



**The Heart of the Matter:
'Core Interests' in the US-China Relationship**



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Pacific Forum CSIS

Based in Honolulu, the Pacific Forum CSIS (www.pacforum.org) operates as the autonomous Asia-Pacific arm of the Center for Strategic and International Studies in Washington, DC. The Forum's programs encompass current and emerging political, security, economic, business, and oceans policy issues through analysis and dialogue undertaken with the region's leaders in the academic, government, and corporate arenas. Founded in 1975, it collaborates with a broad network of research institutes from around the Pacific Rim, drawing on Asian perspectives and disseminating project findings and recommendations to opinion leaders, governments, and members of the public throughout the region.

The Young Leaders Program

The Young Leaders Program invites young professionals and graduate students to join Pacific Forum policy dialogues and conferences. The program fosters education in the practical aspects of policy-making, generates an exchange of views between young and seasoned professionals, promotes interaction among younger professionals, and enriches dialogues with generational perspectives for all attendees. Fellows must have a strong background in the area covered by the conference they are attending and an endorsement from respected experts in their field. Supplemental programs in conference host cities and mentoring sessions with senior officials and specialists add to the Young Leader experience. The Young Leaders Program is currently supported by Chevron, the Henry Luce Foundation, the Sasakawa Peace Foundation, and the Yuchengco Group, with a growing number of universities, institutes, and organizations also helping to sponsor individual participants. For more details, see the Pacific Forum CSIS website, www.pacforum.org, or contact Brad Glosserman, director of the Young Leaders Program, at brad@pacforum.org.

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We express our gratitude to Dr. Shen Dingli, professor at Fudan University, for taking time from his schedule to speak to the Young Leaders at a breakfast meeting.

Introduction

The US-China relationship continues to mature, and well it should, given the increasing interdependence of the two countries' interests. For over a decade, the Pacific Forum CSIS and the Center for American Studies at Fudan University in Shanghai have probed this increasingly important and intertwined relationship. In recent years, one phrase has attracted attention as the two sides try to identify opportunities for and obstacles to cooperation: "core interests." Chinese interlocutors in particular use the phrase, and while American participants profess to understand its meaning and content, there has been little attempt to see if in fact US and Chinese understandings align.

The prominence of "core interests" in the 10th US-China Regional Security Seminar (held May 26-27, 2010 in Beijing; that conference report "Regional Security and Global Governance: 10th Dialogue on US-China Relations and Regional Security" is also on the Pacific Forum CSIS website at: <http://csis.org/publication/issues-insights-vol-10-no-16>) prompted Young Leaders to explore whether the two sides were speaking the same language. The four essays that follow the report of the YL program in Shanghai detail their attempts to define "core interests" and identify them. While there is considerable overlap in the essays, each takes a distinctive approach and comes up with unique perspectives. Their conclusions should provide the starting point for discussion of future US-China Young Leader programs.

This volume also includes preconference essays. As always, Young Leaders were given a short query that would anticipate key points in the conference discussion. This time, they were asked if China was the leader of Asia, and if not, why not. Moreover, if China is not the leader, then who would they identify as the region's leader. There was virtual unanimity that China is not the leader of Asia, although it may assume that position over time. Intriguingly, while the US is often identified as the leader of the region, a substantial number of participants suggested that there is no regional leader. As always, these essays are useful for their insights they provide into next generation thinking about international relations in the Asia Pacific. We hope they spark discussion among our readers as well.

Program Report

By David Lee

Consistent with previous Young Leaders programs, Young Leaders at the 10th dialogue on “Sino-US Relations, Regional Security and Global Governance” had a private breakfast meeting with a senior conference participant. On May 27, 2010, Professor Shen Dingli (Center for American Studies, Fudan University) was kind enough to join Young Leaders for an early breakfast meeting.

The majority of the discussion focused on the Chinese government’s response to the sinking of the South Korean warship *Cheonan*. The Young Leaders enjoyed a spirited discussion with Professor Shen that illuminated how China viewed the situation. The Young Leaders questioned why China’s response to the sinking of the *Cheonan* was so restrained. Prof. Shen shared his views regarding the joint investigation, Kim Jong-il’s May visit to Beijing, and the timing of China’s response.

Following the final panel on May 27, Young Leaders were joined by eight students from the Fletcher School of Law and Diplomacy at Tufts University and the Paul H. Nitze School of Advanced International Studies at Johns Hopkins University in a roundtable session to discuss what they heard during the last two days.

A large part of the discussion centered on how to define core interests and then thinking about the core interests of both China and the United States. The participants felt that only with a clear understanding of each side’s core interests could long-term progress be made to strengthen Sino-US relations. Toward that end, Young Leaders were organized into groups to identify the core interests of both China and the United States and to justify those selections in a policy memo as a post-conference assignment.

Overall, the Young Leaders found the time in Shanghai incredibly beneficial. The opportunity to interact with senior leaders and scholars as well as with one another provided a unique opportunity to develop professional expertise and build meaningful relationships with a talented group of individuals interested in better understanding both sides of the Pacific.

US and Chinese Core Interests: Do they Exist? The Case of Taiwan, Human Rights, and the Economy

By Mark Garnick, Ni Shan, Thorin Schriber, and Lin Wu

In conducting relations with other nations, China has asserted a number of “core interests.” According to Hu Jintao, these are “sovereignty and territorial integrity,” while State Councilor Dai Bingguo has said that “China’s number one core interest is to maintain its fundamental system and state security; next is state sovereignty and territorial integrity; and third is the continued stable development of the economy and society.”¹ In recent months, China has called US arms sales to Taiwan a violation of its core interests and has protested US policy toward Tibet and Xinjiang as another infringement of its core interests.

The United States also finds its own fundamental interests challenged in its dealings with China. The United States sells arms to Taiwan in efforts it claims are aimed at stabilizing the Taiwan Strait, but which Beijing argues are harmful to cross-Strait relations and the eventual reunification of China. The United States, which asserted a commitment to its “values” in its latest *National Security Strategy*, holds meetings with the Dalai Lama, and expresses the view that human rights are universal – in doing so it is accused by China of undermining its sovereignty. The United States’ goal of maintaining a strong economy also means challenging a number of China’s economic interests, although in such cases, Chinese leaders have not used the term “core interest.”

In the conduct of relations between the United States and China, the use of the term “core interests” is an important rhetorical signal. But how does one define core interests? What makes some interests core interests and others merely interests? Are “core interests” the fundamental interests of the nation? Or are they a convenient rhetorical device that signals displeasure? If China claims the US undermines its core interests, could the United States also claim that China undermines its own core interests? Or are US interests in their relations somehow less central, less “core?”

To explore these questions, American and Chinese CSIS Pacific Forum Young Leaders chose three issues over which Chinese and US interests collide: Taiwan policy, support for human rights vs. respect for sovereignty, and economic policy. These mini-case studies identified fundamental interests of both China and the United States involved, discussed instances in which these interests were referred to as core interests, and tried to define the meaning of core interests within these contexts. The Young Leaders also addressed the implications these core interests have for US-China relations.

¹ Orville Schell, “China: Defending its Core Interests in the World,” *Asia Sentinel*
<http://www.asiasentinel.com/index.php?option=com_content&task=view&id=2391&Itemid=171>.

Case #1 – Taiwan Policy

The PRC's interests in Taiwan are based on its understanding of sovereignty, security, and the legitimacy of the CCP regime. The precise interests of the PRC have evolved over time, and have responded to historical changes in its domestic politics and relations with the outside world. Still, according to the PRC, Taiwan remains a core interest in China's foreign policy, and actions such as US arms sales to Taiwan violate these "core interests" of sovereignty and noninterference. The United States, likewise, has enduring interests in the Taiwan Strait, including security, credibility of its regional posture, and the promotion of its values. Like China, the US willingness to defend these interests has evolved over time as cross-Strait relations have changed and the needs of US-China bilateral relationship have put new pressures on Washington's relations with Taipei. Still, arms sales to Taiwan are but one instance of an action in defense of US interests that has long endured. So what truly are the US and China's core interests?

PRC Core Interests?

The PRC's primary interests regarding Taiwan concern sovereignty, security, and legitimacy

Sovereignty – The issue of sovereignty arose out of the civil war that led to the creation of a government on Taiwan. According to China, the Nationalist government had no legitimacy to rule any part of China. In the Maoist era, this was expressed as an imperative to "liberate Taiwan." China's definition of its core interests in sovereignty changed when Deng Xiaoping promoted the idea of reunification under the formula of "one country, two systems." China would retain its demand that there could only be one China – a view it believed it had secured backing for from the United States – but believed sovereignty could be maintained even if Taiwan had a separate political system from the mainland. The actual meaning of reunification under this rubric is complicated by rhetorical challenges from Taiwan, Chinese responses, and new definitions of China's relationship with Taiwan. The 2006 Anti-Secession Law, for example, which left out talk of "one-country two systems," allows for gradual unification under a yet to be determined formula. Therefore, while the mainland insists that it has a core interest in maintaining sovereignty over Taiwan, what sovereignty means is not a static concept.

Security – The PRC also has interests in security in the Taiwan Strait. The PRC has not renounced the use of force against Taiwan and continues to add to its arsenal of weapons to deter Taiwan from "splitting," deter outside powers from supporting Taiwan, or defeat Taiwan or outside powers should conflict occur. Military strength is not merely seen as a tool to secure the mainland's sovereignty or legitimacy. PRC officials have expressed a belief that Taiwan serves as a strategic asset for outside powers against China, complaints that echo security fears held by earlier Chinese dynasties. This view of Taiwan as a strategic liability to its national defense means that US military involvement with Taiwan is an infringement of China's security interests. For the US to cross certain redlines, like basing troops on Taiwan, would likely incur a military response from

Beijing. In this way, security in the Taiwan Strait could be considered a core interest of China.

Legitimacy – The nature of China’s domestic politics also shapes the responses and creates certain imperatives for the CCP. Chinese nationalism is heavily tied to the idea of a reunified China and vigorous opposition to Taiwanese independence, so that the CCP is determined to prevent this occurrence. This is another reason that China is likely to respond vigorously to actions by Taiwan or outside powers it considers provocative. When such concerns lead China to choose responses that preserve legitimacy while sacrificing other goals, it demonstrates legitimacy is a core interest.

US Core Interests?

The primary interests of the United States in its Taiwan policy are security, credibility, and values.

Security – The US has a stake in security and stability in the western Pacific. The US seeks to deter mainland China from the use of force to coerce Taiwan and to prevent the escalation of conflict if it occurs. To secure these purposes, the United States follows the provision of the Taiwan Relations Act (TRA) which calls for the provision of arms to Taiwan of a defensive character. The goal of these arm sales is to ensure the capability to resist any resort of force, or coercion that would threaten the security, social, and economic systems of Taiwan. The US has agreed to provide necessary material upon request to Taiwan to maintain a sufficient self-defense capability. Arm sales to Taiwan represent the US commitment to support Taiwan from threats from mainland China. Given the fact that such behavior is detrimental to its wider relationship with China, and that it has yet to revise its behavior, demonstrates how security may be considered a core interest of the United States.

Credibility – US commitment to allies, friends, and partners in Asia and worldwide is a central US interest. The US commitment to allies in the region, including Japan and South Korea, depends on its credibility to respond to a resort of force. The US is legally bound through the TRA to defend Taiwan from coercion or threat of force from mainland China. If the US does not respond to a threat of force, then the credibility of the US commitment to defend its allies in the region is threatened. Allies might decide to mobilize forces to ensure their own security, and this will lead to a security dilemma which would cause greater instability in the region. These concerns drive the United States to value credibility as a core interest in its policy in the region and with Taiwan.

Values – The US and Taiwan share the values of democracy, free market economy, and human rights. Taiwan is a democracy and supports checks and balances and accountability to the people. It is a free market economy. Taiwan promotes freedom of speech, human rights, and the rule of law that are aspirations of the American people. The US and Taiwan believe these values promote peace, stability and development and should be defended. US officials and the American public may be unwilling to abandon Taiwan because of these shared values.

Definition of Core Interests and Implications

We define a core interest as one that, when infringed, causes the harmed party to be willing to sacrifice other interests to prevent the infringement. That is to say that it is more central than other interests. Using this definition, China has a core interest in preventing the de jure independence of Taiwan since that is an unbearable challenge to China's sovereignty and legitimacy. A Taiwanese referendum on independence may be such a case where the line crossed leads China to pursue military force regardless of its harm to other interests. The United States, for its part, has a core interest in preventing any action that causes instability in the Strait (by either the mainland or Taiwan), or a Chinese action against Taiwan that severely challenges US values and credibility in the region. US interests in preventing the infringement of these interests may one day be weighed unfavorably against even stronger interests in preserving economic interests involved in relations with China. Only in such an event could one learn which US interests were truly "core."

When China uses the term "core interests" it is not always referring to interests it is willing to defend by sacrificing other interests. Core interests could be defined as those that are of significant importance as demonstrated by a long-term commitment to them. US arms sales to Taiwan are an action that the PRC has long opposed – more often through rhetoric than by action that would actually prevent the sales. China then may view the interest infringed as being core, but balances this view against the need to preserve other interests. The problem with defining core interests under this less rigorous approach is that it leaves the definition of "core interests" to the state to define. In such a case, a "core interest" can become a rhetorical tool to make threats seem credible in the absence of a willingness or capability to redress the infringement. In this way, a state may claim core interests in areas in which it lacks the capability to defend those interests, creating a potentially dangerous mismatch between a nation's stated and actual goals.

Case #2 – Human Rights & Non-intervention in PRC Internal Affairs

Contemporary political and academic debate between the US and PRC has highlighted fundamental differences in conceptions of human rights. The US has often used human rights issues to exert pressure on the PRC, establishing the idea of US moral superiority in the international arena. However, criticism of China's human rights record has remained largely rhetorical. Since the normalization of diplomatic relations with the PRC, successive US administrations have often set human rights aside in favor of more pressing strategic and economic concerns. Thus, the human rights issue has not, in fact, manifested itself as a core interest of the US.

On the Chinese side, the US's rhetorical insistence on human rights – often painting the CCP in a bad light – has been perceived as unacceptable interference in PRC domestic affairs. Accordingly, a core PRC interest is that the US stop interfering in this way. Furthermore, the PRC insists that the US should redress its own human rights problems before casting blame on other countries.

