T.C.
YEDİTEPE UNIVERSITY
GRADUATE INTITUTE OF SOCIAL SCIENCE

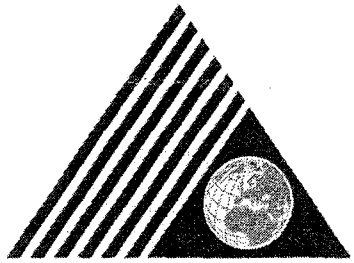
EMERGING CHINESE FOREIGN AND DEFENCE POLICY IN ASIA-PASIFIC

by

İsmet ÇEHRELİ

Submitted to the Graduate Institute of Social Sciences
In partial fulfillment of the requirements for the degree of
Master of
Business Administration

İSTANBUL, 2004



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LIST OF ABBREVIATIONS

AMS	Academy of Military Science
APEC	Asia Pacific Economic Cooperation forum
ARF	ASEAN Regional Forum
ASEAN	Association of Southeast Asian Nations
CCP	Chinese Communist Party
CICIR	Chinese Institute for Contemporary International Relations
CMC	Central Military Commission
COSTIND	Commission of Science, Technology, and Industry for National Defense
CPU	central processing unit
CTBT	Comprehensive Test Ban Treaty
DPP	Democratic Progressive Party (Taiwan)
EI	economic interdependence
FALSG	Foreign Affairs Leading Small Group
FAO	Foreign Affairs Office
FETC	Foreign Economic and Trade Commission
GAD	General Armaments Department
GATT	General Agreement on Tariffs and Trade
GLD	General Logistics Department
GPL	General Political Department
GSD	General Staff Department
ILD	International Liaison Department
LD	Liaison Department
LSG	leading small group
MFA	Ministry of Foreign Affairs
MFN	most favored nation
MND	Ministry of National Defense
MOFTEC	Ministry of Foreign Trade and Economic Cooperation
NGO	nongovernmental organization
NPC	National People's Congress
OCAO	Overseas Chinese Affairs Office
PBSC	Politburo Standing Committee
PLA	People's Liberation Army
PRC	People's Republic of China
PTBT	Partial Test Ban Treaty
SCFAO	State Council Foreign Affairs Office
SCTAO	State Council Taiwan Affairs Office
SETC	State Economic and Trade Commission
SEZ	special economic zone
TALSG	Taiwan Affairs Leading Small Group
WTO	World Trade Organization

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ABSTRACT

For better understand the actual and future position of China in the word, first of all, we have to learn its political structure and foreign policy decision-making mechanisme.

In this thesis, I intented to examine all decision-making ranks from the national leader and his nuclear circle to underlevel ranks.

I also looked into relations between the "People's Liberation Army"(PLA)-the guarantee of the regime and civilian structure.

Finally, I examined Chinese foreign economic relations toward other countries and its foreign policy toward the three major powers in Asia-Pasific Region.

ÖZET

Çin Dış Politikasının mevcut ve gelecekteki muhtemel durumunu daha iyi anlayabilmek ve bazı tahminlerde bulunabilmek için, öncelikle bu ülkenin politik yapılanması ve dış politika karar alma organlarının çalışma dinamiklerini bilmek gerekmektedir.

Bu çalışmada Çin'in en önemli karar alma organı olan ulusal lider ve onun çekirdek kadrosu(nuclear circle)ndan başlayarak daha aşağıdaki seviyelere kadar dış politika karar alma mekanizmaları incelenmiştir.

Ayrıca rejimin güvencesi konumundaki "Halkın Özgürlük Ordusu" (PLA) ile sivil yapılanma arasındaki ilişkiler çeşitli boyutları ile incelenmiştir.

Son olarak da; Çin'in diğer ülkelerle yürüttüğü ekonomik ilişkiler ve Asya-Pasifik'teki üç büyük devletle(Rusya,Japonya, ABD) olan dış politikası Çin Halk Cumhuriyetinin kurulduğu tarih olan 1949'dan günümüze kadar incelenmiştir.

1. INTRODUCTION

China is the largest and economically most dynamic newly emerging power in the history of the world. It intends to take its place in the new century as a great power. If the country maintains political stability and a high rate of economic growth, it will realize its ambition.

