



United States-China Relations and  
Regional Security after September 11

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Foreword by Ralph A. Cossa and Wu Xinbo

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## **Pacific Forum CSIS**

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*Foreword*  
**United States-China Relations and Regional Security  
after September 11**

**by Ralph A. Cossa and Wu Xinbo**

Presidents Jiang Zemin and George W. Bush have pledged to build a “cooperative and constructive relationship” between China and the United States in the post-Sept. 11 world. The two leaders have met twice, in Shanghai in October 2001 at the Asia Pacific Economic Cooperation (APEC) Leaders’ Meeting and again during President Bush’s February 2002 visit to Beijing. President Jiang will be visiting Washington later this year to sustain the high-level contact and dialogue between both nations.

Candid, constructive, and cooperative dialogue is clearly needed, given the periodic tensions and differing national perspectives that have resulted in severe swings in Sino-U.S. relations in the past, from the highs experienced during past summits to the lows after crises such as the April 2001 EP-3 incident, the May 1999 accidental bombing of the Chinese Embassy in Belgrade by U.S./NATO forces, and periodic disagreements over a wide-range of topics, foremost among them Taiwan and issues related to the promotion of human rights, democracy, and religious freedom, which prompt accusations of U.S. interference in China’s internal affairs.

The development of a new Sino-U.S. strategic framework, built upon overlapping national interests and common security objectives and concerns, is sorely needed to help achieve the cooperative, constructive relationship that both sides publicly have pledged to seek. Since May 1999, a small group of Chinese and American security specialists, including former and current officials participating in their private capacities, have met periodically to discuss how best to achieve this new strategic framework. The meetings have been arranged by the American Studies Center at Fudan University in Shanghai and the Pacific Forum CSIS in Honolulu. This report reflects some of the findings and opinions expressed during their most recent meeting in January 2002 in Shanghai.

As co-conveners of this workshop series, we remain convinced that building a cooperative, constructive relationship between the United States and the People’s Republic of China is in the national security interest of both our nations. Thanks to the recent meetings between our two presidents, both a general framework for improved relations and a willingness to build upon this framework currently exists.

During his talks with the visiting U.S. president, President Jiang made a four-point proposition for the PRC and the U.S. “to safeguard and develop a positive momentum in bilateral relations,” as follows:

- Both sides should further strengthen high-level strategic dialogues and contacts between departments at various levels and enhance understanding and trust.
- Both sides should deepen exchanges and cooperation in various fields to benefit the two peoples.
- Both sides should properly deal with their differences, especially on the Taiwan question, on the basis of mutual respect and seeking common ground.
- Both sides should adopt a worldwide perspective when considering PRC-U.S. relations and strengthen cooperation in jointly safeguarding world peace and enhancing the progress of human civilization.

President Bush appears equally committed to instituting a strategic dialogue with China. He called for such a dialogue in December 2001 when he phoned President Jiang to personally give him advance warning of his administration’s decision to withdraw from the Anti-Ballistic Missile Treaty. What remains subject to great debate, however, is what topics ought to be included and what each side should seek from such a dialogue. This report offers some suggestions.

We believe that the overall goal of any dialogue should be to promote mutual respect and greater understanding of each nation’s strategic vision and objectives and how the other party fits into (or potentially disrupts) this picture. Mutual suspicions abound and should be addressed in a candid but constructive manner. Even where the best that can be hoped for is an agreement to agree to disagree – Taiwan comes immediately to mind – it is essential for each side to understand the other’s “red lines” to reduce the chance of inadvertently crossing them.

As conference participants from both countries noted, the need for Sino-U.S. cooperation in the war on terrorism provides both the incentive and foundation for strategic dialogue between both nations, given our common concerns and the considerable progress already being made in this area. The challenge now is to institutionalize and operationalize the process and then successfully build upon it.

Strategic dialogue on Taiwan stands at the top of the agenda. Beijing has become increasingly uneasy with Taiwanese President Chen Shui-bian's strategy of "gradual independence" and the perceived change in the Bush administration's Taiwan policy, which is more supportive of the island. On the other hand, Washington frequently expresses its concern over the military pressure that Beijing is building up across the Taiwan Strait. The challenge here is how to bring the Taiwan issue back to the political track and place cross-Strait relations on a stable basis focused on political reconciliation and economic interaction. Beijing and Washington should state more clearly their respective intentions with regard to Taiwan and explore how each side can contribute to cross-Strait stability by pursuing the above objectives.

Also high on the list of topics to discuss is missile defense. Previous U.S. assurances notwithstanding, many in China remain unconvinced that U.S. missile defense systems are not aimed at neutralizing China's strategic deterrent. Conversely, many U.S. officials believe that a Chinese strategic force build-up is inevitable, regardless of U.S. missile defense objectives. Dialogue is needed on how each side defines deterrence and the role nuclear forces and missiles – offensive as well as defensive – play in assuring (or undermining) strategic stability. This has become even more urgent with the publicity and speculation surrounding the leak of the Pentagon's Nuclear Posture Review. Other important topics include Japan's perceived or desired future role in regional security affairs, the prospects for deeper cooperation on the Korean Peninsula, and the security as well as economic implications of China's accession into the World Trade Organization. The growing role of domestic politics in shaping foreign policy in both nations also needs careful examination.

Finally, we believe that any strategic dialogue between the U.S. and China should include substantive discussion on crisis management, aimed at enhancing both sides' ability to more effectively handle future incidents that could damage Sino-U.S. relations. An examination of the lessons learned from previous crises could help both sides develop procedures to prevent future incidents or misunderstandings from derailing their mutual effort to build a more cooperative, constructive Sino-U.S. relationship.

The following report expands upon and adds to the above list of potential dialogue topics while laying out the varying perceptions that our cross-section of security analysts brought to the dialogue table. It is not a consensus document – while all participants shared the common view that cooperative, constructive Sino-U.S. relations were important to regional, if not global peace and stability, a variety of opinions were expressed on how to achieve this goal. Neither does it express the official views of the U.S. or the PRC, the organizing institutions, or the parent organizations or institutions of

the various participants. The ideas expressed in this report are offered solely to stimulate discussion and help build toward a truly cooperative and constructive U.S.-China relationship.



# United States-China Relations and Regional Security after September 11

Yu Bin

## Introduction

When a group of Chinese and U.S. experts convened at the Center for American Studies, Fudan University in early January 2002 for the third round of informal strategic dialogue on regional security issues, they were faced with a post-“9-11” world with remarkable changes as well as strong continuities in cross-Pacific and cross-Strait relations. Candid dialogue occurred against a backdrop of major developments in Sino-U.S. relations including a new Republican president in the White House, a major crisis in bilateral relations (the EP-3 reconnaissance plane incident), the unprecedented generous arms sales to Taiwan, a surprisingly quick winding down of the U.S.-led antiterrorist war in Afghanistan, and the official U.S. withdrawal from the 1972 Anti-Ballistic Missile (ABM) Treaty. Fortunately, the meeting was also conducted between U.S. President George W. Bush’s two trips to China (October 2001 and February 2002).