US Interests

The US Department of State's most recent human rights report on the PRC describes the situation in stark terms, sharply criticizing the PRC's central government. The report asserts that in 2009 "the [Chinese] government's human rights record remained poor and worsened in some areas. During the year the government increased the severe cultural and religious repression of ethnic minorities in the Xinjiang Uighur Autonomous Region (XUAR). Tibetan areas remained under tight government controls. The detention and harassment of human rights activists increased, and public interest lawyers and law firms that took on cases deemed sensitive by the government faced harassment, disbarment and closure."²

The US maintains that individual human rights should be upheld universally regardless of a state's level of development. Despite such rhetoric, human rights do not take center stage in US policy toward the PRC. Of course, the US has taken China to task for its human-rights record – for instance, regarding its dealing with countries under US sanctions, such as Sudan, Iran, and Venezuela.³ However, rather than promoting human rights for their own sake, the US has often used them as a tool to air a more pressing grievance – namely, a common concern that a 'rising' China undermines the primacy of US interests around the globe. These interests are primarily economic and strategic. Economically, the US's core concern is to promote capitalism to benefit its own markets. Strategically, many in the US believe that if other nations share its values, the world will become a safer, more secure place.

Especially since the Sept. 11 terrorist attacks, the US has prioritized counterterrorism, nonproliferation and energy security – for which Chinese cooperation has become increasingly important. While human rights remain part of US political discourse with the PRC, they are swept aside in favor of seemingly more pressing economic and strategic concerns. President Obama's state visit to China in November, 2009, upheld this trend. The president did assert the US view that "freedoms of expression and worship, of access to information and political participation" are "universal rights."⁴ However, he made no mention of human rights in his list of "key global issues of our time" which included "economic recovery and the development of clean energy; stopping the spread of nuclear weapons and the scourge of climate change; and the promotion of peace and security in Asia and around the globe."⁵ The president confirmed that he would discuss all these issues with President Hu. The issue of human rights remained conspicuously absent from that agenda.

² US Department of State, "2009 Human Rights Report: China (includes Tibet, Hong Kong, and Macau)" March 11, 2010. <http://www.state.gov/g/drl/rls/hrrpt/2009/eap/135989.htm>

³ Zhao Suisheng, ed. *China-US Relations Transformed: Perspectives and Strategic Interactions*. (New York: Routledge, 2009), 6.

⁴ "Remarks by President Barack Obama at Town Hall Meeting with Future Chinese Leaders." The White House: Office of the Press Secretary, Nov. 16, 2009

⁵ Ibid.

PRC Interests

The PRC maintains that any discussions on human rights can only be productive within a framework of mutual respect. The PRC insists that the US should refrain from accusing China of failing to maintain human rights as the West perceives them. Furthermore, the PRC asserts that the US has no right to reproach China for human rights violations. The PRC suggests that the US look to its own human rights record rather than casting blame on China.⁶

Although such accusations by the US may imply an inherent inferiority of human rights guarantees in the Chinese system – especially regarding a lack of transparency and democracy – the PRC maintains that the US should stop such interference because it cannot understand China’s current domestic conditions. As the largest socialist country in the world, the basis of China’s political system is different from that of the US. China’s vast territory and large population inevitably cause many more difficulties in the process of achieving democracy. Issues such as Xinjiang and Tibet – for which the U.S often criticizes China – are a complex mix of geographical, ethnic, religious, and terrorism problems. This may lead to conflicts about how to balance each concern and the stability of the whole society.

Different countries have different understandings of democracy due to their historical background and national cultural origins. The PRC focuses on sovereignty as the guarantor of collective human rights which must “first find expression in the rights to survival and development, which constitute the basis for all other rights.”⁷ China’s historical experience has compelled it to prioritize sovereignty as a paramount core interest. Only with sovereignty and a high international position can China’s people enjoy human rights and further develop democratic practices in China. Therefore, without sovereignty and international recognition from other countries, it would be hard for China to seek its national interests and develop further in the globalized age.⁸ As a developing country, the PRC believes that mutual-respect and mutual-independence of each country are essential if human rights are to be realized fully. In other words, national strength – especially in the growing capability of sovereignty-maintenance – is a fundamental stage in improving human rights.

As the PRC sees it, most human rights concerns are inextricably intertwined with fundamental issues of state sovereignty. First and foremost, the Chinese government aims to promote harmony and stability in society, which means a stable environment for domestic economic development combined with efficient ways of reducing potential social conflicts resulting from China’s national conditions and the basic contradictions of China itself. The sensitive human rights debate can have potentially dramatic effects on

⁶ Ma Zhaoxu, PRC Foreign Ministry spokesman. “China urges US to stop interference with human rights report.” Chinese Government’s Official Web Portal: http://english.gov.cn/2009-02/26/content_1244094.htm

⁷ Ibid.

⁸ Xinhua News Agency, “Human rights can be manifested differently.” http://news.xinhuanet.com/english/2005-12/12/content_3908887.htm

the political authority and efficiency of Chinese government's executive management. In the government's estimation, the human rights debate must not be allowed to endanger China's development. In the Chinese system, stability and development can and should always be prioritized over development of national individual rights.

Implications

The Sino-US disagreement over human rights stems from fundamental differences between the two countries' political systems, strategic culture, and customs. It is also the product of divergent understandings of the nature of human beings, and different ways of ensuring and evaluating human rights. While the debate on human rights remains part of the current academic and political discourse between the PRC and the US, it is essentially a theoretical rather than an actual barrier to Sino-US cooperation. As long as strategic and economic concerns remain paramount, they will overshadow human rights.

Case #3 – The Economy

Many observers believe that the economic relationship between the US and China is the strongest bond shared by these two countries. China is the largest holder of US debt, each country is among the other's largest trading partners, and the US and China are now the first and second largest economies on the planet, respectively. The increasing integration of the US and Chinese economies has created a symbiotic, though somewhat antagonistic relationship. The ability to achieve "common prosperity" as cited by President Hu during his opening statements of second Strategic and Economic Dialogue is closely linked to the ability to resolve economic disputes that threaten both countries' "core" economic interests.

US "Core" Economic Interests?

Access to open and predictable markets – China's entrance into the World Trade Organization in 2001 was a seminal moment in US-China economic affairs. For many in the US, this was viewed as a signal of greater willingness to accede to transparent and common economic policies. While much progress has been made in harmonizing US and Chinese economic policies, several Chinese policies continue to threaten US interests. First, China's reluctance to ease currency controls on the Yuan to let it rise to its actual market value is a clear threat to US economic interests. An artificially depressed Yuan contributes to a yawning trade imbalance that is unsustainable in the long term in addition to limiting US exporters' ability to sell their products on a level playing field. Second, the "indigenous innovation" policy – a program that gives preferential governmental treatment to Chinese firms – is a manifest threat to US economic interests. The US Chamber of Commerce has reported many instances of US firms that have been denied lucrative governmental procurement contracts solely due to their foreign ownership. US-China common prosperity requires the removal of protectionist measures that impede fair competition and add ambiguity to the marketplace.

Access to resources – The US economy is dependent on a wide array of natural resources that are extracted or refined in China for its economy to function effectively. Recent Chinese policy measures have resulted in a reduction in the export of strategic minerals including: bauxite, magnesium, manganese, silicon carbide and yellow phosphorus, and the so-called rare earth elements. These export controls endanger the US' interest in consistent and dependable access to strategic industrial inputs.

Maintaining superiority in technology and innovation – The ability of the US to retain its highly innovative and dynamic economy requires the protection of intellectual property. The position of the US with respect to Chinese protection of intellectual property is clear: “you need to do a better job,” said Treasury Secretary Geithner in late May 2010.⁹ As economic ties with China continue to grow, the US has a key interest in ensuring that innovators are adequately compensated for their ideas. Chinese policies that have implicitly or explicitly coerced technology transfer threaten the US ability to stay at the forefront of emerging technologies.

PRC “Core” Interests?

Ability to set domestic policies to meet the needs of its population and keep the CCP in power – The core Chinese interest in promoting economic development is based on its domestic reality and regime legitimacy. China faces severe domestic challenges caused by a large population and potential social conflicts, which are directly affecting CCP's rule. So the CCP priority goal is to ensure people live and work in peace and contentment and provide people with employment, wealth, and social progress. But sometimes US economic policies undermine Chinese core interests. For instance, the US often criticizes China for dumping goods like steel or televisions, which leads to a large number of US workers losing jobs. However, from the Chinese perspective, these labor-intensive industries are part of China's comparative advantage, relating to the survival of thousands of Chinese enterprises. That is how economic disputes between China and US happen again and again.

Ability to attract capital and technology from abroad – China's market is complemented by US capital and high-technology, which leads to close cooperation and economic interdependence between the two. China has one of the biggest foreign exchange reserves in the world, but it still can't meet the increasing demands of economic growth; in terms of technology, China's education level and innovations is increasing, but there still exists a broad gap between China and the West. So China insists on an opening up policy to attract capital and technology from the US and other Western countries.

Access to resources to fuel growth – China has an abundant supply of coal, though it lacks adequate supplies of oil and natural gas to meet economic development needs. The strain of continued economic growth, and the challenges of environment

⁹ http://seattletimes.nwsourc.com/html/business/technology/2011897679_geithner19.html, accessed June 25, 2010.

deterioration, have lead China to import ever larger quantities of oil and natural gas. Oil, as a principle strategic commodity, is a potential cause of disputes and even war. To realize peaceful development, China seeks access to resources to fuel growth through joint exploration and international cooperation.

Develop indigenous technology – The United States instituted a high-tech embargo on China and prevented the EU from selling sensitive products to China. These actions made China feel that its core interest was ignored and undermined – leading China to pursue independent technology innovation. As Deng Xiaoping once said, “Science and technology are primary productive forces.” Without advanced technology modernization is not possible: this understanding has prompted China to devote substantial resources for education and training.

Implications

In economic interactions between China and the United States, cooperation happens when shared core interests overlap or complementary. For instance, China’s need for *attracting capital and technology from abroad* complements the US core interest in *access to markets*. Similarly, friction often occurs when specific national priorities or core interests collide. Thus, to protect its core interest in a *free and open market*, the US called on China to appreciate the Yuan exchange rate to a “reasonable” level. China is more inclined to implement currency reforms in a gradual way, so as not to shake the national economy and undermine the interests of export enterprises, both of which are correlated with China’s core interest in *social stability*. In order to broaden cooperation and decrease friction between the two countries, the US and China have to enhance their understanding of each other’s core interests.

Conclusion

The US-China relationship contains a web of interests in the areas of security, prosperity, and values. This makes it difficult for any single interest to dominate the agenda of either nation. It also means that there are likely to be clashes of interests between both nations. Under such conditions, the US and China have sought to manage differences while seeking common ground. Both nations can be said to have core interests, with both sides using policy and diplomacy to avoid outright challenges to these fundamental interests. Preserving the wide array of interests involved in the relationship also serves as a brake on any nation exclusively pursuing one interest to the exclusion of others. This makes what some nations call “core interests” appear to be flexible. A true core interest is one that is judged to be more important to defend than other interests. Pinpointing a nation’s core interests would require a situation in which attempting to defend that interest would require the nation to sacrifice an array of other interests. Yet in today’s environment in which nations must manage multiple interests – all of significant importance – this seems unlikely.

Defining Core Interests: China and the United States

By Sheena Black, Nien-chung Chang Liao,
David Lee, Karen Tang, and Qiu Wang

Introduction

The relationship between China and the United States is perhaps the most important bilateral relationship in international relations. Since President Richard M. Nixon's visit to China in February 1972, tremendous effort has been made to improve relations between the two countries. As the relationship has matured and continues to transform, particularly in light of China's economic rise, there is a need for both China and the United States to regularly identify and evaluate the motivations for each other's core interests. This is the *sine qua non* for further establishing a robust relationship built on trust and understanding, which will be increasingly essential as China and the United States engage each other to address bilateral and multilateral issues both in Asia and globally.

Our contribution to the discussion of core interests draws on the perspectives of a diverse group of individuals from China, Taiwan, and the United States. Though some of the broader interests we have identified will be common to many readers, we have tried to include examples that we hope provide further depth and illumination as each country's core interests are considered.

What is a Core Interest?

Before moving on to each respective country's core interests, it is important to articulate how we defined core interest. Simply put, a core interest is a central, motivating principle that shapes a state's policy and compels deployment of myriad resources to assist in the successful implementation of that policy. Though core interests may change over time, they are pervasive, and generally do not change rapidly nor are they likely to change solely due to a switch in leadership (e.g., a new president taking office).

What are China's Core Interests?

The primary goal of the Chinese Communist Party (CCP), the only organization licensed to speak for the state, is to maintain its hold on power over the country. China's core interests are those that the CCP views as necessary to achieve this goal: territorial integrity/sovereignty, economic development, and security.

Territorial Integrity & Sovereignty

National interest is an ambiguous concept in international politics. For realist theorists like Hans Morgenthau, the national interest is an analytical tool to identify the objectives of foreign policy. For decision-making theorists, however, the national interest is more commonly a device for justifying a particular policy preference. In this regard,

the national interest is defined as defense of one's homeland and the preservation of its territorial integrity – the “vital interest” of the state. However, vital interests may not always concern the life-and-death of the state, but rather issues viewed by policy makers as incapable of compromise and necessitating the use of force.

China's State Councilor Dai Bingguo defines China's first core interest is to maintain China's “fundamental system and state security; next is state sovereignty and territorial integrity; and the third is the continued stable development of the economy and society.” It implies that maintaining “fundamental system and state security” is the core objective of China's national interests. “State sovereignty and territorial integrity” and “stable development of the economy and society” are secondary, though instrumental, core interests to sustain the first one. In this regard, China's definition of its core interests is equivalent to the concept of vital interests, but has its own logic of application.

On Dec. 31, 2008, President Hu Jintao gave a speech on Taiwan policy and stressed that China's core interest was “national sovereignty and territorial integrity,” (i.e., “one China”). Hu called for the two sides of the Strait to safeguard the “one China” framework and oppose “Taiwan independence.” In the United States-China Joint Statement of November 2009, China understood that the United States had agreed to respect its core interest of “national sovereignty and territorial integrity” as well as its policy of national unification. The Obama administration was surprised when China strongly protested Obama's meeting with the Dalai Lama and approval of the latest arms sales package to Taiwan, accusing the United States of violating its core interest.

