environment.

Roberts also noted that the U.S. will finally have an operational missile defense system by this year and that this development reopens the debate about the U.S.-China strategic relationship. Roberts noted that the U.S. has repeatedly emphasized that the burden here falls on China; the U.S. is willing to begin a strategic dialogue with Beijing. Indeed, the *National Security Strategy of the United States*, issued in 2002, explains that the Bush administration is ready to work with other powers to deal with international issues. The question from a U.S. perspective is will China rise to the challenge. Roberts cautioned that phrasing the question like this means that China is vulnerable to unmet expectations. The test, he noted, is North Korea. Finally, Roberts opined that there was likely to be little change in key U.S. foreign policy issues in a Kerry administration. China – and other governments – cannot afford to wait out the Bush administration.

The ensuing discussion covered a range of topics. A key concern was the role of alliances in East Asia. China continues to be suspicious of U.S. alliances. It considers them Cold War leftovers, increasingly anomalous in a post-Cold War world. U.S. participants countered that the U.S. may be the world's remaining superpower, but it does not have the power to act unilaterally. It needs to work with other nations to accomplish its goals. Chinese participants agreed, but argued that major power cooperation was preferable to alliances.

An American responded that joint action required common understandings; common or shared values made cooperation even easier. Alliances reflect those shared concerns and values. He suggested we identify values that would make U.S.-China cooperation easier. Another U.S. participant countered that tangible accomplishments would provide the best foundation for future action; solving the North Korean crisis and settling tensions in the Taiwan Strait are the most obvious options. Another American noted that the U.S. looks to China to use its rising power and influence constructively and to play a leading role globally. A Chinese participant countered that this was unrealistic since China was, at best, a regional power. Another agreed, adding that if the U.S. wanted China to assume a higher profile, then the U.S. would be more solicitous about (or deferential to) Chinese concerns, referring once again to Taiwan.

This session also looked at China's relations with Russia and Japan. Chinese characterized the China-Russia relationship as stable and mature. Although it has receded since the Jiang-Yeltsin years, it was still solid. Russia has provided China with advanced weapons and the two governments cooperate when dealing with Central Asia. The battle between Tokyo and Beijing over the route of a Russian oil pipeline is an irritant, but one that can be surmounted.

Japan is another matter, however. Our meeting occurred at the time of the Asia Cup soccer final, so we witnessed the depth of grassroots anti-Japanese sentiment in China. Chinese participants assured us that Beijing was making every effort to dampen this ill will and was not using it to score political points. Chinese speakers warned against Japan's increasingly assertive, sometimes "aggressive," foreign policy positions. They trace the change in Japanese behavior to the 1998 North Korean missile that flew over Japan. In Chinese eyes, attempts to change the Japanese constitution and Tokyo's

readiness to take a higher profile in the war against terror are worrying signs of a conservative resurgence in Japan. Participants at our conference were also troubled by rejuvenated relations between Tokyo and Taipei.

At the same time, Chinese speakers acknowledged the need for good relations with Japan. Several times, they pointed to Franco-German post-World War II rapprochement as a model for China and Japan. Some noted that Japan could play a constructive role in Asia. Nevertheless, suspicions of Japan are deep. Chinese do not see a foreign threat to Japan and cannot understand why it is building up its military. They do not understand what Tokyo means when it says it wants to be a more “normal” country, nor do they accept the need for constitutional revision.

As we wrapped up the session, a U.S. participant noted that the relationship needs certainty – or at least more clarity. The two sides must work harder to answer questions each has about the other. That is tough enough, but the difficulties are compounded by the fact that not all those questions have answers. Governments develop inconsistent positions: they are large bureaucracies, with different views of and interests in problems. Sometimes, internal debates are not finished, and that creates confusion, too. The challenge, this speaker noted, was for the other party to join those ongoing debates to try to influence their outcome.

This brought us to our final session, which looked at the future of the relationship. We took it as a given that the two economies were integrated and would continue to be. But there was also agreement that integration would not substitute for a real strategic relationship. As a warning, Ding Xinghao noted in his presentation that Chinese perceptions of the U.S. are changing and becoming more negative. He asked whether cooperation could overcome the basic differences between the two countries that were evident throughout our meeting.