Between Jan. 7-9, 2002, U.S. and Chinese experts engaged in frank discussion of critical issues including the Sept. 11 terrorist attacks and its implications for Sino-U.S. relations, the Taiwan issue following both the PRC and Taiwan’s accession to the World Trade Organization, the impact of the U.S. missile defense program on regional security, Japan’s new security profile, the lack of progress on the Korean Peninsula, and U.S./Chinese domestic factors influencing bilateral relations.

The following account provides an overview of the two days of discussions in Shanghai, as seen by this rapporteur. The views expressed represent the personal views of the participants. Opinions varied greatly both within and between the two delegations. No attempt is made here to portray a consensus view, but rather to stimulate discussion on Sino-U.S. relations and regional security after 9-11.

## Year in Review

The Shanghai meeting began with a review of the previous year (2001) in the areas of regional security and bilateral relations. China and U.S. scholars tried to identify and interpret patterns that emerged during the eventful year. The Chinese lead presenter saw four phases of interaction: expectations/anxiety (first phase), frustration (second phase), reparation (third phase), and improvement (fourth phase). Although these phases resembled a recognizable pattern – things have to get worse before they get better – the

question was asked whether the changing of the guard in the White House had become a “structural obstacle” to already fragile U.S.-China relations. In other words, to what extent did U.S.-China relations become “hostage” to U.S. domestic politics? Beyond that, concern was expressed with the event-driven nature of bilateral relations, peaks of which were the 1999 accidental U.S. bombing of the Chinese Embassy in Belgrade and the 2001 EP-3 crisis. The Chinese side noted that the lack of a strategic basis for growing economic interactions and asymmetrical ties meant that the relationship might be “doomed to be tortuous and unstable.”

While echoing the Chinese scholars’ concern about U.S. domestic factors, the U.S. side emphasized the continuities of U.S. China policy across the previous six administrations. There was a need to distinguish between changes in policy and in atmospherics. The first American commentator highlighted the growing weight of domestic politics in many regional actors’ foreign policy; this included China, Japan, and Taiwan. All are undergoing considerable changes and/or difficulties in politics and economics. This “inside-out” trend in the Asia Pacific was eroding willingness to accept a U.S. military presence, which had so far served the national interests of regional countries, including those of China. China has become increasingly concerned that the U.S. forward deployment in Asia no longer works in its interest. Japan feels that it should be less reliant on the U.S. within the context of the alliance. South Korea, too, has become increasingly ambivalent about the U.S. military presence.

As a result, Washington saw growing divisions in the Sino-U.S. relationship. It feared that China would try to force the U.S. out so China could have regional hegemony. This fear allowed relations to become hostage to events and prevented strategic thinking from dominating decision making. Some of the more fundamental questions were: Can the U.S. and China coexist in the region? Can the U.S. accept China’s interests in region?

In reaction to the U.S. concerns, the Chinese side clarified that the U.S. military presence was an issue between the U.S. and its allies but noted that, in principle, China did not endorse military deployment beyond national borders. Nonetheless, Beijing did not challenge U.S. interests in the region and even tacitly accepted the U.S. military presence. Chinese President Jiang Zemin told President Bush at the Asia Pacific Economic Cooperation (APEC) Leaders’ Meeting in October 2001 in Shanghai that China welcomed a positive U.S. role in the region.

## Impact of 9-11

Few, if any, would question the impact of the Sept. 11 terrorist attacks on U.S.-China relations. Chinese and American scholars, however, differed on their assessments of the event's impact on bilateral relations and the regional strategic environment. While Chinese scholars tended to see the 9-11 impact from a continuity-change spectrum, American scholars offered short- and long-term perspectives.

From a Chinese perspective, 9-11 had some positive impact on Sino-U.S. relations. It increased contact (there were more phone calls in previous four months than in the previous four years) and created more common interests and cooperation. But some positive trends were present even before 9-11. Moreover, there was no substantial improvement in bilateral relations or on substantive issues (Taiwan, missile defense, human rights, and trade). Both still viewed one another with not-so-friendly and even negative public images. At the strategic level, China is still considered a threat, while the U.S. is still viewed as a hegemonist with the tendency to bully others. To some degree, changes in bilateral relations depend on the length of the U.S. antiterrorism campaign. The questions, therefore, are how the war will be fought and what the next stage will be. Most important, how can the two sides change these zero-sum strategic perceptions regarding threats and security?

China may have unrealistic hopes for the U.S. after 9-11. Turning expectations into reality will be difficult. Bilateral relations tend to be handled in an *ad hoc* way by the U.S.; China has been reactive. A genuine commitment to stable relations has been lacking. China has mixed feelings regarding post-9-11 changes in U.S. policy. Sept. 11 enhanced U.S. power although there was less unilateralism. The U.S. has pursued a more selective multilateralism or *a la carte* multilateralism. As one American argued, there are no multilateral institutions capable of responding to 9-11-type crises. The U.S. sought to combine unilateralism and multilateralism, making maximum efforts to understand others' interests and involving them to maximum degree.

In contrast to disappointments on the lack of real change toward a more positive bilateral relationship after 9-11, one American participant argued that 9-11 provided an opportunity for countries and may have a profound impact on the security environment. It was nonetheless important to distinguish between the short- and long-term impact on U.S.-China relations.

In the short-term, no country, including China, could afford to see the U.S. win or lose this war without its help. Thus, China cooperated with the U.S. in intelligence sharing and law enforcement. The PRC, however, was most concerned about building a

long-term relationship. The impact of the antiterrorism campaign on U.S.-China relations, therefore, was far less certain.

Part of the PRC's ambivalence was caused by the changing and open-ended nature of the U.S. antiterrorism war aims: what, when, and where would be the next U.S. target? What would be the duration and scope of these future operations? Would such operations spin off to larger conflicts (India vs. Pakistan or Iraq vs. Israel)? In the non-military areas, the economic, legal, and political implications of U.S. military actions also had an unclear impact on the PRC's strategic interests.

Uncertainty about the long-term impact of 9-11 on bilateral relations was also affected by policy debates in the U.S. and China. For some in the U.S., Beijing was an asset. For example, the U.S. State Department recognized China's role in influencing Pakistan. An active Chinese role could have a wide-ranging positive impact for people who never thought about China before. At the very least, debate was suspended about whether China was a partner or a competitor.

In Beijing, the antiterrorist war reinforced China's ambivalence about a stronger U.S. role in South Asia, the U.S. presence in Central Asia, U.S. unilateralism, Russia's realignment with the U.S., and a more militarily engaged Japan.

Given these developments and debates, the U.S. side asked about how to design and pursue strategies for long-term cooperation and how to institutionalize the *ad hoc* antiterrorist cooperation. At the strategic level, the two sides may enhance their relations by setting higher expectations for their strategic dialogue (Bush's phone call to Jiang just before his announcement that the U.S. was pulling out of the ABM Treaty indicated his willingness to talk, even if Bush's team was deeply divided over China). There needs to be a nuclear order between the U.S., Russia, and China – possible models include U.S.-UK, UK-France, or France-U.S. models. The core issue was that China remains the “odd man out.” In the Asia Pacific, how do we maintain the postwar peace with an Asian security environment that serves the interests of all? At the multilateral level, the two sides need to enhance their cooperation.

The general discussion of the impact of 9-11 pointed out at least three additional interpretations of China's “dilemma” in cooperating with the U.S.