China's reaction, however, was more nuanced when it came to the US positions on Tibet and Taiwan – the human rights conditions of Tibet and the “peaceful resolution” of the Taiwan problem. Moreover, when senior US officials Jeffrey Bader and James Steinberg visited China in March 2010, a Chinese official expressed that the South China Sea was a part of China's core interest of sovereignty. China's interpretation of its core interests, again, was in conflict with the US position that it remains neutral in the South China Sea dispute but it does not wish to see any single country dominate the area.

If China continues to reinterpret the application of its core interests, this will not only cast a shadow on the future of Sino-US relations, but also affect the current momentum of cross-Strait relations.

Economic Development

China's economic development is the glue that holds the country together. It is how the Party controls its most important issues: the territorial integrity issues of Taiwan, Xinjiang, and Tibet, its populace, and itself.

The CCP's view of economic development is shaped by lessons learned in 1989. The collapse of the Soviet Union was an important lesson. The Party vowed to avoid the problems of its neighbor, which failed because of bankruptcy and unsuccessful political reform. At about the same time, the June 4th incident also showed the danger of political

agitation. Deciding that the solution lies in economic, rather than political, liberalization, the CCP focused on growing the economy to fund other core interests, to win a place on the world stage, and to appease its population.

One of the ways the Party can recruit talent is via the rewards of a government job: not only power and prestige; but also impressive wealth. Despite constant anti-corruption campaigns, there's no sign that China is any cleaner than it was 10 or 20 years ago. The major difference is that the amounts embezzled or stolen have grown exponentially. Amounts that would lead to execution a decade ago now barely raise eyebrows.

One of China's strategies for territorial integrity is to shower economic benefits on areas that are hostile to rule by Beijing. The center has pumped billions of dollars into Xinjiang and Tibet, creating impressive infrastructure networks, improved educational opportunities, and job prospects for residents. In return, the government expects loyalty. Recent riots in Lhasa and Urumuqi show the mixed success of these policies, and recent plans to spend even more money in Xinjiang show the government's desire to maintain them.

The argument it makes to Xinjiang and Tibet it makes to the country as a whole. Although the Party has no direct rivals, it still must compete for the affection and fealty of its constituents. By providing economic growth, the Party is making good on the promise it formulated in the 1990s: leave governing to us, and we will make you rich. The party frames the debate not as choice between the Communist Party and another political party, but between the Party and chaos or penury. It's a convincing argument.

Strategic Security: Energy Security

Increasingly important to China's strategic security is energy security. Energy security acknowledges that energy plays an irreplaceable catalytic role in a country's development strategy. Along with the United States, Japan and India, China is a large energy importer and consumer. Each country highly values strategic oil reserves, diversifying energy supplies by decentralizing import channels and relying on diverse oil markets, and building an energy structure that uses different sources of energy, developing clean energies, and emphasizing energy economizing and environmental protection.

China's situation is potentially graver than the countries listed above. Although China consumes only 8 percent of global demand, which puts it second after the United States, rapid economic growth has fueled demand. Since the beginning of the 1990s, China's fast-developing economy has triggered a sharp increase in energy consumption. Shortages exist in China's own supplies of coal, oil, and natural gas, which leads to dependence on foreign energy supplies. Therefore, energy security has been pushed into the spotlight of China's daily life and total society and becomes a bottleneck in China's development strategic security and sustainable social development.

To diversify oil sources, there have been breakthroughs in China-Central Asia cooperation, which targets Kazakhstan and extends the span of energy cooperation, including oil and gas drilling rights, building interstate pipelines, and merging with oil fields to other Central Asian countries.

In June 1997, China National Petroleum Corp (CNPC) bought Kazakhstan Aktobe oil company the first step by China's oil companies in Central Asia. At present, crude output is 5.85 million tons and natural gas output is 2.8 billion cubic meters; as a result, the oil company ranks fourth in Kazakhstan. In May 2002, China and Kazakhstan began to build oil pipelines spanning 3,007 km, with 2,755 km in Kazakhstan, and the remaining 252 km in China running from the western port city Atyrau, by way of the Aktobe and Kumkol oil fields to Du Shanzi oil refinery in Xinjiang. This is China's first international long-distance oil pipeline and Kazakhstan's first pipeline to a final country of destination that does not transit a third country, and helps connect the oil fields in Kazakhstan and markets in China.

What are the United States' Core Interests?

The Rule-of-Law

While US State Department rhetoric exhorts governance, democracy and human rights as core interests, a root of United States foreign policy is rule-of-law.¹⁰ This term, loosely defined, signifies law's ultimate authority over government. This concept establishes the basis from which freedoms and democracy are promulgated. Rule-of-law has come to signify a hope for peace, predictability, prosperity, and security. It is often used as an indicator in political risk analyses and aid effectiveness, marking its close affiliation to the US concept of development.¹¹ While not explicitly stated in government rhetoric, rule-of-law is fundamental to American ideology.

Not only has the United States clearly defined a supreme document that presides over the government, the United States has given the Constitution the power to curb government. The United States is more than a nation with a constitution. It is a nation with constitutionalism. A constitution does not guarantee rule-of-law. It is merely a building block to it. In addition, it is a prerequisite for good governance and accountability, which can lead to a stable democracy and increased investment.

The checks and balances embedded in the structure of the US government are critical to rule-of-law. In the US model, there is a separation of powers to ensure that the Constitution – not the government – has the ultimate authority. Rule-of-law imposes the belief that no one and no entity is above the law. Moreover, justice is defined by law. While there are examples of the executive branch overreaching its power, the judicial and legislative branch have the authority to examine and control this behavior. This is shown

¹⁰ See generally <http://www.state.gov/g/>

¹¹ Licht, Amir N, Chanan Goldschmidt, and Shalom H. Shwartz. "Culture Rules: The Foundations of the Rule of Law and Other Norms of Governance." Elsevier: Association of Comparative Economic Studies, 2007. *Journal of Comparative Economics*: Vol. 35, Issue 4, Dec. 2007.

by the power to impeach United States presidents and the recent examination of the suspicious dismissal of seven US attorneys. In each instance, civil society and the media were fundamental in urging the judicial and legislative branches to take action against government officials.

Societies that adhere to the rule-of-law are generally egalitarian and believe in treating each other as equals.¹² It is difficult to have a hierarchical structure when no entity or person is above the law. The law provides a common equality. While the United States is not a perfectly egalitarian society, it strives to be by holding the rule-of-law paramount in its decision-making. The US commitment and pride in the rule-of-law is fundamental to concepts that it exports, such as democracy, good governance, and human rights. Unlike many other nations, the United States is extremely heterogeneous. The US citizenry demands that its diversity, individuality, and rights be respected. Citizens are taught to believe in the power and safety of law, and the justice it will provide.¹³

While the rule-of-law is often affiliated with an egalitarian society, rule-by-law lends to a more totalitarian society. “Rule of law reform will only succeed if it gets to the fundamental problem of leaders who refuse to be ruled by the law. Respect for the law will not easily take root in systems rife with corruption and cynicism, since entrenched elites cede their traditional impunity and vested interests only under great pressure.”¹⁴ Perhaps the United States’ opposition to rule-by-law is fueled by the perceived threat to democratic control, inciting skepticism of totalitarian societies. It has been argued that “this is because the effects of organizational dominance place a great deal of society beyond the reach of the genuine democratic decision...and so fragments the public sphere.”¹⁵

While the rule-of-law may be an effective ideology for the United States, it does not inevitably lead to good governance, democracy, and human rights. The rule-of-law is not a panacea, but rather, a building block for these concepts. The United States Constitution, the checks and balances within the government, egalitarianism, and role of civil society are all factors that lead to good governance, democracy, and human rights. Yet, the rule-of-law is the foundation that inextricably ties these concepts together.

National Security: Defeating Terrorism

Terrorism in its broadest sense has always played a prominent role in modern US foreign policy, reaching its height since the terrorist attacks of Sept. 11. Now antiterrorism encompasses a plethora of agencies and arms of government focusing both

¹² Licht, Amir N, Chanan Goldschmidt, and Shalom H. Shwartz. “Culture Rules: The Foundations of the Rule of Law and Other Norms of Governance.” Elsevier: Association of Comparative Economic Studies, 2007. *Journal of Comparative Economics*: Vol. 35, Issue 4, Dec 2007.

¹³ Carothers, Thomas. “The Rule of Law Revival.” *Foreign Affairs*. Council of Foreign Affairs: March/April 1998.

¹⁴ Carothers, Thomas. “The Rule of Law Revival.” *Foreign Affairs*. Council of Foreign Affairs: March/April 1998.

¹⁵ Hirst, Paul. *Debating Governance: Authority, Steering, and Democracy*. Oxford University Press: New York City, 2000, pg. 21.

on domestic and international efforts. Protecting the American people and land from the threat and violence of terrorism is a core national interest of the United States.

The major impact of Sept. 11 was first and foremost psychological. The US public suddenly felt vulnerable in a way that they had not felt since the Cuban Missile Crisis. While the financial destruction was extensive, if compared with the current economic crisis for instance, it was small. The reaction to Sept. 11 has been disproportionately large on a multitude of fronts highlighting the complex nature of the challenge terrorism as a tactic poses. The most obvious reactions to Sept. 11 were military in nature and took the United States into Iraq and Afghanistan, whether rightly or not. The second most important reaction to Sept. 11 occurred internally within the administrative structure of US security agencies. The Bush administration created the Office of Homeland Security as a measure to bring together information from various intelligence gathering agencies. The third most important area affected by the Sept. 11 attacks was the legal area. The Homeland Security Act and the Patriot Act would have been unthinkable prior to Sept. 11, but fear caused by the attacks led the public to seek security and accept measures limiting individual freedom. The events of Sept. 11 have gone on to affect many other areas, such as academia. Thanks to generous government funding, new research branches studying terrorism and terrorist tactics have sprung up.

Sept. 11 turned terrorism into a preeminent security challenge for the United States in the first half of the 21st century. The United States is engaged in a global struggle that involves the use of military force, diplomacy, its secret services, and soft power to combat terrorism both in the form of those that practice it and in the form of those that preach it and fund it.

Major themes of the US battle against terrorism abroad have been the invasions of Iraq and Afghanistan, the support of Pakistan in confronting its own terror problem in its northern provinces, and the support of moderate groups in countries such as Iran. Furthermore, the United States has attempted to dry up terrorist funding through multilateral agreements on banking transparency and monitoring, in addition to increasing acquisition of human assets through the United States intelligence services. Working with allies through NATO in Afghanistan, the United States is also turning to new partners such as Pakistan, though this is proving difficult since many of the insurgents operating in Afghanistan come from Pakistan.

Domestically, the United States is challenged increasingly by what have become known as homegrown terrorists. These pose a particular problem to US security forces and the government. Homegrown terrorists are not only hard to identify, they also have rights guaranteed to US citizens, making it more difficult to act preemptively against them.

Defeating terrorism will remain a vital US security interest for years to come, both internationally and domestically.

Promoting Free Markets

Though the war on terror has perhaps been the most prominent US core interest since the attacks on Sept. 11, the commitment to promoting free-market capitalism has not waned. The United States feels that countries linked by a commitment to free-market capitalism and engaging in free trade with each other not only contribute to greater economic prosperity, but also increase overall stability since countries with deep economic linkages are less likely to escalate problems into conflict.

The rapprochement the United States has enjoyed with countries like China and Vietnam has largely been driven by those countries embracing market-oriented economic policies. The flourishing relationship between the US and India along with the improved partnership between the United States and many ASEAN countries is also tied to increased economic activity.

Over the last few decades, the strategic security threats faced by the United States have changed from Cold War era nation-state threats to nonstate actors based in the most dysfunctional parts of the world. Though the security landscape has changed the US commitment to free-market capitalism as the best way to create wealth at home and abroad has not. Though other core interests may garner more attention at times, promoting free-market capitalism will remain a central tenet of US policy.

Getting To the Core of US-China Relations

By Kim Fassler, Kevin Shepard, Galen Tan, and Wallis Yu

What is the nature of the US-China relationship? Where are the United States and China heading, and why? Since the establishment of formal relations in 1979,¹⁶ ties between the US and China have become both stronger and more complex. Both countries recognize overlapping interests in a number of areas, but each also sees the other as a competitor and at times even an adversary. As China emerges as a regional and global powerhouse, questions arise as to how Chinese and US interests might clash. To pursue mutually beneficial, and therefore sustainable, US-China relations, it is important to identify the core interests of both governments, and to recognize the impact the US-China relationship has on each country's ability to pursue these goals. While both Washington and Beijing have a broad span of interests, it is the core interests of each country – those interests that define the priorities and behavior of the state, and are essential to the pursuit of its policies – that will determine the fate of the relationship.

Relations between Washington and Beijing have swung from good to bad and back again as both governments pursue core interests while acknowledging the other's influence. They also seek to take advantage of the benefits of positive ties, while minimizing the unfavorable repercussions of blindly pursuing their own interests. While the policies of both countries have varied over time, reflecting both domestic and international issues, leaders of both governments have consistently worked to improve relations. Charles Freeman, a China scholar at the Center for Strategic and International Studies, notes that, while “there's been this perception of growing friction” lately, Presidents Barack Obama and Hu Jintao share common views on many vital issues, ranging from nuclear proliferation threats to cooperation for economic recovery, and “both sides realize that the relationship is extremely important and that getting it wrong would be disastrous for China as well as for the US.”¹⁷

To more clearly understand the nature of the relationship, this paper will focus on the convergence and divergence of the core interests of Washington and Beijing. We first examine US and Chinese perceptions of national security and economic stability and related areas for cooperation. Then, this paper will look at how Beijing's concerns about protecting territorial integrity sometimes clash with the promotion of US values and institutions abroad and how the two countries might approach these differences.

¹⁶ Washington formerly transferred diplomatic recognition from the Republic of China (Taiwan) to the People's Republic of China on Jan. 1, 1979 with the Joint Communiqué on the Establishment of Diplomatic Relations (released Dec. 15, 1978). US and Chinese embassies were established in Beijing and Washington on March 1, 1979.

¹⁷ Howard LaFranchi, “US-China relations warm as Obama and Hu Jintao meet,” *Christian Science Monitor*, April 12, 2010. Accessed on June 29, 2010 at <http://www.csmonitor.com/USA/Foreign-Policy/2010/0412/US-China-relations-warm-as-Obama-and-Hu-Jintao-meet>.