This does not mean that China is a power of diminishing importance, as some say it is, because of the end of the Cold War. It is true that the West no longer needs China to balance against the Soviet Union as it did in the era of the strategic triangle. But now it is growing stronger and it can either become part of a peaceful new world system or disrupt that system. It can do so through direct military action in the Taiwan Strait, South or East China Sea, Korea, Central Asia, or India; by undermining the emerging liberal world order centered on the UN and on international law; by supporting rogue regimes, selling arms, and opposing the world antiproliferation order; or by undermining the world's trading system and helping destroy its natural environment.

The history of rising powers is not encouraging for the peaceful accommodation of China in the world order. When rising powers join the world system, they want to remake rules that they did not shape and that they do not see as serving their interests. The established powers find it difficult to share leadership with them. The leaders of established and rising powers have often failed to see beyond conflicts of interest, which are real, to deeper common interests.

China wants to take advantage of a period of international stability to concentrate on economic development, but remains in a position of strategic vulnerability in which it must maintain the capability to defend itself in potential military confrontations with Japan, Russia, and other global and regional rivals, including the United States. Yet military self-strengthening risks alarming other countries and setting off a spiral of mistrust.

Until the end of the Cold War, Chinese foreign policy under communism went through three periods: alignment with the Soviet Union (1949-60); revolutionary self-reliance in confrontation with both superpowers (1961-72); and participation as the swing player in the strategic triangle (1972-89). Each period entailed risk, yet China came through them

with its territory and independence intact, and made progress toward the recovery of lost territories. The three shifts in Chinese strategy disguised a basic continuity: Chinese leaders' attempts to assure their country's survival and to affirm its international prominence in what they perceived as a hostile environment.

But its significance for international politics has dramatically increased since 1978 when the market reforms initiated by Deng Xiaoping placed China on a course of action that could rapidly transform its latent potential into actual power. This process is significant not only because it promises the internal transformation of one of the world's oldest civilizations but also because, if concluded successfully, it could result in a dramatic power transition within the international system. The rise of China, consequently, embodies great analytical and policy interest and examining the determinants of China's basic approach to political-military security is critical to any assessment of current and future Chinese security behavior.

The modern era has witnessed the emergence of a hybrid "weak-strong" state security strategy that combines elements of traditional "strong- state" efforts to control the strategic periphery through military and political means with elements of a "weak-state" approach employing a primarily territorial-defense-oriented force structure and a relatively high level of involvement in diplomatic balance and maneuver.

In recent decades, following both the absorption of many former periphery areas into the Chinese state and the emergence of strong industrial powers along China's periphery, China's weak-strong state security approach has produced a "calculative" strategy, characterized by (a) a nonideological policy approach keyed to market-led economic growth and the maintenance of amicable international political relations with all states, especially the major powers; (b) a deliberate restraint in the use of force, whether toward the periphery or against other more distant powers, combined with efforts to modernize and incrementally streamline the Chinese military; and (c) an expanded involvement in regional and global interstate politics and various international, multilateral fora, with an emphasis, through such interactions, on attaining asymmetric gains. Under China's calculative strategy, confrontation or conflict with the United States or its allies in Asia would most likely occur as a result of "normal" disputes between states—especially those

disputes arising from perceived threats to China's domestic order and well-being and China's territorial integrity—and not from explicit or implicit great power struggles over control of the international system.

Assuming that no catastrophic revisions of the calculative strategy are forced in the near to mid term, the natural longevity of this strategy then becomes largely a function of long-term economic, military, and domestic political developments. If present trends in these areas hold, it is only by the period 2015-2020 at the very earliest—and more likely 2020-2025—that China might begin an extended transition phase to a new security strategy. This transition phase could last for one or two decades, and its span will be determined largely by how quickly and durably Beijing can consolidate its power capacities relative to other great powers in the international system.

Although certainly possible, it is on balance unlikely that China's political, economic, and social order will disintegrate into chaos either during the period of the calculative strategy or during the transition beyond that strategy. It is also unlikely that a more cooperative China will emerge during this period if Beijing's relative power grows to the point where a systemic power transition becomes plausible. Instead, growing Chinese power will most likely result, over the very long term, in a more assertive China. As part of this process, China could reasonably be expected to pursue most, if not all, of the core elements of those assertive grand strategies pursued by major powers in the past. These elements include efforts to augment its military capabilities in a manner commensurate with its increased power; develop a sphere of influence by acquiring new allies and underwriting the protection of others; acquire new or reclaim old territory for China's resources or for symbolic reasons by penalizing, if necessary, any opponents or bystanders who resist such claims; prepare to redress past wrongs it believes it may have suffered; attempt to rewrite the prevailing international "rules of the game" to better reflect its own interests; and, in the most extreme policy choice imaginable, even perhaps ready itself to thwart preventive war or to launch predatory attacks on its foes.