(1) Leadership: The U.S. side argued that leaders of different countries handled the opportunity differently. Russian President Vladimir Putin and Japanese Prime Minister Koizumi Junichiro seized the opportunity and/or cover provided by 9-11, while President Jiang Zemin seemed to have different priorities. As a result, China's image was not as positive as Jiang

repeated caveats to U.S. action – the need to direct it at the guilty, the need to minimize civilian casualties, and the need to have prior U.N. “consultations.”

Some Chinese scholars echoed the view that China could have reacted differently, that China tended to be reactive rather than proactive, that scholars were more eager than the government to push for more cooperation with the U.S., and that China’s strategic thinking, or the lack thereof, failed to prepare China for this opportunity.

(2) Structural difficulty: China’s dilemma after 9-11 indicated a “structural” problem (Taiwan) in its relations with the U.S. (it represents both a “present opportunity” and a “hidden danger” as described in *Comparative Connections* Vol. 3 No. 3). Indeed, China was the obsession of the Pentagon before 9-11. Due to the Taiwan issue, it was unrealistic to expect China to behave similarly to Russia or Japan. Sept. 11 therefore offered different opportunities and asymmetrical returns for Putin, Koizumi, and Jiang. As the Pentagon’s *Quadrennial Defense Review* (QDR) revealed, China continued to be regarded as a potential adversary that may eventually challenge the U.S.

(3) China was not appreciated: China actually provided a lot of assistance to the U.S. In particular, provided diplomatic and economic support, publicly as well as behind the scenes, to Pakistan’s President Pervez Musharraf. This was not adequately appreciated. Indeed, China was much more helpful than Japan, which wanted to boost its military profile, and the U.S. could handle the war without Japan’s help. Beijing would certainly reciprocate if the U.S. appreciated China’s efforts and redefined its relationship with China.

The 9-11 session ended with an exchange about the *Quadrennial Defense Review*. While Chinese scholars were concerned that China was the real target of this review, U.S. scholars believed that China overrated the importance of this Department of Defense (DoD) document. The U.S. side also maintained that the timing of publication of the QDR was largely the result of DoD inertia and the impact of this review on U.S. foreign/defense policies as well as China policies was limited at best.

## Taiwan after WTO Accession

Despite the huge impact of 9-11 on regional and bilateral politics, the Taiwan issue remains at the core of Sino-U.S. relations. Toward the end of 2001, this hyper-

sensitive trilateral relationship between Taiwan, China, and the U.S. was further complicated by Taiwan's Dec. 1 election and China's WTO accession.

Against this backdrop, the Chinese side argued there was a mixed record of growing cross-Strait economic and social exchange/integration (a 180 percent increase in Taiwan's foreign direct investment (FDI) in China) and Taiwan's hesitation to reciprocate the mainland's political outreach.

The mainland's high growth rate (7.4 percent in 2001), WTO entrance, and Taiwan's economic difficulties combined to generate a "mainland fever" in Taiwan, particularly in Taiwan's high-tech sectors. As a result of these growing exchanges, the lead Chinese presenter believed that peaceful unification was gaining acceptance by Taiwan people (which increased by 3-4 percent to 30 percent in 2000).

This positive trend in cross-Strait relations contrasted sharply with Taiwan's domestic political dynamics in which the Democratic Progressive Party (DPP) consolidated Taiwan President Chen Shui-bian's power base, which may help him win a second term and aid his push for independence.

Despite these trends in Taiwan, Chinese scholars did not see major "structural" changes in Taiwan's politics. They note that the Kuomintang (KMT) and the People's First Party (PFP) still constitute the majority, that the DPP got the same percentage of votes as in 1995, that there was no explosion of support for independence, and that the DPP and Taiwan Solidarity Union (TSU) were still a minority. The KMT also won support in city and county elections.

The Chinese side believed that FDI would continue to rush to China, and more economic regionalism (in the form of links between China and ASEAN) would increase. Taiwan should seize the chance to promote the cross-Strait relationship through direct links, even if conditions for resolving political disputes were not ripe. Everything was possible, the Chinese side maintained, if Taiwan accepted "one China." Time is on China's side. Chinese participants said that China would be happy to include Taiwan in the free trade association with Hong Kong and Macao.

Chinese scholars believed that the U.S. played a significant role in making Taiwan an issue in Sino-U.S. relations. Recent U.S. arms sales and upgrading military relations with Taiwan led to the DPP's recklessness or provocativeness. The U.S. should reaffirm its commitment to the Shanghai Communiqué, encourage Taiwan to return to the original "one China" policy, freeze arms sales, and downgrade military relations with Taiwan.

The U.S. side observed that after the Dec. 1 election in Taiwan, President Chen tried to put together a coalition to implement his ambitious reform agenda for the next four to six years in the political and economic arenas. He aims to overhaul and streamline the entire government in order to strengthen the position of the president. For these purposes, Chen's government needs peace and stability across the Strait.

Although Chen will not provoke China to take tougher measures, he is also unlikely to accept the 1992 "one China" consensus. Chen's current and future policy toward the mainland were seen as based on several trends in Taiwan: keeping the status quo in cross-Strait relations, making no political concessions to Beijing, and pushing more economic interaction with the mainland. The strong showing of the anti-unification TSU also made the DPP less likely to compromise with Beijing.

From a U.S. perspective, China appeared disturbed by the KMT's huge loss (55 seats) in the Dec. 1 election, the TSU's impressive debut (13 seats, or 8.5 percent of the vote), the strong gain for the PFP (46 seats), and the near demise of the pro-unification New Party (from 11 to one seat). Chinese experts, however, were divided over the implications of Taiwan's election. The "no-impact" group pointed to the almost unchanging balance between the pro- and anti-independence forces ("pan-green" vs. "pan-blue"), noting that the KMT actually gained in local elections. Other analysts, however, saw that the pro-independence forces were strengthened by the election as the process of Taiwanization was quickening and deepening. Both were evident in the education policy and the new passports – which now bears the title Republic of China, suggesting a bolder move toward *de facto* independence. Regardless of the internal debate on the Taiwan election, China was unlikely to change its current policies based on economic development, military preparedness, and reaching out to opposition parties. The upcoming 16<sup>th</sup> Party Congress would also lead to a more cautious approach. Finally, China still believed that time was on its side, though U.S. military sales (eight submarines in particular) were a concern.

Bush's China policy became clearer during the first year. It appears to consist of six key parts: NO to any use of force by China against Taiwan; YES to cross-Strait dialogue, but not to push for it; YES to the three U.S.-China communiqués and the Taiwan Relations Act (TRA); NO to Taiwan independence, but not to reiterate it; YES to Taiwan democracy, security, and the people's will; and YES to a clear, robust deterrence for Taiwan's defense.

Although the U.S. does not see a military confrontation as imminent (though the threat still exists), both the liberal and conservative ends of the U.S. political spectrum pushed for a new approach to the Strait. While some, such as former U.S. diplomat

Richard Holbrooke, pushed for a fourth communiqué and worried about the drift and instability of cross-Strait and cross-Pacific relations, pro-Taiwan conservatives advocate a strong tilt toward an unequivocal commitment to Taiwan's defense, a *de jure* "two Chinas" policy, a U.S.-Taiwan Free Trade Agreement, and higher-level diplomatic contacts.