1. National Security

The United States in the Post-post Cold War Era

National security is unquestionably a core interest of the United States. Three primary aspects of national security are keeping US citizens safe from harm on US soil, resolving conflicts abroad that could eventually threaten the US, and protecting US allies. On the home front, the US government has strengthened its ability to respond to conventional warfare, unconventional threats like terrorism, cyber warfare or biochemical attacks, and even natural disasters.

Much of US policy can be attributed to – and justified by – national security as a core interest, ranging from increased border security to the wars in Iraq and Afghanistan. Therefore, another key aspect of national security involves resolving issues abroad before they can threaten the US within its borders. In the wake of Sept. 11, the notion of national security has expanded to encompass international counter-terrorism efforts and the nonproliferation of nuclear weapons because of the dangers posed by terrorists who would use these weapons against the United States. Such efforts can be seen in US campaigns to halt nuclear proliferation in Iran and North Korea and the sale of these weapons to other unfriendly regimes or organizations.

Furthermore, ensuring the safety of its allies is essential to US national security. Key to this is US credibility and the maintenance of regional stability, which reduces the burden on the US military by deterring conflict in regions where the US has interests.

Chinese National Security and the Growth of the PLA

China also sees national security as one of its core interests. For China, key aspects of national security include defending Chinese territory from undue foreign influence and, increasingly, maintaining dominance in China's sphere of influence. Maintaining national unity, including reunifying Taiwan with mainland China and mollifying conflicts in countries along Chinese borders, including Burma and North Korea, play a vital role in Chinese views of national security. This is reflected in China's protestations over the continuing US arms sales to Taipei. More broadly, Beijing pursues national security by curtailing the influence of foreign countries within its sphere of influence, be it from the US forward presence in the Asia-Pacific or from border disputes with India.

The buildup of the People's Liberation Army signals the importance of national security in Chinese policy. The displays of military and naval capability by the Chinese government demonstrate its ability to defend Chinese territory. China's stated "peaceful rise" indicates that it does not aspire to aggressively extend Chinese territory through military means. However, China *has* been expanding its naval influence in areas like the South China Sea to protect important trade routes and resources and curtail US influence in the region.

Implications for US-China Relations

The dynamic that exists between the US and China gives rise to both cooperation and competition. The two countries should maximize this cooperation while recognizing points of contention and taking steps to defuse them. In the realm of cooperation, China and the US, as global leaders, can share some of the burdens of peacekeeping efforts or military campaigns, while working together to improve collective security and bolstering their capabilities through collaborative efforts. This means increasing US-China military cooperation and strengthening mechanisms for dialogue and understanding, as well as agreements for cooperation on security-related issues in which both countries have a stake, such as a piracy in the Gulf of Aden and the Strait of Malacca. In addition, as permanent members of the United Nations Security Council, the two countries should cooperate on issues that threaten international peace and security, such as terrorism and nuclear proliferation, which have ramifications for their own national security.

Several recent incidents have increased tensions between the US and China over core interests in the security realm. Contention over Taiwan has been an ongoing flashpoint, as has China's displeasure over the US military presence in the form of ships and planes near Chinese waters. The US and China should maintain frequent dialogue on Taiwan – mainly through non-official channels, but through official ones where possible – to avoid misunderstanding. The US should also encourage cross-Strait diplomacy as Taiwan and China foster closer economic and political ties. This could prove to be a difficult task because of the tendency to view military and intelligence capabilities as a zero-sum game, but efforts to change this perspective would go a long way in heading off future conflicts.

2. Economic Stability and Growth

US Economic Interests at Home and Abroad

Both the US and China place a premium on a strong economy. For the US, economic concerns have come to the fore in the wake of the global economic downturn, especially as the US faces two wars, increasing budget deficits and high unemployment. The strong US economy forms the foundation of its formidable military, gives Washington leverage in trade and diplomatic negotiations, and allows the US substantial sway through global institutions such as the World Bank, International Monetary Fund, and the UN. On the domestic level, Americans have come to expect a high standard of living, with at least a steady and moderate rate of growth, and US leaders are keenly aware of these expectations when enacting economic policies.

The Economy in Chinese Foreign and Domestic Policy

Sustaining a high rate of economic growth is near, if not at the top, of China's agenda. China has lifted approximately 300 million people out of poverty through the rapid expansion of its economy over the past decades, and the government hopes to maintain that pace through a combination of free market forces and government regulation. Economic growth is the driving force in domestic and foreign policy decisions unless other core interests are directly threatened,

in which case the focus on growth may be tempered for a time.¹⁸ China's motivation for securing access to natural resources in Africa, its diplomacy toward the Middle East and its monetary policies all flow out of a focus on economic growth.

However, economic growth is not seen as an end unto itself for the Chinese Communist Party (CCP); it also plays an integral role in supporting China's other core interests of territorial integrity and security. Economic growth is viewed by the CCP as a way of maintaining stability throughout the country, thereby keeping the Party in power. The government reasons that rising standards of living will let people overlook social and political grievances. The current leadership is especially keen on spurring growth in China's less-developed interior, where the bulk of the population lives, and reducing the large income disparity between the affluent coastal provinces and the rest of the country. The revenue China's growth generates also allows Beijing to modernize and expand its military capabilities, which can be used domestically to maintain stability, as well as to secure borders and broaden China's sphere of influence.

Opportunities for Cooperation

Economic growth is a core interest of both China and the US, and it is the area that usually offers the most opportunities for cooperation, although much of this is in the private sector. On the whole, both countries benefit from their increasing economic ties, with US investment going into China and Chinese goods going to the US. While trade imbalances and currency manipulation may cause chaffing, economic integration is the driving and stabilizing force in the relationship. Both countries are keenly aware of the devastating economic effects that a military conflict between them would cause, and neither wants to test that in reality. It is highly unlikely that either side would be willing to engage in a direct military conflict because of the economic consequences.

However, both the US and China are quick to protect their economic interests when they see them threatened, as can be seen in US calls for revaluation of the Chinese Yuan, competition for natural resources and occasional trade disputes. While both sides use heated rhetoric when these conflicts boil to the surface, the two countries are often eager to put the issue behind them by working in a more low-key fashion, largely out of public view.

The future challenge will be for the two nations to continue to find peaceful ways to resolve their disputes, particularly as China's military gains more equal footing with the US and competition over resources increases. However, continued economic integration will also make the relationship that much more vital and stable in the coming years.

¹⁸ At the 10th dialogue on Sino-US Relations, Regional Security and Global Governance held in Shanghai in May 2010, one speaker suggested that economic growth is always China's top concern, unless a threat to its sovereignty, like US weapons sales to Taiwan, causes the government to put political considerations above economic concerns.

3. Chinese Sovereignty and US Values: In Direct Conflict?

Chinese Efforts to Maintain Unity

Maintaining national sovereignty and protecting national borders are China's most vital core interests. China is determined to maintain what it considers its current borders, which include Taiwan, Tibet, and Xinjiang. In addition, Beijing has a number of boundary disputes with neighbors, including those with India to those in the South and East China Seas.

The secure, centralized government in Beijing belies the reality of the diverse populations that do not always consider themselves a part of China. To achieve and maintain the inclusion of those regions as part of the country is more than a national security or economic interest, but rather a core belief that these regions are fundamentally and historically a part of China. The CCP, and the greater Chinese population, is committed to economically developing central and western China, including these areas of unrest. However, the central government also reserves the right to exert whatever force necessary to keep these regions a part of China. An additional concern for the CCP is that unrest or independence in any region could lead to a domino effect, with other areas following suit. This value placed on national sovereignty carries over into China's foreign policy; the CCP has maintained a consistent stance of refusing to become involved in other countries' domestic policies. This has been a source of tension between China and the US as China vetoes punitive measures from the UN Security Council regarding countries such as North Korea and Myanmar.

Spreading American Values

A core US interest is the promotion of American values such as democracy, human rights, rule of law, and free-market ideals in the international community. While these values are not uniquely American, the way in which the US government promotes those values is.

The promotion of US values abroad is, to a certain extent, the promotion of its physical and economic security. Strategically, the US believes that a world in which other countries share its ideals is more favorable than being surrounded by countries that do not. As the current superpower, the US also perceives itself as a moral force in the international order and believes that it has a responsibility, therefore, to promote its values. The policies promoted tend to be normative. This is evident in the provision of US aid, which is awarded in return for commitments to human rights, democratic principles, and freedom. Conversely, aid may be cut off and sanctions imposed if countries are perceived as an anathema to US values, as in the case of Cuba, and well as multilaterally, as with Sudan or North Korea.

Sovereignty, Values and US-China Relations

The US promotion of values such as human rights and democracy in China conflicts with China's core interest in maintaining its national sovereignty. This has been a recurring source of tension between the two countries as human rights issues raised by the US are perceived by China as interference in domestic issues. Given this, the US should consider how pursuing this interest would negatively impact other core interests in economic growth and national security,

and determine whether it is worth the negative impact on the bilateral relationship. In addition, Washington should be careful to promote its values in a manner that does not seem unilateral or overbearing.

The CCP should also understand that the US promotion of certain values may not conflict with Chinese interests. In the case of Taiwan, the US value of democracy is demonstrated in its commitment to protect Taiwan's right to self-determination regarding reunification with mainland China. Rather than seeing this as a direct affront to its core interests of territorial integrity and national sovereignty, China should consider the benefits of Washington's facilitating cross-Strait dialogue, and how relations with the United States give Taiwan the confidence to engage in dialog with Beijing over its future.

From the Chinese side, policy challenges arise only when the US appears to interfere in domestic issues. China deeply resents foreign interference in what it considers domestic issues, which Beijing sees as infringing its national sovereignty. Any such foreign action recalls memories of foreign domination during the 19th century. It is critical that the US understand that this is a crucial core value on which China will not compromise.

China will likely shift from its policy of non-interference only when a foreign country is negatively affecting Beijing's economic or security interests. Therefore, the US may find more success if it appeals to China's economic and security interests when addressing countries such as North Korea or Myanmar.

Conclusion

As two of the world's most powerful nations, the US and China are destined to increased interaction. The future of the bilateral relationship will not only affect the lives of people in both countries, it will also impact the international order and determine how global crises, from poverty to climate change, are resolved. To this end, identifying respective core interests and discovering where they intersect and diverge is crucial to moving the US-China relationship in a positive direction. Importantly, while pursuing their respective interests may sometimes bring the two countries into conflict, as in the case of Taiwan, these arguments should not impede dialogue or cause policymakers to ignore the wealth of opportunities for cooperation on other core interests, like economic recovery or emerging non-traditional security issues. Indeed, this paper suggests that the US and China's mutual core interests far outweigh those upon which they disagree. Finally, the two countries must go beyond simple recognition of where their core interests diverge and instead work toward mutually beneficial accommodations in these areas. Given their different histories, cultures and world perspectives, the road to full understanding and cooperation between the US and China is a long one, but starting with core interests is a step in the right direction.

Cooperation, Competition and Conflict: The Impact of US and Chinese Core Interests on Sino-US Relations

By Brittany Billingsley, Megan Haas, Kei Koga,
Andrew Sprunger, and David Szerlip

The complex and multifaceted Sino-US relationship is increasingly viewed as one of the most significant in the world. United States President Barack Obama, opening the July 2009 US-China Strategic and Economic Dialogue, stated that “the relationship between the United States and China will shape the 21st century, which makes it as important as any bilateral relationship in the world.” In spite of vastly different political systems and ideologies, the economies of both countries are remarkably intertwined. Given the ever-growing web of trade between the two, cooperation moving forward is critical, even if the Sino-US relationship faces seemingly intractable issues: Taiwan, national sovereignty, human rights, and trade imbalances. Recent events, such as the global financial crisis, have only underscored the growing importance of the Sino-US relationship and provide opportunities for increased cooperation and conflict.

Each nation’s core interests are at the heart of both cooperation and conflict, resulting in significant alignment in key aspects of the relationship and exacerbating tensions in others. Given this assertion, this paper first defines core interests and then examines both US and Chinese core interests, highlighting the impact that each nation’s core interests has on Sino-US relations. A deeper understanding of these core interests by political leadership at all levels in each country will result in a more stable and harmonious US-China relationship, which will have great influence on the throughout the 21st century.

Defining Core Interests

Before one can understand either the United States’ or China’s core interests, one must first understand the meaning of “core interest.” Isolating a few “core interests” for any nation-state is a challenge because the very concept of a “core interest” is vague, subject to interpretation based on the context in which it used, and defined differently by individual nation-states. For instance, does one adopt a simplified notion of the term whereby it is merely a nation-state’s attempt to defend itself in a world where nations are always at risk? Or is it grounded on a universal value that permeates each nation-state despite different governing ideologies? Is a “core interest” that which is best for an individual nation relative to others? Additionally, how does a “core interest” change over time – what changes it, how durable is it, or does it ever change? These questions, a few among many, make it challenging to assign a universal definition of core interest. Interpretation is further complicated by the constantly evolving set of pluralistic forces present in the world today. For example, one can look at the US vision of its “core interests” pre-Sept. 11 in its “post-Cold War” era and see how that incident fundamentally altered the US outlook. One may also ask if “core interests” are a mutable

function of the leaders in power. Clearly, it is difficult to agree on the appropriate framework and usage of the term.

In spite of these questions and challenges, our paper asserts that there is value in attempting to understand and focus on the factors motivating a state's behavior. In recognizing that a nation-state's domestic and foreign policy is formulated within a changing and increasingly complex environment and in turn understanding how those defined policies are powerful mobilizing forces, it is important for "core interests" to possess an enduring quality – principles that nation-states consistently seek to protect and pursue over the long-term and only those interests that encompass supporting measures and objectives.

While the US and China may share core interests, there are differences in their deliberations on them, along with differences in the pursuit, consistency, and motivation behind each country's core interests. As a result, the Sino-US relationship is marked by great cooperation in areas in which interests are aligned, and increasing competition or conflict in areas in which core interests clash.

US Core Interests

There are three components of US core interests:

1. Defense of the homeland
2. Economic prosperity within a stable global economic order
3. Promotion of human rights and democracy

While it may be argued that, due to the pluralistic nature of US society and political process, certain US core interests take precedence over others at times, these three US core interests are unlikely to significantly change over time, with defense of its homeland and economic prosperity being particularly immutable. Unlike other states, including China, that still have concerns regarding territorial integrity, the United States is largely satisfied with its sense of "nation-state" in terms of territory. As a result, the US focus is less on assertion of territorial claims and on defense of the integrity and prosperity of US territory. To summarize, US core interests rest on protection of the US homeland (1), promotion of economic prosperity and growth (2), and promotion of human rights and democracy, often viewed by other nation-states as the US projection of its values and influence (3).

