



## **Behind the Crawford Summit**

by Kenneth Lieberthal

China's President Jiang Zemin will meet President George W. Bush at the latter's ranch in Crawford, Texas Oct. 25. This is a high prestige event - relatively few are invited to Crawford, and President Bush will host Jiang there rather than hold the usual bilateral meeting with Jiang on the margins of the APEC Leaders Meeting that both are attending in Mexico.

For the two sides, the major significance of the meeting is the meeting itself. Both want to highlight that, 22 months into the Bush administration - with Jiang solidifying his legacy as he departs the leadership stage - the United States and China have a strong relationship. Pictures of the two leaders at the ranch will powerfully convey this message.

To be sure, there will be substance on the agenda. Depending on UN actions, mutual positioning on Iraq may occupy a good part of the discussion. President Bush wants to assure at least Chinese neutrality, and preferably Chinese support, for tough actions against Iraq's Saddam Hussein. President Jiang wants U.S. actions to take place within a UN framework.

America will also want to follow up on China's August publication of items subject to export controls to address issues of "grandfathering" certain provisions and of implementing others. In addition, the president will raise some issues in China's implementation of its World Trade Organization (WTO) obligations, and inevitably human rights cases and concerns about a broader human rights dialogue will be discussed. Taiwan, while not at crisis level at the moment, will certainly be on Jiang's list. And he will want to hear the president on the latest developments in U.S.-North Korea relations.

Overall, though, with the possible exception of Iraq, the substantive agenda is thin. Ninety minutes are scheduled for serious discussion, followed by a tour of the ranch and a lunch. For this visit, the symbolism is the message.

Few analysts in early 2001 would have anticipated such a strong U.S.-China relationship at this stage of the game. What is behind the cooperation that both are celebrating?

For the U.S. side, the answer is fairly obvious. President Bush appreciates China's stance on counterterrorism and knows the U.S. would encounter a raft of problems if the PRC were to choose to become an obstacle to Washington's counterterrorism campaign. This administration is also serious about promoting trade and nonproliferation. Constructive relations with China help on both issues, and Bush genuinely believes a solid U.S.-China relationship is in America's interest.

Secretary of Defense - hold dark views concerning the likelihood that China will challenge the United States militarily in the future. They prefer to build U.S. military strength all around the PRC, to isolate China's military forces, and thus to constrain China's future military options. Even these individuals, though, have not strongly opposed the new U.S.-China cooperation - largely because the terms of this cooperation are allowing the DoD hawks to do almost exactly what they want to do, anyway. Counterterrorism has required developing a U.S. military presence in central Asia, U.S. strategic ties with Pakistan and India, stronger U.S. military cooperation throughout Southeast Asia, more flexible rules of deployment and use of Japan's defense forces, and far stronger U.S. strategic ties with Russia. A robust, multilayered program of development and deployment of missile defenses is also going full speed ahead. And unrelated to counterterrorism, DoD is significantly enhancing its security cooperation with Taiwan.

The real issue, therefore, is why China has proven willing to build good relations with the U.S. despite the above moves, which in earlier years Beijing would almost certainly have taken as sufficient reason to raise a ruckus. Some in the Bush administration believe that China is now more accommodating precisely because the U.S. is being so tough and decisive. But in reality, the answer is more subtle, complex, and potentially significant.

China's very full domestic platter is driving much of its desire to avoid international tensions for the coming few years. Put simply, the PRC faces a period of extraordinary domestic demands, in part from issues postponed to maintain rapid growth over the past decade. Bad bank debt, unfunded pensions, massive requirements for social safety net construction, and deeply indebted county and township governments will require enormous capital commitments to address. The price tag to deal with north China's dramatic water shortage and with massive infrastructure development in the far west to help reduce regional inequality is also extremely high.

Economic constraints will be tight and political tensions will be substantial as Beijing confronts these and other issues. In addition, China's top leaders negotiated its WTO agreement generally without detailed consultation with affected localities and agencies, and the implementation process will inevitably produce serious frictions. And, of course, China is in the midst of a political succession.

Beijing sees keeping its economy humming as a crucial requirement for continued social and political stability. Not only does it not want to face the consequences of confrontation with the United States, given these massive constraints, but also China depends heavily on the U.S. market and continuing flow of foreign investment and know-how to keep its economy on track. Because Beijing has its own terrorist concerns, moreover, it could

readily seize the opportunity to find common strategic ground with the U.S. on counterterrorism in the wake of Sept. 11.

Ironically in view of its daunting domestic concerns, Beijing's foreign policy may also reflect greater confidence in the PRC's newfound weight in regional and global affairs, producing a more subtle and mature foreign policy than we have seen before. In its dealings with the U.S., China is now relying on diplomacy to promote improved trade, lobby for greater U.S. restraint on Taiwan, maximize cooperation on counterterrorism, and change American perceptions of China's ambitions, rather than throwing a fit over Defense Department initiatives. Beijing is taking a similarly active and tactically impressive approach in Asian regional and global organizations.

In this context, Jiang likely sees his Crawford visit as signifying China's successful management of its relations with the world's most serious player, even as it very actively develops its ties with many who are increasingly chagrined at the style and content of U.S. foreign policy.

In historical perspective, the Chinese policies that have led to Crawford, resonating with the PRC's domestic needs and international reputation, suggest a new maturity that is a noteworthy change from the PRC's earlier style that seemed at times driven by a complex mix of inferiority and superiority complexes. The Bush administration cannot claim credit for this welcome development, but the president is right to reward it with a day of personal hospitality at the ranch.

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