Chapter 2 describes China’s foreign decision making structure. In chapter3, I tried to explain civil-military relations, and I also examined the influence of the gun over the foreign decision making structure players. Chapters 4 through 6analyze Chinese foreign

policy toward three major countries (except China) in Asia-Pacific Region which are Russia, Japan and United States of America.

2.THE CENTRAL LEADERSHIP, SUPRAMINISTRY COORDINATING BODIES, STATE COUNCIL MINISTRIES, PARTY DEPARTMENTS, AND PROVINCES

In order to understand fully the foreign policy establishment and its structure, it is necessary to first briefly examine the general power structure of the Peoples Republic of China (PRC). The governing regime of the PRC consists of three major vertical systems: the Communist Party, the government, and the military.[1] At the apex of these systems is the Political Bureau (Politburo) of the Chinese Communist Party, which is often further crystallized in the form of a leadership core, as during and after the Deng Xiaoping era, or of a single person, such as Mao Zedong, as during the Mao Zedong era. The three major systems operate on five levels: center; province (for the party and the government) or army (for the military); prefecture (civil) or division (military); county (civil) or regiment (military); and township (civil) or battalion (military).[2] (See Figure 2.1, 2.2)

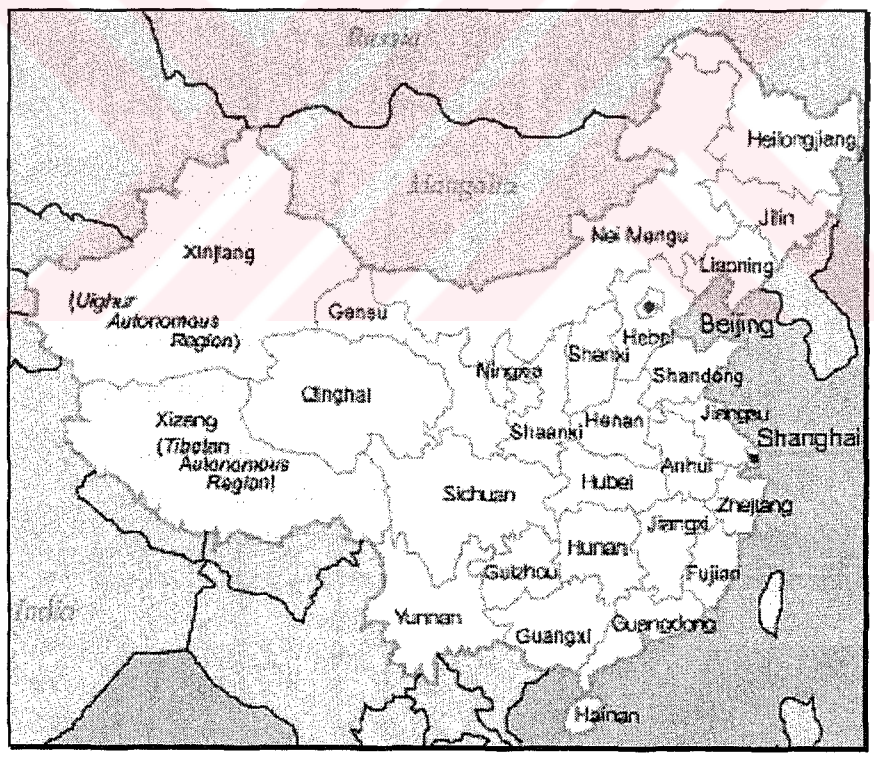

Figure 2. 1: China's Provinces

Source: http://china.jamestown.org/maps_provinces.htm

[1]. Yan Huai, "Understanding the Political System of Contemporary China", Papers of the Center for Modern China., No 10 (August 1991), p. 2.
[2] Ibid., p.4