However, this is not to say that the order of these interests is static. Indeed, the order will change, depending on international and domestic conditions. In the international realm, shifts in the international security and economic environment affect priorities. For example, the end of the Cold War and disappearance of the Soviet threat fostered the United States to focus more on political (especially, human rights and democracy) and economic issues than on military security, a trend arguably reversed after the events of Sept. 11. This illustrates the fact that although security issues generally

prevail over economic issues, the perception of relative security resulted in the US placing priority on economic policies.

The US is a democratic state, and its priorities are susceptible to changes in the administration, public opinion, and special interests. For example, the Clinton administration during the 1990s de-emphasized state-to-state conflict and drastically cut the US military budget. Instead, the administration focused more on economic and transnational security issues, including trade imbalances, financial and trade liberalization, organized crime, international terrorism, nonproliferation of weapons of mass destruction (WMD), and climate change, which could not be dealt with by military means. On the other hand, the Bush administration during the 2000s emphasized threats from nonstate actors, especially international terrorism, as well as state-to-state relations and increased the military budget. Furthermore, public opinion and special interest groups also shape the priority of US core interests, as seen by the decision to withdraw from the Vietnam War in 1974.

In this context, the following factors influence priority for US core interests: the international security environment, political parties, public opinion, and special interests. Consequently, while the components of US core interests are relatively stable, their order of priority fluctuates, and from other states' perspectives, the nature of US core interests is often seen as "elusive."

The Impact of US Core Interests

The core interests of the United States shape foreign policy. Through assessing the current international environment and identifying the factors that would threaten or damage its core interests, the US aligns its foreign policy to protect them. Accordingly, its foreign policy focus is likely to be altered over time, and at the same time, its ends are likely to be the same. In other words, core interests are the ends that the United States needs to protect, while foreign policy is the means to pursue such ends.

Under the current situation, US foreign policy has focused on defense of the homeland and stability of the global economic order, namely with regard to counter-terrorism and financial stabilization, respectively. The recent experiences of the 2001 terrorist attacks on the US and the global financial crisis have forced the United States to take such policy foci. International terrorist groups have proven capable of attacking the US homeland. The financial instability that was caused by the Lehman Brothers collapse damaged the credibility of a US-led world economic system as well as its own economic prosperity, regardless of whether such responsibility rests solely on the United States. Therefore, these incidents have negative effects on the US core interests.

Stemming from these two policy foci, other foreign policies are produced as spin-off effects. For counter-terrorism, the United States argues that comprehensive approaches are necessary, which include nonproliferation of WMD, elimination of safe havens for international terrorist groups through such means as overthrowing terrorist-supporting governments, pursuing post-conflict reconstruction, nurturing democratic

principles in the world, enhancing international social and economic development, and promoting education. For economic stability, the United States asserts that government intervention and cooperation with other foreign states have become crucial to overcome economic difficulties. Since these policies cannot be achieved solely by the United States, Washington has asked for assistance from the international community: NATO and other allies have become primary resources for counter-terrorism efforts, while the G8 and G20 are primary sources for intergovernmental coordination to stabilize the international financial systems.

In this context, the question is to what extent the United States can continue to get cooperation from other states for US core interests. Admittedly, if the United States decides that its ultimate goal is solely to protect its core interests, it becomes extremely difficult to gain cooperative attitudes and actions from other states. However, since the United States has embedded its core interests in the international system by creating norms of an open economy and providing security and stability throughout the world, and particularly for East Asia and Europe, it becomes less difficult to obtain cooperation.

In short, despite the elusive nature of its core interests, US attempts to embed its core interests have been successful. Nevertheless, due to the expansive nature of US foreign policy on the basis of its core interests and due to the continued rise of a multipolar world, divergences between the United States and its allies and partners are likely to emerge, and adept diplomacy and economic policies to meet other states' interests will become vital in the future pursuit of US core interests.

Chinese Core Interests

China has three primary core interests which it has frequently and clearly defined through official writings and state media:

1. Economic prosperity
2. Peace and stability
3. Territorial integrity

While situations arise that can shift the emphasis from one interest to another, China's core interests have remained relatively stable order, largely because they are intertwined and build upon each other. In addition, being a one-party state, China's core interests are dictated by the Chinese Communist Party (CCP). While changes in leadership could shift the emphasis from one interest to another, public opinion and interests groups have relatively little influence over policymaking and, as a result, China's core interests have remained remarkably consistent.

How are these three interests related, and why are they China's *core* interests? First and foremost, the CCP has for decades used economic prosperity and improved quality of life for its citizens to ensure domestic peace and stability. To maintain popular support for the regime, the economy must continue to develop, its unemployment rate must remain low, and the nation-state must avoid any destabilizing situation, internally or

externally motivated, that could alter the delicate balance between state and society. While still considered a developing country, the growth of the Chinese middle class has lent more legitimacy to the Communist regime and its policy initiatives. Further, economic prosperity has helped to solidify Chinese control over minority territories that are considered “problem” areas, particularly Xinjiang and Tibet. By improving the quality of life throughout the nation-state and by providing development and infrastructure resources to outlying minority areas, the CCP has attempted to eliminate separatist passions while promoting domestic unity.

Beyond its borders, Chinese core interests are also intertwined. Deng Xiaoping famously said that for China to succeed economically, it must have peace and stability on its periphery; a peaceful and stable Asia provides the appropriate diplomatic and security environment for China to continue on its path to peaceful development by mitigating traditional security threats that could derail its economic initiatives. This interest most often results in a preference for the status quo and a reluctance to “rock the boat” through foreign policy decisions. Further, in the wake of the global economic crisis, a stronger economic footprint allows China to influence the international community and provides it with the resources needed to finance its growing visibility on the global stage. In return, China can promote a security and diplomatic environment sympathetic to its territorial claims and, in particular, its positions toward Taiwan. For example, often in return for an expanded economic, political, and security relationship, Beijing has demanded that nations renounce their recognition of Taipei. Beyond Taiwan, China has used its growing influence and clout to reinvigorate its claims over disputed territories, especially in the resource-rich waters of the South and East China Seas.

The Impact of China’s Core Interests

China has been very clear in defining its core interests, leading one to ask, why is Beijing so explicit, and what is the effect of this obvious delineation of core interests? There are many ways to answer the first question. As a one-party state, there is little public debate over core interests, and less opportunity for them to change. As a rising power, China uses its unambiguous stance and stated goals to assert itself in the region and globally. Finally, it could be argued that China has clearly defined its core interests as a means of eliciting domestic support for the regime; frequently stating the positions of the CCP on a handful of key issues promotes nationalism and deflects criticism from the regime onto outside parties that are deemed as interfering with the core interests.

There are many reasons for China to regularly define its core interests, but what effect does this have on the regime and its foreign policy? At home, this has positive and negative effects. On the one hand, as discussed above, it helps to rally the people around the CCP by making the party the champion of the nation’s core interests. On the other hand, it pushes the nation’s leaders into a corner when approaching an issue in any way related to core interests. If the party is the provider of economic prosperity, logic follows that it is also to blame when economic turbulence comes; if the CCP is the protector of Chinese claims over Taiwan, then it may fall on the party when something negatively affects the status quo across the Strait. On the international stage, Chinese core interests

are often seen as inward-focused, but as a major economic, political, and military player, there is an expectation that China should securitize more global public goods. For example, Chinese fears of the destabilizing effects of North Korean instability have resulted in a very static policy toward the Kim Jong-il regime, regardless of Pyongyang's behavior, which often leads to criticisms of Beijing for its tacit support of its provocative neighbor. Furthermore, the clear delineation of core interests frequently forces Beijing into positions that may not be in its best interest, particularly when it comes to Taiwan. Since the status of the island has been deemed non-negotiable by Beijing, any interference in that issue, especially when it involves the US, is considered a violation of core interests. Even if China did not want to disrupt Sino-US relations over a Taiwan-related dispute, it has to because it has so clearly stated the importance of the matter.

Conclusion

This paper attempts to delineate US and Chinese core interests by examining how each country's core interests impact its foreign policy. But how do these differences and similarities between core interests affect relations between the two countries? Given the emphasis in both countries on economic prosperity, it is not difficult to see how economic ties benefit both countries and how trade between countries has increased. The rapid growth of trade imbalances and the debtor-creditor relationship between the US and China threatens long-term economic prosperity in both countries and, indeed, the world, meaning that future cooperation will be critical. In other areas, however, there is conflict resulting from the pursuit of differing and, at times, contradictory core interests by each country. For example, the Taiwan Straits issue pits China's interest in territorial sovereignty against the US interest in both global stability and the promotion of democracy and human rights.

Given the important role that core interests play in foreign policy, and due to the increasing global significance of the Sino-US relationship, a clear understanding of the core interests of the other side is critical not only for top leadership or those in foreign policy, but for leadership at all levels in both societies. A better understanding of each others' interests, policies, and processes may increase the chances for cooperation and reduce the likelihood of conflict over the next few decades.

Appendix A

Pre-Conference Essays

*“China is the leader of Asia.” Do you agree with this statement or not? Why?
If China isn’t the leader of Asia, what country is?
What does being the leader of Asia mean?*

Ms. Brittany BILLINGSLEY

China is expanding its international role and is *a* leader in Asia. But it is not quite *the* leader of Asia. “Leadership” requires more than savvy economic and foreign policy. It requires a state to be willing and able to take a position, be able to take the initiative for consensus-building, and be recognized by the community as the leader in the region. While China is making headway, it also faces significant challenges and resistance.

China is experiencing exceptional economic growth and development, military modernization, and expanding diplomatic relations...but it also faces serious domestic concerns that hamper further movement. This interplay between strengths and limitations affects what China *can do* vis-à-vis leadership in Asia. Regarding its intentions, whether China *wants* to lead is questionable. It participates in international and regional fora, and seems content to participate in and influence specific areas rather than have absolute authority. While other states have encouraged China to take greater initiative, the response is often that China is a developing country and cannot take too much responsibility lest it over-extend itself. China may therefore see itself as a coordinator rather than initiator, as consensus-building is something it emphasizes. The ability to synthesize others’ concerns and objectives, and develop comprehensive, multilateral approaches to international problems is a highly desired skill in a leader...but it is not the *only* desired skill, and individual initiative is sometimes necessary.

Others perceptions are also important. Many states desire greater collaboration with China and recognize that any regional, and potentially global, endeavor will require Chinese cooperation. However, there is still distrust and uncertainty surrounding its role, despite China’s efforts to assuage concerns. There is a strong resistance to allowing *too much* influence for fear of a Chinese hegemon rising in Asia, which has encouraged other states to cultivate bilateral and multilateral ties to prevent such a development.

If not China, then who is Asia’s leader? There may not be one, since other actors have their own obstacles. Japan is one of the largest economies in the world and has a technological advantage, but it faces several internal concerns (e.g., an aging population and shrinking economy) which lead to a focus on national issues. South Korea is pursuing a more active international presence, but it is perpetually aware of its traditionally lesser role and the potential DPRK threat. The US allies hope its presence will keep the DPRK in line and keep a watchful eye on, or even shape, China’s rise. However, the US is suffering a decline in economic power, which has led to fewer

resources funneled toward Asia, something perceived by some as neglecting US regional allies and partners.

Asia may not have an absolute regional leader, and will not for the time being. Instead, states are leading particular spheres of influence, in a regional or functional context, and are building webs of bilateral and multilateral cooperation. Such collaboration is necessary for continued development and security.

Mr. Nien-Chung CHANG LIAO

China will become the leader of Asia as the keeper of stability and prosperity of the region, but, China still has a long way to go.

The rise of China due to its economic reform and military modernization fills the power vacuum created by the dissolution of the Soviet Union and the distraction of the US by the Great Recession and wars in Iraq and Afghanistan. Paradoxically, China's emergence in the first decade of the 21st century is based on the legacy of Deng Xiao-ping's strategic dictum of "hide your capabilities, bide your time" and "never take the lead." Whether China has prepared to take the leading role in Asia remains obscure.

If China wants to be the leader in Asia it has to eliminate the suspicion and uncertainty of Asian countries. Undoubtedly, as the powerhouse of the global economy, China has contributed to regional integration and economic rebound from the financial crisis. However, China's sovereignty disputes from the East Sea to the South China Sea, its intimacy with North Korea, and its military threat to Taiwan send a mixed message to Asian countries about its true intentions, which overshadows China's future role as the leader of Asia.

From a Taiwanese perspective, since Ma Ying-jeou's election as the president of Taiwan in May 2008, Beijing-Taipei rapprochement has palpably reduced the tension across the Strait. However, there is no sign of changes on the mainland's military deployment against the island. China's continuing military build-up, which has tilted the military balance to its side and multiplied the number of short-range missiles targeting Taiwan, is incompatible with the current momentum of cross-Strait economic interdependence and raises doubts among Taiwanese about the mainland's sincerity about reconciliation. Although China adopted a series of economic favors to appeal to the Taiwanese people, surveys show that the percent of pro-unification people on the island did not arise. A majority of Taiwanese people prefer the status quo of cross-Strait relations, regarding people opposite the Strait as "business partners" rather than family members.¹⁹

¹⁹ 54.9 percent of Taiwanese people prefer to maintain the status quo while 10.5 percent prefer unification with the mainland; 44.1 percent regard people on the mainland as "business partners" rather than "friends" (18.0 percent) or "families" (7.5 percent), see "Survey on Signing of Economic Cooperation Agreement with Other Countries, People's Views on Unification with China and Independence and President Ma Ying-jeou's Approval Rating," *Global Views Survey Research Center (GVSRC)*, 23 March 2010, www.gvm.com.tw/gvsrc/download.asp?sid=173&url=http://www.gvm.com.tw/gvsrc/201003_GVSRC_others_E.pdf

If China wants to take the leading role in Asia, it should do so in an unambiguous way – reassuring the region of its benign intentions and its commitment to security and stability. However, the uncertainty of China’s political system, which lacks transparency in the decision-making process and the mechanism for power transition, makes it hard for China to convey its true intention as a peace-facilitator. In the next decades, China has to engage in political reform focusing on accountability and transparency. When that day comes, China will achieve its long march to be the leader of Asia.