WTO membership provided opportunities for both cooperation and conflict. While China insisted economic interactions with Taiwan take place within the "one China" framework, both sides agreed that the WTO was not a place to discuss political issues. Specific trade issues would lead to dialogues between the two sides, sovereign/equal or not.

Participants worried that the danger in U.S.-China-Taiwan relations is that China's "red lines" may be misjudged and crossed in the areas of arms sales/military cooperation and moves toward autonomy/independence.

The discussion focused on the 1992 "one China" consensus. Several on the Chinese side reiterated China's confidence, patience, and flexibility (i.e., a solution different from that in Hong Kong and Macao) regarding a peaceful solution of the Taiwan issue, even though China would not give up the right to use force. The key was "one China" based on the 1992 consensus. Another Chinese scholar, however, feared that Chen Shui-bian could provoke the mainland. As both sides prepared for the worst, China was concerned that the U.S. was continuously pushing the boundaries on the Taiwan issue. While probing the definitions and binding effect of the 1992 "one China" consensus, the U.S. side urged China to be flexible and patient in order to break the stalemate.

## **Missile Defense, the Quadrennial Defense Review, and Regional Stability**

The missile defense (MD) and the *Quadrennial Defense Review* session echoed China's earlier concern over the shift of the U.S. military focus on China. U.S. scholars argued that the QDR reflected the continuity in basic U.S. military strategies despite dramatic changes in the U.S. strategic environment in the previous decade. After the collapse of communism and the success in the Persian Gulf War, the U.S. no longer worried about the Soviet threat or the possible escalation of a regional conflict to global war.

From 1992, the U.S. strategy shifted in several ways: from containing the Soviet Union to promoting stability, from focusing on global war to maintaining regional stability, and from "forward defense" (with heavy and large forces) to "forward



presence” (with smaller forces). Greater emphasis has been given to power projection capabilities, smart weapons, and countering the spread of nuclear, chemical, and biological weapons. While 9-11 highlighted the dire need for strengthening homeland defense, it did not have a major impact on the on-going transformation of the U.S. military, though terminology has been changed.

The QDR addressed a number of issues: the rise of China; the importance of allies; the need for forward-based forces; and the long-term, critical U.S. interests in East Asia. If anything, the QDR did develop several subtle and crucial conceptual changes for U.S. regional strategies. One was to define a vast area stretching from Taiwan through the South China Sea countries to Australia as the “East Asian littoral,” a carefully chosen formulation that covered Taiwan and implicitly divided Asia into two military spheres of influence: one continental, the other maritime. Another central “tenet” of the QDR was “capability-based planning,” which gives the U.S. military a convenient and flexible conceptual framework to deal with the rise of China in addition to existing challenges from North Korea and Iraq. U.S. participants cautioned against reading too much into the QDR, since it was essentially a Defense Department planning document rather than an explicit statement of a coordinated national security strategy.

Reading between the lines, the QDR identifies China as a security concern. One U.S. participant observed that the Bush administration is clearly concerned about the rise of China. Although it does not refer to China by name, the DoD report holds that Asia is “...gradually emerging as a region susceptible to large-scale military competition.” The report goes on to conclude that maintaining a stable balance in Asia will be a complex task and, clearly implying China, holds that a “military competitor with a formidable resource base will emerge.” Aside from Japan, no East Asian country other than China fits this profile – and Japan, of course, is a U.S. ally not a competitor.

In addition, although the QDR does not name China specifically it indicates that capability-based planning, “...means identifying capabilities needed to deter and defeat adversaries who will rely on surprise, deception, and asymmetric warfare.” Given that these operational concepts are among the central tenets of Chinese military doctrine, the capability-based planning approach as applied to Asia almost certainly will have China in mind – particularly as long as a Chinese attack on Taiwan cannot be ruled out.

MD is a key concern that affects relations with China. The Bush administration decided to go ahead with MD regardless of the impact of 9-11. The demise of the ABM Treaty was a diplomatic setback for China because any limited MD deployment would impact on China’s retaliatory capability. Beijing had two choices: out-build the MD system or negotiate an understanding with the U.S. by making transparent its nuclear

capability and strategy. This was an opportunity for China. The U.S., which previously ignored the impact of MD on China, cannot avoid the subject any longer.

Clearly the authors of the QDR are concerned about the possibility that China, sometime in the future, could deny the U.S. access to its allies or threaten its friends and interests in East Asia.

Chinese experts had mixed reactions to the U.S. interpretation of the QDR. A U.S. participant argued, “MD is an area where there is a possibility that both Chinese and U.S. strategic interests might be served provided the United States” is willing to continue to live under the possibility of a Chinese intercontinental ballistic missile (ICBM) threat to the United States. The U.S. has done so for some time now so there is no reason to argue that the U.S. cannot continue to do so. Obviously, the overall state of the U.S.-China relationship will have a major impact on this point. Some argued the 2001 QDR signaled a real shift in U.S. defense strategy from 1997: from engaging China as neither friend nor foe to identifying/deterring China as a potential adversary. MD was also thought to erode China’s ability to influence U.S. behavior. If this analysis is correct, Beijing may have to change its 10-year old U.S. policy (based on avoiding confrontation and seeking cooperation), and change China’s nuclear strategy from minimum deterrence to developing capabilities to overcome 100 U.S. interceptors.

Other Chinese scholars did not see that U.S. strategy changed. Neither did they believe China should change its U.S. policy. They see current U.S. military strategy, including MD, as more of a political/psychological problem, or a U.S. domestic political problem between the two political parties. Meanwhile, the Chinese side doubted that the QDR was mere paperwork. Although they do not represent the entirety of U.S. strategy, MD and the QDR have created the largest changes in China’s strategic environment since the 1970s and deserve careful study.

## **Japan’s New Security Profile**

Chinese and U.S. experts offered different interpretations of Japan’s defense posture after Sept. 11. The Chinese scholars tended to focus on changes, while the Americans focused more on constraints. China was concerned about a “normal” Japan after 9-11. Chinese participants saw Japan’s decision to send Maritime Self-Defense Forces (MSDF) to the Indian Ocean to assist the U.S. as a turning point in Japan’s defense policy. They argued that it rendered Article 9 of Japan’s Constitution useless and extended Japan’s defense from homeland to periphery and finally to overseas. In this light, Japan’s move constituted a “western movement” of the U.S.-Japan alliance in conjunction with the “eastern movement” of NATO.

The U.S. side argued that such fears were overblown. Japan faces real political constraints before it can pursue any “remilitarization.” Leaders still worry about the past, there is a lack of public support for SDF overseas operations, there is a high political cost attached to any constitutional debate, and an extraordinary event like 9-11 required Japan to act. If fears of a military resurgence are misplaced, it is also clear that Japan is rethinking its foreign policy posture. The external environment is changing: there is a new perceived utility to military force; the U.S. demands of its ally are changing, and Japan is debating what it means to be a “normal” country. But ultimately, Japan faces questions about its national identity, particularly after a decade-long economic slowdown, and any final answers will be contingent on these more fundamental debates.