Bates Gill of CSIS argued that a new era in U.S.-China relations is “possible, likely and necessary.” Nevertheless, there are real challenges to overcome. He outlined four areas of possible cooperation:

- global, where the two countries can cooperate on: economic security; combating illicit activities; global nonproliferation; failed, failing, and nascent states; peacekeeping, reconstruction, and peace training; international public health; and the international space station.
- regional security questions, such as improving China-U.S.-Japan alliance consultation, Trilateral Coordination and Oversight Group (TCOG) coordination (akin to China-NATO cooperation), consultations and making the U.S. an observer at the SCO, and the new China-proposed ARF defense dialogue.
- Taiwan. The U.S. can play a greater role but Gill cautioned that the U.S. and China can’t cut a deal over the head of Taiwan. The U.S. must not encourage Taiwan through mil-mil contacts, and should press Beijing to put more serious emphasis on winning Taiwanese “hearts and minds.”

- bilateral security interests. The two countries should pursue a strategic dialogue, and look at nonproliferation concerns, such as the control and accountability of fissile materials.

One American commentator took heart, noting that the two countries had some significant accomplishments without a strategic partnership. He noted that common values were helpful, but not necessary for a partnership; more important was the need for common goals based on a shared vision. The problem, he continued, was that it was unclear who would articulate this vision and move the process forward. He lamented that most official high-level encounters were scripted photo ops, with little chance for real dialogue. In this setting, the burden falls on track-two organizations and meetings such as this to fill the gap.

Our meeting provided some reasons to hope. As in the past, our discussions were frank and open. Yet, for all our disagreements, we never lost the sense of a shared purpose. We accepted differences in the way we viewed ourselves and our partner, and acknowledged the structural, psychological, and strategic factors that differentiate the two nations. We also took hope from the recognition that the U.S. has traditionally worked with former enemies to strengthen the international system. Since it is too much to say that the U.S. and China have been “enemies,” there is even more reason to be optimistic about the possibility of the United States and China finding the common ground to work on, and solve, issues of common concern.

About the Author

Brad Glosserman is the Director of Research for the Pacific Forum CSIS in Honolulu and a contributing editor to the *Japan Times*, writing extensively on policy issues and international affairs. Previously, Mr. Glosserman was on the Editorial Board and the Assistant to the Chairman for the *Japan Times* concurrently. He is a syndicated columnist for the *South China Morning Post* and his comments and analysis appear regularly in newspapers throughout the Pacific Rim. Mr. Glosserman holds a J.D. from The George Washington University and an M.A. from the Johns Hopkins School of Advanced International Studies.

Appendix

The American Center, Fudan University
Pacific Forum CSIS
Asia Pacific Center for Security Studies

“Sino-U.S. Relations and Regional Security”

August 5-7, 2004
Shanghai, China

AGENDA

August 5, 2004

5:30PM Meeting and introductions for Young Leaders

August 6, 2004

9:00AM Introduction and opening remarks by Wu Xinbo and Ralph Cossa

9:15AM **Session 1: The Year in Review**

Chair: Ni Shixiong

Presenters: Yang Jiemian, Richard Baker

10:30AM Group Photo and Break

10:45AM **Session 2: Domestic Politics and Bilateral Relations**

Chair: Ralph Cossa

Presenters: Tao Wenzhao, Brad Glosserman

Commentator: Sun Zhe

1:30PM **Session 3: Critical Challenges for U.S.-China Relations: Taiwan**

Chair: Tao Wenzhao

Presenters: Huang Renwei, Denny Roy

Commentator: Yang Yi

3:00PM Break

3:30PM **Session 4: Critical Challenges for U.S.-China Relations: The Korean Peninsula**

Chair: Bates Gill

Presenters: Shen Dingli, Scott Snyder

Commentator: Wang Jianwei

5:00PM Break

August 7, 2004

9:00AM **Session 5: Terms of Engagement with the Region**

Chair: Brad Glosserman

Presenters: Wu Xinbo, Brad Roberts

Commentator: Xia Liping

10:15AM Break

10:45AM Resume Session 4

1:30PM **Session 6: The Future of the Relationship**

Chair: Zhu Mingquan

Presenters: Ding Xinghao, Bates Gill

Commentator: Charles Morrison, Yu Bin

3:30 PM Wrap-up by Ni Shixiong

4-6:00PM Young Leaders Meeting

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“Sino-U.S. Relations and Regional Security”

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