Ms. Kim FASSLER

Leadership can be defined as having the ability to set an agenda and seeing that efforts to reach common goals are carried out. China is positioning itself to become the leader of Asia by strengthening relations with its neighbors and taking a more prominent role on regional economic and security issues. However, several factors have prevented it from being the leader of Asia, a position that – if there *is* any such position – still belongs to the US.

First, China’s relationships with key players in the region have been rocky, making it difficult for it to build consensus or set a common agenda. Although all of Asia recognizes China’s growing importance, many leaders are still cautious about its rise, notably Japan. China-Japan relations have thawed, but tensions over historical wounds and territorial issues linger. Southeast Asia acknowledges the importance of economic cooperation with China, but history is also a factor, and leaders warily watch Chinese naval expansion.

Meanwhile, the US maintains strong security alliances with Japan and South Korea, through which it has been able to lead regional efforts to address North Korea’s nuclear program. The US is not universally welcome in Southeast Asia, but it has played a role in the development of regional institutions like APEC.

Second, Chinese foreign policy shows increased involvement in regional multilateral institutions but a cautious approach to regional leadership. While it is clear that China would like to take some if not all of the authority the US holds in Asia, it’s unclear whether it wants all the responsibility or play the role of hegemon. Chinese leaders stress a foreign policy based on nonaggression and peaceful coexistence – which turns increasingly hawkish when it comes to national sovereignty, especially regarding Taiwan. Domestic stability remains a primary concern with growing inequality and recent flare-ups in the border regions. How a greatly expanded leadership role in Asia would affect domestic stability is uncertain, maybe even for Chinese policymakers.

The present situation reflects a changing reality where the once-dominant US is balanced not only by China, but also by Japan and ASEAN. The future regional order may be shaped by how East Asian integration proceeds. China and the US are jostling with each other to ensure that whatever form regionalism takes, it will be in their own interest. If integration succeeds, China will not be able to avoid a leading role and will rival US influence. Backed by an East Asian bloc and an Asian Monetary Fund, China could

challenge US dominance beyond Asia in the international financial architecture or build a global regime based on its principles. China's leadership in the economic realm will strengthen its regional (and global) political clout. Importantly, integration does not automatically mean Chinese hegemony or a minimized US presence in Asia, but it does reflect a fundamental shift in the regional order toward greater economic interdependence and new leadership alternatives.

Mr. Isaac Stone FISH

Much has been said about the speed of China's transformation over the past three decades. But China's growing influence still hasn't resulted in it overtaking the US in Asia. From the Israel-Palestinian conflict, where America reigns supreme,²⁰ to a North Korea depending on China but focused on America, the US is the integral player in the region. The reason for China's secondary status in its own continent is what, for the purpose of this essay, will be called "the Three Lacks:" lack of domestic political will, lack of effective soft power, and lack of acceding from America.

China's leaders' driving motivation is to stay in power. This requires a focus on domestic affairs, which in China's case consists of reducing income inequality, quieting restive minorities, and improving the health care system. Beyond what China considers its core interests, it's still looking inward and remains relatively politically uninvolved with its neighbors. China's leaders and populace lack the missionary zeal to spread Chinese culture around the world. Things like the Confucius Institute represent an attempt for China to improve its image abroad but not a burning desire to convert or to civilize others. In addition, China spent decades on the receiving end of criticism on how it should run its country, and bristles at the idea of advising other countries publically. So, even though China invests in Afghanistan, for example, its political involvement is limited, despite the potential upside on its reputation as a leader, and requests from the US.

Although obsessed with the idea of soft power, China's leaders have failed at using its media abroad. Its entertainment industry can't compete in international popularity with South Korea's or Japan's. Persistent censorship and a school system that fosters rote thinking over creativity has ensured that China's writers don't produce anything worth reading outside China.²¹ Mandarin has not yet supplanted English as the language of the region, adding another layer of inaccessibility between Chinese media and the rest of the continent.

It's not only China's fault that it hasn't emerged as a leader in the Pacific. America's strong, and military-tinted relationships with most of Asia's major players, including Japan, India, South Korea, and Saudi Arabia, make it more difficult for China to assert

²⁰ Despite China's sometimes bizarre efforts to involve itself; for example, it sent election monitors to the West Bank in 2005.

²¹ I worked in publishing in China from 2006-2008, and I used to ask Chinese authors who their favorite authors were. They all listed dead Chinese or live foreigners; the only person who named a live Chinese author named himself.

itself. Singapore's elder statesmen Lee Kuan Yew, asked the US to remain in the Pacific as a balance against the Chinese, and the US shows no signs of refusing. Until there are further shifts, China's role in Asia will remain a secondary one.

Mr. Mark GARNICK

When arguing whether China is the leader of Asia, one can look at traditional indicators such as economics military, and political stability. By these indicators China is the leader in terms of economics, and military in Asia. China has the largest Asian economy in terms of GDP purchasing power parity (PPP) at \$9.7 trillion. Chinese defense spending is second to the US at a reported \$76.3 billion and military force of 2.25 million soldiers, which is greater than any other nation in the Asia-Pacific. The Chinese Communist Party maintains absolute authority within China. At the same time there are growing income disparities, high unemployment, rising housing prices, concerns of corruption, and gender gaps that significantly affect social stability. These factors have not yet threatened the political stability of China. Thus, while China has the greatest economy and largest military, it is still considered a developing nation.

To determine whether China is a leader of Asia, one must evaluate what it means to be a leader. I define it as a social process where one nation can influence other nations to achieve a common goal. Implicit within this definition is capacity to set agendas, to identify problems, and develop corrective measures to significantly improve the situation. With this definition, China is not a leader for two reasons. First, China has not been able to set an agenda and gather support for an objective. I would argue that the strongest example was the Six-Party Talks, but China did not take a leading role in promoting the denuclearization of the Korean Peninsula. This is due to a policy of non-interference, and interest in stability on the Korean Peninsula. Second, China has yet to identify problems and develop corrective measures for a resolution. China has not promoted recommendations to reform the nonproliferation regime, and continues to support the DPRK. Since DPRK withdrawal from the Six-Party Talks, China has done nothing to promote denuclearization of the Korean peninsula. China has undertaken the task of ensuring DPRK stability through foreign aid. China is not a leader, but an actor promoting its own national interests independent of regional actors.

While US and China play the strongest roles in Asia, there is no leader of Asia. Many nations in Asia are pursuing their own national agenda. However, China plays a critical role in each nation's strategic calculus. China is not promoting an agenda toward any other country. China simply promotes economic growth, and because of this China is an important partner in Asia.

Mr. Kei KOGA

I disagree with the notion "China is THE leader of Asia" for three reasons. First, China's capability has yet to reach the point where it can exercise leadership in Asia. It is true that China's military, political, economic, and cultural presence have been increasing rapidly since the 1990s and all states need to pay attention to Chinese behavior to understand its

consequences. The US, Japan, and South Korea are economically and politically influential in the region, and China is not yet in the position at which it can project its influence in the region.

Second, there is a trust issue among East Asian states that makes it difficult to say “China is the leader of Asia.” Although China, Japan, and South Korea have potential to play a leading role in political and economic fields, due to paucity of trust among them (driven by historical legacies), it is difficult for each to assume such a role despite efforts to enhance cooperation through Japan-China-South Korean trilateral frameworks. This is well-illustrated by the recent results of Japan-South Korea study groups on history in 2010 that became very contentious and clarified the division on their perspectives, the political maneuvers of China and Japan in the formation of the East Asian Summit in 2005 to compete for influence in the region, and the fact that ASEAN has been a driving force (though not a “leading” role) to institutionalize cooperative frameworks in East Asia. The trust issue influences perceptions toward each other.

Third, China has yet to fit the definition of leader that I think Asia has. The Asian definition of leader emphasizes a leader’s role in coordinating followers to maintain social order (or preventing chaos), which has a more static characteristic. Leaders are required to be politically, socially, and economically stable and to provide public goods to followers. China, to some degree, has provided public goods (regional stability) in the past. For example, in the 1997 Asian Financial Crisis, China did not depreciate its currency to increase its competitiveness for export goods, which was applauded by Southeast Asian states. Nevertheless, it still has potential domestic political instability, given increasing gaps between haves and have-nots, and it has potential to become a source of regional instability as illustrated by its opaque military posture and issues over the Taiwan Strait. Thus, China seems to not be “the leader of Asia.”

Given these factors, Asia does not have “a leader.” This is why Asian states rely on the US in many perspectives, which is currently seen as the leader of the international community. Yet, the most likely near-future scenario is “leaders of Asia” in specific fields, but no leader of Asia.”

Mr. David LEE

I have learned two variations of the Golden Rule. My mother taught me the first version, and it’s the one that most know, and ostensibly try to abide by: “do unto others as you would have them do unto you.” The second version I learned more recently while working in Hong Kong: “He who has the gold, rules.” Unfortunately, when it comes to nation-states, the second version of the Golden Rule often displaces the first.

In China’s case, the deterioration of the global economy from the latter half of 2008 further solidified China’s role in the world economy, not only as the world’s manufacturing workshop, but highlighting its importance as the financier of US deficit spending. In a very real way, China has the gold, and accordingly its star has risen in the constellation of countries that comprise Asia.

Beyond geographic size and population, China's economic prowess and potential for future growth fueled by domestic consumption make discussion of China's leadership role in Asia compelling. We live in a world with three major economic powers: the European Union, China, and the US. The European Union and the US are still coping with fundamental macroeconomic issues that jeopardize meaningful economic growth. On an industry by industry basis, there are not many Chinese companies that are world leaders. The power of its economy in the aggregate, has catapulted China into a discussion of its place not only in Asia, but the world.

Outside economics, the discussion takes a different twist. Notwithstanding its economic ailments, the US remains the region's political powerbroker. Treaty relationships with Japan and South Korea along with an ability to quickly project force provide the United States a capability to influence regional affairs that China has not acquired. Admittedly, there have been many reports regarding the rapidly improving technological sophistication of the Chinese military. Additionally, there are countries in Asia (e.g., Myanmar) where China's influence eclipses that of the US. Even taking those facts into account, the US position in the region has not been supplanted or even severely eroded.

Asia's cultural, economic, geographic, historic, and political diversity makes discussing Asia as a monolithic entity difficult and designating a specific leader even more difficult. Undoubtedly, China is *a* leader in Asia, but crowning it *the* leader is premature. We are nowhere near the Sino-centric tributary system that governed pre-modern East Asia. Leadership in Asia today is leadership by committee. In certain areas, like economics, China plays an undisputed leading role. In other areas, its influence is not as pronounced (e.g., the arts, cutting-edge R&D, and human rights just to name a few). At the end of the day, most of Asia does not want to be led by China; they just want to share in its economic growth. So, it is just about the gold.

Mr. Xiaojun LUO

No, China is not the leader. Maybe China is the leader in economics in Asia, but not the leader in politics, military, science, and morality. China has not led in innovation and value of future development. So, China is not the leader of Asia, and this position will exist for a half century at least.

In fact, there is no real and comprehensive leader of Asia. Japan will not be the leader because of its history and being a lame-duck in the international community. India is still a little brother in Asia. The US has comprehensive and powerful influence in Asia, but it is not the leader of Asia and it has not been accepted as the leader of Asia.

The leader of Asia should lead the region to a world with peace, stability, prosperity, democracy, justice, and sustainability in ecology. The potential leader should behave as a pioneer in these fields, within its boundaries and outside, too. The potential leader should provide and has the ability to supply public goods. That is why US is not the leader of Asia, nor other countries.

Ms. NI Shan

Since the “Beijing Consensus” proved to be a success during the global financial crisis, China’s rapid development and improved international influence has become a hot topic. So, can China become the leader of Asia? It is necessary to know the meaning of “Asian Leader” before we answer the question.

A leader of Asia should keep the idea of “Asian Integration” in mind. Regional integration is a gradual process flowing toward construction of a system and then concept recognition. Asia is a region of diversified national cultures and has the largest population in the world; however, it is filled with both development opportunities and challenges. Therefore, Asian integration is a key step in its development in the globalized age. Second, a leader should have great national strength including political credibility and influence, advanced military force, high GDP, relative balanced exports and imports, mature diplomacy, and cultural cohesion. Third, it should be a responsible country with broad international vision, so, no matter what regional conflicts happen, it has the ability to solve them in a reasonable way with public trust. Additionally, an Asian leader should follow the basic principle of “Peaceful Development” and “Sustainable Development.”

According to this logic, China maybe an Asian leader in the future, but not now. There is no doubt that China’s rise has enormous and deep influence on Asia. Nevertheless, we have problems that need to be resolved. For instance, China still has territorial disputes with other Asian countries like Japan, Philippines, and Vietnam, and has domestic sovereignty problems with Taiwan. Furthermore, the construction of FTAs (Free Trade Area), with other countries rests on cooperation with developing countries, and FTAs with countries with economic strength, such as South Korea, Japan, and India, haven’t been built yet. Meanwhile, the gap between the rich and poor in China must be solved, which is a “bottleneck” for China’s development.

There are other Asia countries that need to be mentioned in the competition for future regional leadership. One is Japan, which tried to create a “Greater East Asia Co-Prosperty Sphere” in the 1940s by using military force to invade other countries. Japan has reiterated its “East Asian Community” concept. Another country is South Korea, whose president Lee Myung-bak has put forward the strategic conception of the “Jakarta Plan” that changed previous foreign policy from “embracing surrounding countries” into “expanding to the whole Asia region,” and aims to be the coordinator in the regional trade area. The third is India, which has developed even faster in recent years and has enhanced its military force by cooperating with Western countries which strives for regional influence with China. It is important to focus on the biggest regional organization in Asia, ASEAN. Even though members of ASEAN are developing countries, it should not be neglected.

Whether China becomes the Asian leader in the future, it faces the problem of how to balance regional powers by negotiating with the US, not only because Japan, South Korea are the faithful military partners of the US, but also because of US strategic interests in Asia. As the most powerful country in the world, US has considerable

influence in Asia. However, the US should be pleased to see China’s earnest efforts at building an Asian order instead of opposing it. The two sides could cooperate in more fields. The construction of a Sino-US relationship on the regional level would bring benefits to each other.