During the discussion, U.S. scholars pointed out several problems in China’s policies toward Japan. One was that China’s analysis of Japan was similar to that of intelligence analysis: it was a worst-case scenario. Did Chinese analysts ever calculate how many forces Japan would need to seriously threaten (much less conquer) China? Another problem was that China’s policy toward Japan continued to be heavily influenced by domestic politics, which seriously constrained China’s Japan policy. As a result, the two countries had very limited dialogue. China therefore needs to formulate “new thinking” and changes in its Japan policy. How can it make Japan more cooperative and independent? It should not draw Japan away from the U.S., but should help Tokyo be a more comfortable member of the region. A third problem was that China is not sure how to deal with Japan. Is it an independent actor that should be constrained?

Chinese scholars pointed out that the U.S., too, was divided over how to manage trilateral relations with China and Japan, pulled between those who would put U.S.-Japan relations above U.S.-China relations and those who prefer a balanced approach between Japan and China. The Chinese side did admit that China’s policies toward Japan were changing rather slowly. There were several main views regarding Japan. Japan was an important country for economic cooperation. Japan should be involved in Asia-Pacific affairs in economic and financial areas (e.g., ASEAN Plus Three). For this reason, China has stopped opposing Japan’s recommendation for an Asian Monetary Fund. Better relations with Japan would help relations with the U.S., and China was not in a position to or intended to alienate Japan from the U.S. China considered having a regional security dialogue with Japan at a higher level (at the deputy foreign ministerial level) and the first naval exchange between Japan and China was to take place in 2002. (Editors’ note: this trip was canceled in protest to PM Koizumi’s surprise visit to the Yasukuni Shrine in late April 2002). These policies were based on an understanding that 50 years after World War II, there were changes both in and outside Japan and that Japan was no

longer the country it was during the war. China, therefore, must adapt to these new circumstances.

The emerging new realism in China regarding Japan, however, was still strongly affected by a deep suspicion of Japan, especially if it assumes a stronger defense profile. A Chinese expert questioned whether democracy, which was imposed by the U.S., really ever took root in Japan. Others noted that pacifism was not strong enough to constrain the right wing and that Asia would like to see a bigger Japanese role in economics but not in security affairs. In responding to China's concerns, the U.S. side noted that the U.S.-Japan-China triangle may not be equal, but it should be stable and both Japan and China need to adjust to each other. While Japan may never have its Willy Brandt, its recent public reflection of the past should be treated more seriously.

Finally, the two sides expressed their vision for a future Japan. The U.S. did not want to see a nuclearized and highly nationalistic Japan. Chinese participants argued that it is not in China's interests to have Japan view China as a threat, for it not to accept the rise of China, or for Tokyo to have a closer relationship with Taiwan.

## **Developments on the Korean Peninsula**

The U.S. and China's interests converge on the Korean Peninsula. Neither wants to see North Korea's collapse or conflict, war, or nuclearization on the Peninsula. Both want evolutionary change and open doors in North Korea. The two sides, however, disagree about the cause of the current stalemate on the Peninsula.

Chinese scholars saw that a lack of progress was the key feature in North-South and U.S.-DPRK relations in 2001. They attributed this to President Bush's policy and insistence on a comprehensive approach (tying nuclear weapons, missiles, and conventional weapons). This made it impossible for North Korea to move forward. The Bush administration appears not to want an agreement with North Korea since a confrontational atmosphere provides an excuse for MD. As South Korea entered the presidential campaign in 2002, it is unlikely that there will be any breakthrough in North-South relations. All in all, 9-11 has had no positive influence on the Peninsula.

The U.S. side agreed that the Bush administration has taken a hard-line policy toward North Korea. There were, however, more factors that explained the stalemate on the Korean Peninsula. Time simply ran out at the end of the Clinton administration. President Kim Dae-jung's March 2001 visit to the U.S. was premature. South Korea's economy was deteriorating and public criticism arose against North Korea and Kim's Sunshine Policy. North Korea was reluctant to accept the U.S. proposal to talk "anywhere, any time, without preconditions."

For its part, North Korea only talked about “change” but actual moves were modest and sporadic. North Korea is unlikely to collapse but it may gradually reform over time. In the conceivable future, only war or collapse make reunification (absorption by South Korea) possible, but the cost would be enormous. The U.S. side agreed that the resumption of Four-Party Talks (U.S., China, North Korea, and South Korea) was desirable. China has the closest ties with North Korea and should influence the DPRK. Yet North Korea and China do not trust each other.

During the ensuing discussion, both sides urged each other to take more initiatives in dealing with North Korea. Each claimed that it had done enough. A Chinese scholar argued that North Korea did things in its own way at its own pace and that China had little influence over it. The U.S. should be patient.

The two sides also disagreed over how to judge North Korea’s behavior. Chinese experts argued that North Korea was weak but not passive, that the DPRK wanted better relations with the U.S., that North Korea had not tested nuclear weapons as India and Pakistan did, and that the U.S. must be patient toward North Korea and not ask too much of it. U.S. experts, however, believed that North Korea was responsible for the stalemate. North Korea made a serious mistake in not moving forward with South Korea earlier and waited too long. North Korea sent conflicting signals to the U.S. And there was the judgment that the Bush administration would not do two things: get in front of South Korea or endorse the Clinton position.

## **Domestic Politics**

For the first time in our deliberations, the impact of domestic politics on bilateral relations was discussed. Scholars analyzed the trends and patterns of the highly domesticized bilateral relationship. Both agreed that an increasingly pluralized Chinese domestic political spectrum would introduce new elements to an already complex and difficult relationship.

Chinese experts believed that the impact of China’s domestic politics on Sino-U.S. relations has not been adequately analyzed. There was agreement that domestic factors played an increasingly important role. Success was key to international status. As bilateral relations became increasingly complex as a result of growing society-to-society contact, Sino-U.S. relations became a symbolic issue in both countries’ internal politics.

Major domestic changes in China include: more balanced state-society relations with shrinking state jurisdiction and more individual freedom; a more balanced relationship between the Chinese Communist Party (CCP), military, and state with a less dominant party; and a less visible People’s Liberation Army (PLA) role in politics and a

rising bureaucratic role and a more balanced relationship between the executive, legislative, and judicial branches with the role of the latter two on the rise. Meanwhile, the civil service system also made the government more institutionalized and politically neutral. There were also changes in the political process. They include generational changes from guerrilla soldiers to a younger, more educated group, the emergence of interest group politics, the increased role of markets, and the diversification of ideology.

As a result of these changes, policies toward the U.S. are less ideological and more based on national interests. More players, institutions, and groups are involved, making it harder to coordinate policies. Due to constraints imposed by public opinion and government bureaucratization, there is likely to be less dramatic policy shifts and slower reactions in times of crisis.

The U.S. side agreed that domestic factors were crucial to cooperation in regional security issues. For China, the next few years would witness major changes in leadership, more political and social reforms, rising inequality, and complications brought about by membership in the WTO, as well as external challenges including Taiwan. For these reasons, China could not afford a confrontation with the U.S. The Bush administration also was overwhelmed by internal and external challenges. Conflict with China is the last thing the U.S. wants. Despite these obvious reasons to avoid confrontation, distrust over intentions deepened and became enmeshed in domestic politics. Among the events contributing to this suspicion were the 1989 Tiananmen Square incident, the 1993 *Yin He* incident, and 1996 Taiwan Strait crisis, along with the accidental bombing in 1999 of Chinese Embassy in Belgrade and the EP-3 reconnaissance plane incident.