Comparison among Potential Candidates for Asian Leader

Nation or Region		Land Area (10,000 sq. km)	Population (100 million)	GDP (Trillion Dollars)
Northeast Asia	China	960	13	4.4
	Japan	37.8	1.28	4.84
	Korean Peninsula	22.3	0.7197	≈1
ASEAN		450	5.12	≈2.2
Total		1470.1	20.1197	12.44

From http://military.china.com/zh_cn/critical3/27/20091111/15697537.html

Dr. Kevin SHEPARD

“China is *the* leader of Asia.” I disagree. Is China the leader *in* certain categories? Definitely. Without referencing any particular situation or initiative, this statement infers that not only does China possess certain leadership qualities, but that it asserts them as a hegemon, representative, and for the good of the region. Such qualities distinguish a leader from a ruler. I would not label China a ruler of Asia, either.

“China is *a* leader *in* Asia.” Politically, economically, and militarily, very little can transpire in Asia without being influenced by China’s interests. However, China has yet to take the initiative to become *the* leader in the region. In fact, it has been vocal in explaining its ‘quiet rise’ strategy to reassure neighbors of its benevolent intentions. It participates in regional and international forums and has a strong influence over decisions, but instead of leading initiatives, China’s role has overwhelmingly dampened intervention by others, and primarily the US. This has been an important role, and has helped to keep Washington ‘honest’ by forcing multilateralism, the prioritization of diplomacy, and recognition of the ‘Beijing Consensus’; an alternative path for countries “to fit into the international order in a way that allows them to be truly independent, to protect their way of life and political choices,” rather than model themselves after the United States.²²

²² Joshua Cooper Ramo, *The Beijing Consensus: Notes on the New Physics of Chinese Power* (London: Foreign Affairs Policy Centre, 2004).

China's growing influence is a concern for its neighbors. As it grows, it has the potential to become *the* regional leader, but historical legacies of Chinese regional domination make it difficult for South Korea, Japan, or ASEAN states to accept China in a leadership role. On one hand, these tensions could appear beneficial to the United States by strengthening the incentive for other Asian countries to accommodate Washington's demands in order to solidify trans-pacific relations. However, I believe this is a short-sighted vision that the United States should avoid. China's ongoing and growing role in the region is an undeniable truth. Washington should engage Beijing as a partner now, rather than compete for influence in a game in which a win is far from guaranteed.

Through active engagement, the US can establish a strong and mutually beneficial relationship with China that would allow other regional countries to grow through trade and relations with both powers, rather than polarizing loyalties and thus raising opportunity costs of 'siding' with either Washington or Beijing. By working together, these two leaders can foster a system of regional governance and regional cooperation that would result in a level of stability and prosperity greater than the sum of the two halves of divided loyalties and regional cold war politics.

Mr. Micah SPRINGUT

A true leader of Asia shapes the regional agenda, enjoins cooperation on common goals, and pursues shared interests over zero sum gains. A leader must have an attractive vision, as well as the capability and will to execute it. As China's economy grows, it is making strides to be a leader in Asia. It is an important player in regional diplomacy, a facilitator of trade and economic growth, and an articulator of principles, including noninterference and the primacy of economic development, that are viewed favorably by some nations in the region.

China is not, however, the leader of Asia and faces a number of obstacles to becoming the leader of Asia. First, China has not articulated a compelling and comprehensive vision that will allow it to shape the agenda in Asia. China maintains that its focus must be on its significant domestic challenges, not regional leadership. China's participation in regional institutions has been criticized for failing to deliver tangible benefits. And on certain issues that receive regional attention, such as climate change, China has shown itself to be more concerned with defending its economic interests than leading a collective response to the challenge. Perhaps most importantly, it is hard to imagine that a non-democratic China could produce a regional vision that will satisfy Asia's desire to expand freedom and democracy.

Second, China lacks capabilities necessary for being the leader of Asia. It is not the only nation that provides economic benefits to the region, facing competition from the United States and Japan, among others. China is also a long way from being capable of meeting the region's security needs, as it has only rudimentary ability to project military power or to respond to nontraditional threats faced by neighbors.

Third, China's behavior often produces friction with its neighbors as it pursues zero-sum gains over shared interests. On regional challenges, such as North Korea, despite more proactive diplomacy in recent years, China has pursued goals that are at odds with those of other concerned nations. China's territorial interests in Taiwan, Tibet, and the South China Sea, along with suspicions that it may one day pursue hegemony in Asia, have led many of its neighbors to "hedge" against Chinese ascendancy. The distrust China engenders undermines China's leadership potential.

Leadership in Asia is still exerted primarily by the United States. The US is a trusted and credible provider of security and economic benefits, and carries significant sway with nations in the region through its soft power. Yet, even the United States cannot be called "the leader of Asia." Asia is a region with strong states and diverse interests, and American engagement cannot address the full range of issues important to the region or satisfy Asian states' desire to play a more active role in their own affairs. Japan, India, Korea, Indonesia, and Australia, among others, hope to be stronger leaders in the region. A growing interest in Asian regionalism also reflects a desire for multilateral solutions to common challenges. Thus, it is not likely that Asia can be led by any single nation.

Mr. Josh STARTUP

China is not the leader of Asia, from a Western understanding of the term. In the West, a leader is one who sets the course and then tries through persuasion (or coercion) to get others to follow in that direction. While China is certainly a dominant force in Asia, and perhaps the most influential country located in Asia, it has not been inclined to become "the leader" in a way the West would perceive it. China appears to be content as a status quo power, and continue its internal development and modernization. While it is increasingly exercising its power, it is not inclined to be seen as the leader for several reasons. First, it does not want to spook the US into seeing it as a competitor or threat, which could hinder its growth. Hence its shunning of the phrases "peaceful rise" and "Beijing consensus" which could be seen as challenges to the West. Second, with a foreign policy largely built around the concept of sovereignty, it is limited in what areas it can actively engage in without being seen as hypocritical. Thus, for example, China, at least from the outside, does not appear to be the driving force in the Six-Party Talks. Finally, the way the Chinese understand leadership and the exercise of power is more subtle than that of the West. Thus, one could argue, China is not the leader of Asia (at least) partially by choice.

From a Western perspective, the US is still the leader in Asia, setting the agenda and striving to gain support for its agenda from other countries, although it partly depends on the issue under consideration. The United States is still the ultimate guarantor of security in the region, with Beijing's consent for now. China benefits from the US underwriting of the region's security in securing the sea lanes and preventing other conflicts, although China is increasingly staking its claim to new maritime rights. With its attention diverted by two wars and economic crisis, the US has not been as active in Asia as it might be, but no country has stepped up to fill the void. ASEAN is a force in areas such as community building, regional economic issues, and even beginning to be in human rights. Its

consensus-based structure precludes it from asserting its leadership too forcefully, but it has a measure of power when it does commit itself. While China may not be the leader, it wields enough economic and political influence in Asia, so that it can exercise what might be thought of as a veto power over many issues. Hence, countries are often seen as hedging their bets on many issues between US interests and Chinese interests when the two appear to be at odds.

Mr. David SZERLIP

Although China has undergone a meteoric economic rise over the past two decades, it is still far from an Asian leader. In fact, China's rise is, in many ways, reinforcing the United States' leading position in the region. In the four major dimensions of leadership, namely political, economic, military, and socio-cultural (soft power), China lags significantly behind the United States in Asia. As the political leader of Asia, nations continue to turn to the US to confront and tackle the biggest threats to regional stability. Further, Beijing is increasingly criticized for continuing to support destabilizing regimes in Pyongyang and Naypyidaw (the new Burmese capitol), and few nations turn to Beijing to lead coalition-building efforts to tackle nontraditional security threats. Economically, Beijing's status continues to rise, but it is still dwarfed by the US, and the Chinese economy remains overly dependent on exports, has done little to develop indigenous innovation, and is increasingly scaring away foreign capital due to intrusive investment policies. Possibly more important, the Chinese economy is still highly dependent on foreign oil shipped through sea lanes protected exclusively by the US Navy. Militarily, much attention has been focused on the rising power of the People's Liberation Army, and this is largely justified due to the unprecedented modernization drive carried out since the Taiwan Strait crises of 1995 and 1996. However, China is still decades away from projecting power beyond its coasts, its military expenditures have already been sacrificed due to the global recession, and the complete lack of transparency in its military buildup has led to significant military investments by other nations in the region – only verifying the theory behind security dilemmas. Finally, Beijing has touted its soft power credentials with its no-strings-attached loans and its "leadership" of the developing world to combat harmful Western policies, such as protecting the environment. However, a recent BBC poll confirmed that the US is increasingly respected amongst Asian nations, especially under President Barack Obama, while Beijing has gained little support over the years. In all of these sectors, China still has significant ground to make up to catch up to the US as the leader of Asia.

More importantly, China's rise has only solidified the US position in Asia. There have been two forces behind this. On the one hand, Asian nations have looked to the US as a counterbalance to an increasingly threatening and opaque China. This is demonstrated by efforts in South Korea, Australia, Japan (before July 2009), and Singapore to improve alliance relations, but it is seen most distinctly by Southeast Asian nations turning back to the US after an early post-Cold War rejection. For example, the Philippines, Indonesia, and Vietnam, are cozying up to the US out of fear of Chinese behavior in the South China Sea. On the other hand, the US has also felt a need to reestablish itself in Asia to hedge its bets during China's rise. For many years, the US took for granted its leadership

position in Asia, and it became distant and distracted, especially during the immediate post-Sept. 11 years. However, recognizing that Beijing had the potential to unseat US leadership, the US has committed itself to returning to Asia. China's rise has led the US to realize the importance of Asia and to at least recognize the need to be the leader of Asia.

Mr. Qiu WANG

China is rising and external states' and people worry about this. China won't be the leader but will play a role as a decisive regional and global participant and coordinator. After the global financial crisis, the US importance to and status in Asia is unswerving, which urges China to search for stability with America. China's harmonious world outlook is a strategy to maintain its position as chief beneficiary following the largest gain-holder, the US. Searching to be the leader of Asia is not only an illusion for China, but a hindrance to Sino-US relations and China's security. Instead of being a leader of Asia, China prefers a collective position in constantly balancing Asia.

We should first make it clear what we are talking about: East Asia or the Asian continent? We should take India and the League of Arab States into account, though the latter is not united. China's rise has yielded incremental involvement in Asian affairs. Economic prosperity and social stability are top concerns of and persistent impetus for foreign policies of China. Thus, China must maintain a close relationship with the US and neighboring states that are critical to China's economy and security. The North Korean issue and Taiwan issue seem likely to remain unsolved for decades. Lasting competition with India is a threat to China's development. Most importantly, the US-Japan security alliance strengthens prospects for Japan's rise against China, which will limit China's capability beyond economic exchange. ASEAN's neutral or pro-America attitude makes it difficult for China to work on the South China Sea issue. The paradox of China's rise makes China follow prudent and somehow conservative foreign policies.

Ms. WU Lin

China has emerged as a regional power with limited global interests and influences. Its national interests are in this region, so the priority of foreign policy lies here, and has great impact on the international context of Asia. However, China is not the leader of Asia.

Two conditions define which country is the leader of Asia. One is material strength, including economic and military abilities, and the other is soft power, especially the capability to provide the region with international common goods. From this perspective, China is not qualified to be the leader of Asia. First, although China developed fast and grew to become a prosperous market, compared to Japan, the second biggest economy in the world, it's still a developing country. GNP is much lower than many developed nations in Asia, and the internal imbalance of economic development has affected the sustainability of economics, social stability, and international influence. By the same token, although China has pushed military modernization these years, the strategic sea

lanes in Asia are almost controlled by the US and its alliances or strategic partners, where China is restricted in many ways. Second, without enough hard power, China prefers to take on international and regional responsibilities relative to its role in the region. China is seen as an emerging global power by many countries which China generally doesn't deny, while China is more likely to identify itself as a responsible regional power with limited global interests. As China was convinced of the preeminence of the US in Asia and the acceptance of the US staying in Asia by most Asian states, it has learned to accommodate it and actively participate in multilateral regimes. In these circumstances, China has no ability and no context to become the provider of regional common goods; instead it seeks to promote and respond energetically.

If China is not the leader of Asia, who is? Some say it's the US. I agree with Barry Buzan and Ole Wøever: "Like Europe before it, Asia now has too many substantial powers within it to allow any one of them to take over the whole, and it has collectively become too big a centre of power for any one country to dominate it without that domination having major repercussions at the global level."²³ That is to say, there is a balance of power or balance of influence in Asia to prevent any single power from dominating the whole region, including the US.

If we compare the role of the US in Asia with the two key conditions mentioned above, the US is still the largest market for Asian countries and the security stabilizer of Northeast and Southeast Asia. In the domain of soft power, the US seems to lack an ability to provide regional common goods alone. Instead, ASEAN has been acknowledged as the center of regional regimes in Southeast Asia, East Asia, and Pacific Asia. In ASEAN-led regional regimes, nations gather together in an "Asian Way," which pays more attention to informality and consensus. This kind of decision-making is different from the Western way, which means Asia shares more regional autonomy and the US is also accommodating the changing context.

Mr. Qisheng WU

Is China the leader of Asia? We should first define what "leader" means. To be a leader, a person or an organization must have both the willingness and capacity to set the agenda and to provide momentum or necessary resources to move the agenda forward. A country or organization cannot be regarded as a leader if it doesn't have the willingness or capacity to lead. Second, we need to clarify what being the leader of Asia means. Having learned from the leadership of German and France in Europe, and the leadership of the US in North America, we can expect the leader in Asia to have the willingness and capacity to promote the cooperation and integration of the region, both in economic, political, and security areas. Based on these basic criteria, we can conclude that there is no leader in Asia.

²³ Barry Buzan and Ole Wøever (2003), *Regions and Powers: the Structure of International Security*, Cambridge: Cambridge University Press, p.172.

China is not the leader for two reasons. First, China does not have strong willingness to lead. China's policymakers have been strictly following Deng Xiaoping's "Tao Guang Yang Hui" policy, which means hiding one's capacity and refraining from revealing one's ambitions. In the near future, China will continue following this strategy. Another reason for China's unwillingness to take the leadership is concern about its neighbors' reaction. The "China Threat" theory has been quite popular in some Asian countries for decades. To ease anxiety about China's rising power, it would be reasonable for China not to act too ambitiously, because any bold proposal could be viewed as an intrigue to expand power. Third, China does not have the capacity to lead. Even though its economic size has grown rapidly during the past 30 years and will surpass Japan soon, China is still a developing country where more than half its people live in rural areas. Furthermore, as a country which is still in transition from planned economy to market economy, China faces huge domestic challenges, such as eliminating the widening development gap between regions, sectors, and classes, strengthening the rule of law, resolving environmental pollution, etc. To dealing with these challenges, will restrain China's capacity to assume leadership in the region in the foreseeable future.

Based on the above criteria, other great powers or organizations, including Japan, ASEAN, and US, also cannot be regarded as a leader in Asian community building. Although Japan has the willingness to lead Asian economic integration, its stagnant economy and its strained relations over historical issues have restrained its capability to do so. Although ASEAN, an organization of small countries, has indicated strong willingness to build a community in the region, and has taken the leadership to do so, its limited economic resources and internal differences undermine its capacity to lead. As the most powerful player in the region, the US does not have strong willingness to build a highly integrated Asia, as shown in its opposition to Malaysia's EAEG proposal and to Japan's Asian Monetary Fund proposal.

Although it is one of the most vigorous regions in the world, Asian is deeply divided. No country has the willingness and capacity to take leadership. This is one of the reasons that slows Asian integration compared with Europe and North America.

Ms. Adrian YI

A statement that claims a certain country "is the leader of Asia" assumes that Asia is a collective body with a common purpose. A quick internet search shows a few basic definitions of the term "leader:"

1. "one who influences a group toward the achievement of a goal"
2. "the leader is the inspiration and director of the action. One that possesses the combination of personality and skills that make others want to follow his or her direction"
3. "One who is in charge or in command of others"

4. “one who rules, guides, or inspires others”
5. “person or thing that holds a dominant or superior position within its field, and is able to exercise a high degree of control or influence over others.”

Does Asia have a common purpose? Does China have superiority? Is China exerting its influence and superiority in leading Asia toward that purpose? Once we identify the purpose, we can assess whether China is guiding, influencing, or inspiring the rest of Asia toward that goal. Asia as a whole does not have a common purpose however. There are national interests that may align with those of other states to a certain degree, but there is no overarching, common goal. Areas where national interests align between states tend to be economic in nature. When examining economic relations between China and the rest of Asia, one can attribute leadership qualities to China if measured by competitiveness. However, security specialists may be more hard pressed to consider China a leader in Asia. Many consider China’s exertion of influence in North Korea via economic aid to be a contradiction to the stated goals of the international community – especially with regard to UN sanctions.

So long as there is no common goal in Asia, it is impossible for any country to be “the leader of Asia.” There are states with superior capabilities that are more competitive than others in certain sectors. However, without common interest, a state can only be superior and more competitive – not a leader.

Appendix B

About the Authors

Ms. Brittany BILLINGSLEY is a 2010 visiting Monterey Fellow at the Pacific Forum CSIS. She is pursuing an MA in international policy studies at the Monterey Institute of International Studies, specializing in Asia security. She spent a semester at the Beijing Foreign Studies University and received a BA in East Asian studies from the Pennsylvania State University with a minor in political science and Chinese language. Brittany has interned twice with the US Department of State: at the Foreign Service Institute in 2006, and the Bureau of International Security and Nonproliferation in the Regional Affairs office in 2009. Her research interests include Chinese domestic policy, Chinese security issues and US-China relations, as well as China-India-Pakistan relations, nonproliferation and nuclear security.

Ms. Sheena BLACK is a graduate student at The Fletcher School, Tufts University.

Mr. Nien-Chung CHANG LIAO is a PhD student at the Graduate Institute of East Asian Studies at the National Chengchi University. He is interested in international relations theory, Chinese security policy, and relations between Taiwan, China and the United States. He is also an assistant director of research at Asia Pacific Peace Studies. He published essays on the 2002 North Korean Nuclear crisis, Chinese negotiation behavior, the 1995-96 Taiwan Strait crisis, and human rights in China.

Ms. Kim FASSLER is a graduate student at the Hopkins Nanjing Center and is pursuing her MA from the Johns Hopkins School of Advanced International Studies. Her concentrations include China Studies, International Policy and International Economics. She received her BA from Williams College in political science and Chinese. Originally from Honolulu, Hawaii, she worked as a reporter for The Honolulu Advertiser and writes a blog for their online site.

Mr. Mark GARNICK is a Monterey Fellow at the Pacific Forum CSIS. He is pursuing his MA in international policy studies with a concentration in East Asia studies at the Monterey Institute of International Studies. He is also apart of the James Martin Center for Nonproliferation Studies, East Asia Nonproliferation Department where he researched China's Aerospace industry, and China's military modernizations. He holds a BA in International Relations from California State University Sacramento.

Ms. Megan HAAS is a graduate student at the Fletcher School merging her work experience on the grass-root level and in the private sector. She's focused on increasing access to financial services and enterprise development in developing economies through specializations in Development Economics & Finance and International Political Economy. She's engaged in initiatives pushing new paradigms of thought including mobile banking and sustainable investments. She is writing a thesis on China-Africa trade and economic issues. Prior to Fletcher, Megan started a non-profit in rural Uganda

focused on women's empowerment through vocational training and micro-enterprise programming. She spent two years as a financial analyst for the retailer, Target.

Mr. Kei KOGA from Japan, is a 2009 Vasey fellow and a PhD candidate in international relations at the Fletcher School of Law and Diplomacy, Tufts University. His research interests include international relations theory, international security, terrorism, East Asian regionalism, US-Japan relations and ASEAN. Before attending Fletcher, he was a research fellow at the Japan Forum on International Relations and as assistant executive secretary at the Council on East Asian Community. He teaches international relations and East Asian security at the Open University of Japan. He received an MA in international affairs at the Elliott School of International Affairs, George Washington University, and a BA in international affairs at Lewis & Clark College.

Mr. David S. LEE worked for Goldman Sachs in their Hong Kong office until March 2010. He is working on a non-profit initiative designed to provide opportunities to disadvantaged groups in South Korea, particularly orphans and North Korean refugees. He is interested in North Korean refugees from a human rights perspective and how they integrate into South Korean society. He earned his J.D. from UCLA School of Law, where he was an Articles Editor for the UCLA Pacific Basin Law Journal, his MA in East Asian Studies from Harvard University, where he was Korea Area Editor for the *Harvard Asia Quarterly*, and his BA, *cum laude*, in International Politics and Asian Studies from Brigham Young University.

Ms. NI Shan is a graduate student in diplomacy at the China Foreign Affairs University. Her research interests are diplomacy of nations from the Asia Pacific and nontraditional security. She graduated from Shanghai Jiao Tong University with a major in public administration/cultural administration and a minor in law. Due to excellent performance, she was the only one admitted to the CFAU Master's program in diplomacy without exams. She participated in both the Harvard Model United Nations (2007) as the Tanzania delegate on the Legal Committee and in the Beijing Foreign Studies University Model United Nations (2008) as the US delegate on the Security Council.

Mr. Thorin SCHRIBER is pursuing his master's degree at the Fletcher School of Law and Diplomacy, and is a United Nations Junior Professional Fellow in the UN Office for Partnerships (UNOP). He graduated Phi Beta Kappa from Middlebury College in 2005, and received the Diplôme International from the Institut d'Etudes Politiques de Paris in 2004. From 2005-2009, Thorin launched and developed the Global Creative Leadership Summit in partnership between the Louise Blouin Foundation and the United Nations. The summit unites Heads of State and Government with 120 experts in the areas of politics, science, culture, technology and business to encourage cross-platform collaboration between global agencies, corporations and civil society to develop cross-disciplinary and sustainable solutions to inter-related global challenges.

Dr. Kevin SHEPARD is a Kelly Fellow at the Pacific Forum CSIS and a research fellow with the Institute for Far Eastern Studies, Kyungnam University. He earned his PhD in North Korean Politics and Unification Policies from Kyungnam University, Graduate

School of North Korean Studies. He has an MA in International Policy Studies from Sydney University and an MA in Korean from the University of Hawaii. He has contributed chapters to *The Dynamics of Change in North Korea* (Kyungnam University, 2009), and the forthcoming *A Roadmap for Expanding U.S.-ROK Alliance Cooperation* (The Asia Foundation, 2010) and *Joint US Academic Studies Volume 20 – Navigating Turbulence in Northeast Asia: The Future of the US-ROK Alliance* (Korea Economic Institute, 2010). His articles have appeared in *Asia Business and Technology Report*, *IFES Forum*, and *ICNK Forum*.

Mr. Andrew SPRUNGER is a microfinance professional with a particular interest in the Chinese financial system and China's global economic ties. He is a joint degree student studying for a MA in International Economics and Development at Johns Hopkins SAIS and a MBA at the Tuck School of Business at Dartmouth. For over four years Andrew worked with the microfinance network Opportunity International in both Ghana and the United States. He is currently interning at Opportunity's partner in China in the city of Hefei in Anhui province. In Ghana, Andrew led the implementation of a pilot program to provide small loans to private schools serving low-income children. Andrew was a 2010 participant on the Asia Foundation's China study tour and was an editor of SAIS Perspectives, a publication focused on international development issues. Andrew received his BA summa cum laude in International Relations from Wheaton College in Wheaton, Illinois.

Mr. David SZERLIP is a graduate researcher for the Freeman Chair in China Studies at the Center for Strategic and International Studies in Washington, DC, where he focuses on Northeast Asian security issues. He is also an MA candidate in Asian Studies at the Elliott School of International Affairs at the George Washington University. Prior to joining CSIS, David worked in the Office of the Under Secretary of Defense for Policy, where he served on the Korea Desk. At DoD, David helped to develop a US-ROK dialogue on stability and reconstruction operations and to promote trilateral security cooperation between the US, Japan, and the ROK. He has previously worked at CSIS's International Security Program and at the National Defense University's Institute for National and Strategic Studies. David received his undergraduate degree from the University of Pennsylvania.

Mr. Galen TAN is a graduate student at The Fletcher School, Tufts University.

Ms. Karen TANG is a graduate student at SAIS, John Hopkins University.

Mr. Qiu WANG is an MA candidate at the School of International Relations and Public Affairs, Fudan University focussing on international relations, with special interests in Australia, climate change, and alternative energy. From 2005 to 2009, he studied international politics at Renmin University of China (Beijing).

Ms. Lin WU is a PhD student at the School of International Relations and Public Affairs, Fudan University, researching international politics, with special interest in regional security, Chinese foreign policy, and Asia Pacific international relations. Between 2002

to 2006, she studied international politics at Zhongnan University of Economics and Law. In 2006, she continued to work on this field at Wuhan University.

Ms. Wallis YU is a graduate student at SAIS, John Hopkins University.

Appendix C



PACIFIC FORUM CSIS
YOUNG LEADERS

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

The 10th dialogue on
“Sino-US Relations, Regional Security and Global Governance”

May 26-27, 2010 ♦ Fudan University

Agenda

Tuesday, May 25

- 6:00PM YOUNG LEADERS introductory session with Brad Glosserman
(Meet in Baolong Hotel lobby)
- 6:30PM Buffet dinner at the hotel restaurant *TianDi* on the 1st floor

Wednesday, May 26

- 8:30AM YOUNG LEADERS meet in lobby for taxi ride to Fudan
- 9:00AM Introduction and Opening Remarks
Wu Xinbo, Shen Dingli, Ralph Cossa, Jonathan Stromseth
- 9:15AM **Session 1: Developments in Regional Security and Bilateral Relations**
What are the major developments in regional security in the last year?
What are the implications? How have the bilateral relations evolved since
last May? How should we interpret the turbulence in bilateral ties earlier
this year? Is there a new pattern of interactions between China and US?
- Chair: Ding Xinghao
Presenters: Tao Wenzhao, Michael Glosny
- 10:45AM **Session 2: Views of the US-Japan Alliance**
How should we understand the DPJ's approach to Japan-US alliance?
How will the alliance evolve down the road? What are the implications
for US regional security strategy?

Chair: Ralph Cossa
Presenters: Wu Xinbo, Brad Glosserman
Commentator: Guo Dingping

12:00PM Lunch

1:30PM **Session 3: Views of Cross-Strait Relations**
Where do the cross-Strait relations stand today? What are the implications of ECFA? How should the two sides address political and security issues? What is the US reaction to progress in cross-Strait relations?

Chair: Ni Shixiong
Presenters: Huang Renwei, Bonnie Glaser
Commentator: Yu Bin

3:30PM **Session 4: Korean Peninsula Issues**
How can the process of denuclearization on the peninsula be restarted? How does the nuclear issue relate to other concerns on the peninsula? Should there be broader goals and more comprehensive approaches to the Korean peninsula?

Chair: Chen Dongxiao
Presenters: Liu Ming, Scott Snyder
Commentator: Shen Dingli

5:00PM Adjourn

6:30PM Welcome dinner at hotel restaurant *HuiXian Room* on the 3rd floor

Thursday, May 27

7:30AM YOUNG LEADERS breakfast meeting with a senior participant

9:00AM **Session 5: Foreign Aid Policy and Global Governance**
What are the respective foreign aid policies of China and the US? Where do they converge and diverge? What are their respective strengths and weaknesses? How should foreign aid help promote global governance?

Chair: Jonathan Stromseth
Presenters: He Wenping, Carol Lancaster
Commentator: Michael Glosny

10:15AM Break

- 10:30AM **Session 6: Climate Change: Challenges and Opportunities for Cooperation**
What lessons can be drawn from the Copenhagen conference? Is a deal at the Mexico conference still possible? What would a satisfactory deal look like? How should China and the US work to promote global cooperation on climate change?
- Chair: John Brandon
Presenters: Bo Yan, Barbara Finamore
Commentator: Lu Jing
- 12:00PM Lunch
- 1:30PM **Session 7: Antipiracy Cooperation and Global Governance**
How should China's efforts in international antipiracy be interpreted? What are the implications for Sino-US security relations? How can we build on the joint efforts in the Gulf of Aden to facilitate international cooperation on antipiracy in other parts of the world?
- Chair: Zhu Mingquan
Presenters: Yang Yi, Kim Hall
Commentator: Yuan Peng
- 3:00PM **Wrap-up**
Wu Xinbo, Ralph Cossa
- 3:15PM YOUNG LEADERS Roundtable Discussion, moderated by Brad Glosserman
- 6:30PM Buffet dinner at hotel restaurant *TianDi* on the 1st floor

Appendix D



PACIFIC FORUM CSIS
YOUNG LEADERS

Center for American Studies, Fudan University
Pacific Forum CSIS
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The 10th dialogue on
“Sino-US Relations, Regional Security and Global Governance”

May 26-27, 2010 ♦ Fudan University

Participants

US

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Pacific Forum CSIS

Ms. Kim FASSLER
Master’s Candidate
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Mr. Isaac Stone FISH
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