Historically, China was always a factor in U.S. politics. Former President Richard Nixon was able to open ties with China only because of his anti-communist credentials. The Taiwan Relations Act was also the result of domestic politics. Election politics, too, drove or were driven by the China factor. This included candidate Clinton's 1992 statement about dictatorships from Baghdad to Beijing and then-President George H.W. Bush's 1992 decision to sell F-16s to Taiwan. More recently, candidate George W. Bush's redefinition of China as a strategic competitor was as much a swipe at Clinton as it was at Beijing.

U.S.-China security relations have always been a prominent concern in U.S. politics. In this respect, people from both the right and left considered China to be a juicy target: issues of proliferation, spying, Taiwan, and the China threat were emphasized by conservatives; human rights, job losses, etc. were favored subjects for liberals. Clinton's 1995 reversal and decision to allow then-Taiwan President Lee Teng-hui to visit the U.S.

was clearly driven by the U.S. domestic politics. Taiwan's democratization introduced a new moral dimension into U.S. domestic debate regarding China. These problems in the U.S. were exacerbated by China's bellicose rhetoric (the 2000 Taiwan White Paper) and behavior (the 1995-6 missile exercises), by the closed nature of the PLA, and by confusion created by the increasing number of Chinese media outlets.

As an American security specialist noted in an analysis prepared for the conference, at a certain point in time during the 1990s it seems there was a fundamental change in the tenor of bilateral relations. At some point both nations were finding it more and more difficult to ignore or paper over the security differences that had always divided them but that were previously overshadowed by the strong perceptions of mutual benefit of other aspects of the relationship, such as economic ties. And to some extent, security differences and distrust have, since that time, been as strong a driver in bilateral relations as the economic ties that previously overshadowed those differences.

Despite its negative impact on U.S. domestic politics, China was often missing in U.S. foreign policy, such as the MD and ABM issues (which became explosive from time to time). Blame was attributed to die-hard anti-China activists, who would never be quiet until China either became a democracy or the CCP vanished. They may not be able to alter the macro-level U.S. China policy (which has been consistent for 30 years), but they could, and did, build a broad-based consensus against China.

While the China factor has been an element in U.S. domestic politics, the "America factor" is becoming a fast-growing issue in China's own domestic politics and has perhaps assumed even greater impact than China has in U.S. politics. This is partially a result of the asymmetrical balance of power between the two countries and because the U.S. factor could be used to indirectly criticize domestic Chinese policies (such as joining the WTO). An educated and informed middle class has demanded a growing role in society and in foreign policy and has contributed to a new wave of nationalism that China's leaders cannot ignore.

Given these domestic components in the bilateral relationship, both governments need to lead and shape public opinion rather than become hostage to hard-line opinions or to the Taiwan issue: "when there are untouched and unforeseen incidents, the impulses and responses in both capitals might be more greatly affected by the factor of domestic politics. This being the case, the quicker those incidents are resolved the less play the domestic political factor will have. This in turn means that in addition to the issues associated with national security, the governments in both Beijing and Washington have a domestic political stake in keeping the strategic lines of communication open and finding ways to anticipate potential problems – to defuse them before they become

troublesome – and to have venues to quickly resolve problems and incidents after they have occurred.”

During the discussion, Chinese scholars agreed that there is an increasingly diverse, dispersed, and broadening process (perhaps even democratization?) when it comes to making China’s foreign policy. In that respect, the two societies were actually moving closer. Chinese and U.S. scholars, however, disagreed over which government was more capable of managing public opinion. While the Chinese side argued that Clinton was bruised by the Cox report, the U.S. side pointed out the inflammatory effect of naming fighter pilot Wang Wei a revolutionary “martyr” during the EP-3 crisis. The role of the media and scholars in bilateral relations in this highly unstable and emotional environment was also discussed.

## Where Do We Go from Here?

The third round of the U.S.-China strategic dialogue ended with efforts to map possible issues for future discussions. The U.S. side pointed out that the productive and stimulating discussion called for future strategic dialogues. The goal was to promote mutual respect and understanding, to set a higher standard for strategic cooperation, and to manage crises. The U.S. side listed several key items for better cooperation: preventing operational deployment of nuclear weapons in South Asia with more than just condemnation; institutionalizing Sino-U.S. cooperation for antiterrorism actions and finding a greater role for China in Afghanistan’s reconstruction; more public declarations and coordination in the UN to obtain Iraqi compliance with international inspections and to preclude U.S. unilateralism; managing the Taiwan issue; China’s compliance with WTO rules and to avoid that minefield; promoting a serious dialogue on MD before it’s too late; and more dialogue on national security strategies in the ASEAN Regional Forum.

Other issues include defining strategic stability, Japan’s role as a “normal” state, overlapping interests on the Korean Peninsula, and the domestic impact of U.S.-China relations. More specifically, regarding Taiwan, might the two agree to a *de facto* linkage of missile defense sales to Taiwan with an end to China’s missile build-up? While a fourth communiqué is unlikely, would it be a useful track-two drill to discuss its contents? Should rules be changed to allow Taiwan’s representation in the World Health Organization as a non-state actor? Are there other creative ways to reduce tensions?

The Chinese side asked how to construct a new pattern of Sino-U.S. relations in the context of a growing emphasis of geo-economics over geo-politics, and how to move away from event-driven politics toward a more interest-driven approach, and how to embrace a balance of interests rather than a balance of power. One key factor is respect



for the other side's core national interests. To achieve this goal, the Taiwan issue needs to be resolved. The issue should be seen in much broader context, not just the cross-Strait balance of military power or the U.S.-China rivalry. China is comfortable with the current international power structure, but Taiwan is the last obstacle to China's emergence as a full *status quo* power. Final resolution of this question would eliminate a major regional flashpoint and an obstacle to Sino-U.S. relations. This is a win-win-win situation for all three sides.

In conclusion, the Chinese side raised three options for China's U.S. policy: a wait-it-out strategy as the current U.S. administration is perceived as too conservative and not rational; a tit-for-tat strategy because there is no reward for rational self-restraint on the part of China; or incremental progress with lower expectations. The latter (generally preferred) approach would require positive forces in the two bureaucracies to work out problems and require that the U.S. president learn quickly. A Chinese speaker believed that China tilted toward the third approach but hoped the U.S. would reciprocate.

The event-driven nature of the bilateral relationship was also picked up by a Chinese expert, who argued for a "road map" to guide Sino-U.S. relations. This was particularly needed given that fundamental and principal differences remain on many issues despite the somewhat improved bilateral relations after 9-11. Such a road map should guide bilateral relations in strategic, economic, political, and domestic dimensions as well as over the issues of Taiwan and military contacts. Specifically, it should illuminate shared common strategic interests at both the global and regional levels, including continued cooperation in the post-Taliban war period, economic stability, disarmament, nonproliferation, and stability on the Korean Peninsula. This speaker argued that China did not have the desire or ability to drive the U.S. out of the region, but only wanted a positive presence and no hostility toward China. To this end, the Shanghai Cooperation Organization (SCO) and the U.S. should find ways to interact.

In the economic area, enthusiasm and caution as well as economic confidence building measures are needed to manage the challenges resulting from the U.S. recession and China's WTO duties. Politically, high-level exchanges (Bush's trip to China, the Jiang-Bush meeting at the APEC Leaders' Meeting, and Hu Jintao visit to the U.S.) were crucial but need workable agendas within the context of "constructive cooperation." The two sides also needed regular consultation and cooperation at the UN. In military relations, both sides should smooth out differences regarding military-to-military contacts. China was practical and believed that it was time to talk about its legitimate rights and interests in developing an Asian security cooperative framework. Finally, peace and stability in the Taiwan Strait were crucial and the issue needed to be handled with prudence. The U.S. tendency to hollow out the "one China" principle and to add

substance to unofficial relations with Taiwan was also questioned. To construct and follow such a road map, both sides should effectively handle domestic constituencies, shape public opinion, and manage crises through more institutionalized mechanisms.

Not all proposed issues were uncontested. There was a “pessimist school” on both sides that tended to focus on the limits on how bilateral relations could be managed and improved. One American doubted that efforts by scholars/experts in the two countries would have any impact on the bilateral relationship and on the policy-making level. He argued that the military relationship was difficult to handle by itself and a sound military relationship depended on the overall political climate. A Chinese expert attributed the recurring crises to the lack of a framework for strategic stability. Another pessimist noted that ironically during the 1990s Sino-U.S. relations deepened and broadened, but trust was eroded. While Clinton’s “clothes” (strategic partnership) were too big, Bush wears the wrong “clothes” (strategic competitor). Meanwhile, there was growing mutual suspicion of each other’s intentions. Ultimately, discussants pondered the meaning of a “constructive, cooperative, candid” relationship and how it can be realized. The U.S. may never stop selling arms to Taiwan without a peaceful resolution of the Taiwan issue.

The last session also brain-stormed issues for future deliberation. They included humanitarian intervention for failing states; reform of multilateral institutions (such as the UN and ASEAN Regional Forum); handling issues at the bi-, tri-, quadri-, and multi-lateral levels; the revolution in military affairs and its impact on strategies and bilateral relations; globalization and its impact on economic strategy; human security and aging societies; the “China threat”; MD, nuclear deterrence, and regional stability; world views and nontraditional security issues; the need to study successful cases in crisis management (e.g., China-U.S. diplomacy after Lee Teng-hui’s “two-states” statement) as well as cases of less successfully managed crises; how to halt the vicious circle in the Taiwan Strait if arms sales could not be stopped; and exploiting opportunities for greater cooperation in the post-9-11 world.

## About the Author

**Yu Bin** is Assistant Professor of Political Science at Wittenberg University and concurrently a faculty associate of the Mershon Center of the Ohio State University. Previously, he was a fellow at the East-West Center in Honolulu and president of Chinese Scholars of Political Science and International Studies. He was a MacArthur fellow at the Center of International Security and Arms Control at Stanford University and a research fellow at the Center of International Studies of the State Council in Beijing. Dr. Yu earned a B.A. degree from the Beijing Institute of Foreign Studies, M.A. at the Chinese Academy of Social Sciences, and Ph.D. at Stanford University.

## **China-U.S. Relations and Regional Security**

Center for American Studies  
Fudan University  
Shanghai

January 7-9, 2002

### **Agenda**

#### **Monday, Jan. 7:**

Participants arrive

Check in at:  
Radisson SAS  
No. 1000, Quyang Road  
Shanghai, China  
Tel: (86-21) 6542-8000  
Fax: (86-21) 6544-8447  
Email: radsassh@public.sta.net.cn

#### **Tuesday, Jan. 8:**

9:00-1000

Opening remarks: Ni Shixiong

Session one: Review of China-U.S. relations and regional security in the past one year

Chair: Ni Shixiong  
Presenters: Wu Xinbo, Ronald Montaperto

10:00-10:20 Break

10:20-1150

Session two: Anti-terrorist campaign and its implications for China-U.S. relations

Chair: Ralph Cossa  
Presenters: Chu Shulong, Brad Roberts  
Commentator: Ding Xinghao

12:00-13:30 Lunch

13:30-1500

Session seven: Managing domestic politics

Chair: Tao Wenzhao  
Presenters: Chen Qimao, Bonnie Glaser  
Commentator: Ni Shixiong

15:00-15:20 Break

15:20-16:50

Session four: MD, QDR report and regional strategic stability

Chair: Ronald Montaperto

Presenters: Brad Roberts, Zhou Jianming

Commentator: Zhu Mingquan

### **Wednesday, Jan. 9**

8:30-10:00

Session five: Understanding Japan's new security profile

Chair: Ding Xinghao

Presenters: Huang Renwei, Brad Glosserman

Commentator: Chen Zhimin

10:00-11:50

Session six: Korean peninsula after the inter-Korean summit

Chair: Bonnie Glaser

Presenters: Xia Liping, Bob Scalapino

Commentator: Jin Guangyao

12:00-13:30

Lunch

13:30-15:00

Session seven: Managing domestic politics

Chair: Yang Jiemian

Presenters: Jin Canrong, Yu Bin

Commentator: Tao Wenzhao

15:00-15:20

Break

15:20-16-50

Session eight: Wrap-up: where do we go from here?

Chair: Yu Xintian

Presenters: Ralph Cossa, Wu Xinbo, Yang Jiemian

Closing remarks:

Ni Shixiong

18:30

Banquet at Bao Long Hotel

### **Thursday, Jan. 10**

Participants depart

## **China-U.S. Relations and Regional Security**

Center for American Studies  
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### **Participants List**

#### **Chinese participants**

Chu Shulong  
Professor, School of Public Policy and  
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Tsinghua University

Tao Wenzhao  
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Chinese Academy of Social Sciences

Jin Canrong  
Senior Fellow  
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Chinese Academy of Social Sciences

Chen Qimao  
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Shanghai Center for RimPac Studies

Ding Xinghao  
President  
Shanghai Association of American  
Studies

Yu Xintian  
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Yang Jiemian  
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Zhu Mingquan  
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Jin Guangyao  
Deputy Director  
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**U.S. Participants**

Ralph A. Cossa  
President  
Pacific Forum CSIS

Ronald Montaperto  
Dean of Academics  
Asia-Pacific Center for Security Studies

David Finkelstein  
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“Project Asia”  
Center for Strategic Studies  
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Brad Roberts  
Senior Fellow  
Institute for Defense Analysis

Bonnie Glaser  
Consultant on Asian Affairs

Robert Scalapino  
Robson Research Professor of  
Government Emeritus, U.C. Berkeley

Brad Glosserman  
Director of Research  
Pacific Forum CSIS

Yu Bin  
Associate Professor  
Department of Political Sciences  
Wittenberg University

Mike McDevitt  
Director  
Center for Strategic Studies  
The CAN Corporation



## **Sino-U.S. Strategic Dialogue: Some Suggested Topics**

by Ralph A. Cossa and Bonnie Glaser

President George W. Bush's decision to include China as part of a three-nation Northeast Asia tour later this month underscores his personal commitment to start building a more "constructive, cooperative" relationship with Beijing.

The first two stops, in Tokyo and Seoul, come as no surprise. Traditionally, Japan and South Korea are the first two East Asia nations visited by any new U.S. president. Both were scheduled to be visited in October 2001, before the events of Sept. 11 intervened. Mr. Bush did visit Shanghai in October, however, to attend the Asia Pacific Economic Cooperation (APEC) Leaders' Meeting. Given this October visit, Mr. Bush could have easily justified skipping China this time around (and there are reports that some advisors felt he should do just that). President Bush's insistence that Beijing be included raises hope that the long-awaited Sino-U.S. strategic dialogue may finally begin.

President Bush offered to institute such a dialogue in December when he called Chinese President Jiang Zemin to give him advance warning of his decision to withdraw from the Anti-Ballistic Missile (ABM) Treaty. In our own discussions with Chinese officials and security analysts, we see a growing Chinese receptiveness – indeed, even an eagerness – to pursue such discussions. What remains subject to great debate, however, is what topics ought to be included and what each side should seek from such a dialogue. We would like to offer some suggestions.

The overall goal of any dialogue should be to promote mutual respect and greater understanding of each nation's strategic vision and objectives and how the other party fits into (or potentially disrupts) this picture. Mutual suspicions abound. President Bush should address these head on when he visits Beijing, spelling out for the Chinese what a stable East Asia strategic environment looks like from his perspective and how both an emerging China and Washington's current network of bilateral security alliances fit into this vision. Likewise, President Jiang could help set the stage for subsequent high-level dialogue by providing a clearer exposition of what China's long-term vision for a prosperous, secure Asia is, along with assurances that U.S. and its East Asian alliances can, in his view, coexist within this vision.

In this regard, we sense a new realism in Chinese thinking concerning Japan and the U.S.-Japan alliance (see *PacNet 4A* "Becoming Normal in Exceptional Times," by Brad Glosserman). But, deep suspicions persist, especially as to what Washington means when it refers to a more "normal" Japan or talks about Japan being the "UK of Asia." (The latter

makes the Japanese equally nervous, especially when one sees British commandos on the ground in Afghanistan.) President Bush should explain his vision of Japan's role in regional security affairs in Beijing (and Seoul) as well as in Tokyo to ameliorate concerns about Japanese "remilitarization."

High on the list of topics both need to discuss is missile defense. Previous U.S. assurances notwithstanding, most Chinese we talk to remain unconvinced that U.S. missile systems are not aimed at neutralizing China's strategic deterrent. Conversely, many U.S. officials believe that a Chinese strategic force build-up is inevitable, regardless of U.S. missile defense objectives. Dialogue is needed on how each side defines deterrence and the role nuclear forces and missiles – offensive as well as defensive – play in assuring (or undermining) strategic stability.

Direct assurances by President Bush could go a long way in helping to reassure Beijing that Washington is not intent on denying China a deterrent capability. But Beijing must also be willing to go beyond its familiar argument that "all missile defense is inherently bad or destabilizing" to acknowledge the legitimate security concerns that are at the base of Washington's pursuit of a limited defensive system. Even if the two sides disagree on the strategic implications of deployment of missile defense systems, they should be able to reach an understanding about the dangers of proliferation of weapons of mass destruction that underlie U.S. support for missile defense.

Some measure of Chinese nuclear transparency is also in order. China has understandably been reluctant to provide specifics regarding its nuclear arsenal or future strategic plans. While transparency may bolster deterrence for a major power like the U.S., the Chinese argue that for a weaker country like China, too much transparency could actually undermine its deterrence. This may be true. But it would be unrealistic to expect Washington to engage in a one-sided strategic dialogue, where it could be accused by critics of providing China with information about its own programs without some measure of reciprocity. Given the tendency of China-bashers to continually broadcast worst-case assessments of current and projected Chinese nuclear inventories and intentions, a bit more transparency could also help China in its efforts to debunk what it refers to as the "so-called China threat" theory. This will be especially important as China begins to deploy a new generation of solid-propellant, mobile land-based ballistic missiles and sea-launched missiles.

Some have argued that there should be dialogue on a fourth Sino-U.S. communiqué to reflect new cross-strait realities (given the remarkable evolution of democracy in Taiwan), or even discussion of a "grand bargain" that would



exchange a freeze in Chinese missile deployments opposite Taiwan for a commitment not to include Taiwan in future U.S. theater missile defense plans. We disagree! Trying to craft a new communiqué will likely heighten rather than smooth over existing difficulties and could even prompt Congress to try to revitalize the Taiwan Security Enhancement Act – a sleeping dog best left to lie. Any attempt to “cut a deal” on Taiwan is likely to run into serious resistance in all three capitals while tempting Taipei to take some action to remind Washington and Beijing that its fate cannot be decided by others.

Discussion of Taiwan is essential in any Sino-U.S. strategic dialogue since it remains at the top of Beijing’s list of security concerns. Washington could articulate directly to Chinese leaders its insistence on a peaceful resolution of differences between the two sides of the Strait. It could encourage China to think more creatively about how to win over the hearts and minds of the people of Taiwan to advance its stated goal of peaceful unification. To address Chinese oft-stated opposition to U.S. arms sales to Taiwan, the U.S. could underscore the linkage between those weapons approvals and China’s military buildup against the island. Reaffirmation of the U.S. “one China” policy and the continued belief that Taiwan independence is inconsistent with that policy could provide some assurance to Beijing. Using the dialogue as a platform for underscoring differences relating to Taiwan or other strategic issues serves little purpose and could quickly derail the process. Understanding each side’s base-line concerns on contentious issues is essential, however.

Sino-U.S. cooperation in the war on terrorism is expected to be a major topic of discussion during the Bush visit and has an important place in any subsequent strategic dialogue. While the two leaders are likely to concentrate on how both sides are cooperating today, the dialogue should be aimed at

institutionalizing and operationalizing the process. Beijing should also table new proposals for strengthening counter-terrorism cooperation. China would like to see the UN Security Council (where it enjoys a veto) play a greater role in the execution of this war. Yet, in the one area where Washington has turned to the UN – to compel Iraq to resume UN inspections of suspected weapons of mass destruction facilities – Beijing has been quiet. A joint call by Washington and Beijing for Iraq to accept the inspections (as previously agreed by Baghdad as a condition for ending the Gulf War) would be most sobering for Saddam Hussein. It could help preclude unilateral U.S. actions that Beijing would be much more uncomfortable supporting.

Finally, strategic dialogue between the U.S. and China should include substantive discussion on crisis management, aimed at enhancing both sides’ ability to more effectively handle future incidents that could damage Sino-U.S. relations. An examination of the lessons learned from previous crises, such as last April’s EP-3 collision and the 1999 accidental bombing of the Chinese Embassy in Belgrade, could help both sides develop procedures to prevent future incidents or misunderstandings from derailing their mutual effort to build a more cooperative, constructive Sino-U.S. relationship.

*Ralph A. Cossa is President of the Pacific Forum CSIS. Bonnie Glaser is a Consultant on Asian Affairs and a Pacific Forum Senior Associate.*