Figure 2. 2: China's military regions

Source: http://china.jamestown.org/maps_military.htm

Map 2.1: China's military regions, http://china.jamestown.org/maps_military.htm

For the purpose of effectively controlling and running the political system, this structure is divided into six major functional sectors that cut across the three major systems. Each sector is supervised by a member of the Standing Committee of the Political Bureau of the Chinese Communist Party (CCP). The six sectors are military affairs; legal affairs, which is responsible for legislative, judicial, and law enforcement affairs; administrative affairs, which is responsible for industrial and agricultural production, finance and commerce, foreign affairs, health, education, science, sports, and so on; propaganda, which is responsible for media and cultural affairs; United Front, which is responsible for noncommunist political parties, religion, and minorities, as well as Taiwan, Hong Kong, and Macao affairs; and mass organization affairs, which is responsible for unions, youth, women's organizations, and other associations. A member of the Politburo Standing Committee conducts direct sectoral supervision through an institutionalized

body such as a committee or a nonstanding organ such as a leading small group (LSG). Among the most important such organs are the CCP Central Military Commission (CMC) for military affairs, the CCP Central Political and Legal Affairs Committee for legal affairs, the Central Financial and Economic Affairs LSG, and the Central Foreign Affairs LSG.[3]

This system of sectoral division for management is in most cases an internal mechanism that does not appear on any formal organizational charts of the party, the government, or the military. Its purpose is to allow the CCP Politburo Standing Committee to exercise centralized control over the whole political system and its policy-making processes.[4]

China's formal government structure provides for no post of supreme leader. Reflecting a Communist tradition that goes back to Marx and Lenin, the constitution says that "all power in the People's Republic of China belongs to the people." This means that sovereignty is theoretically concentrated in the institution that represents the people, the National People's Congress (NPC). There is neither separation of powers nor federalism. Instead, the NPC appoints the premier, who heads a cabinet (State Council) and whose job is to execute policy set down by the NPC. The NPC also appoints the officials of the judicial branch and itself retains the power to interpret and supervise implementation of the constitution—or, for that matter, to amend or replace it. Territorial power is delegated from the central government down to the provinces, cities, and counties.[5]

2.1. THE FOREIGN POLICY DECISION-MAKING STRUCTURE: THE PLAYERS AND THEIR ROLES

The party decides on major policies and personnel decisions and hands these over to the government to implement. The party also has a constitution, which makes its

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[3] Lu Ning, "The Central Leadership, Supraministry Coordinating Bodies, State Council Ministries, and Party Departments", David M. Lampton ed., The Making Chinese Foreign and Security Policy, (California,2001), p.40

[4] Yan Huai, "Understanding the Political System of Contemporary China", Papers of the Center for Modern China., No 10 (August 1991), p. 6.

[5] Andrew J. Nathan and Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997), p124

highest organ the Central Committee. The Central Committee's powers are exercised on a routine basis by the Political Bureau (Politburo), consisting of twenty-odd top leaders, and by the Politburo's Standing Committee of five to ten members, which meets still more often. Mao headed the party as chairman. After his death that post was abolished to honor him, and the highest party official was called the general secretary.[6]

A horizontal view of the overall foreign policy decision-making structure reveals three basic types of actors: the central leadership, major foreign affairs bureaucracies and institutions, and working-level officials in the foreign affairs establishment. The following is an examination of this structure and of the roles played by the top political leadership and the foreign affairs establishment in the formulation of China's foreign policies.[7]

There are four components of the central leadership: the paramount leader or leading nucleus, the nuclear circle, the members of the Politburo Standing Committee, and the other members of the Politburo, particularly those who live in Beijing and those who work in the Secretariat. Normally the leading nucleus and the members of the leading nuclear circle are all member; of the Politburo Standing Committee. They collectively constitute the top leadership.[8]

Mao's most important positional source of power was the chairmanship of the Central Military Commission, a job he gripped tightly throughout the power struggles of the turbulent 1950s, the Cultural Revolution of the 1960s, and the presuccession crises of the 1970s. In the provinces this office enabled Mao to dictate the course of the Cultural Revolution through the military. In the capital, through the central guard corps and the Beijing garrison, he controlled the physical security of his rivals in the central leadership. With this trump card Mao stood down his top military officers' opposition to the Cultural Revolution in 1967 and prevented his comrade-in-arms Lin

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[6] Andrew J. Nathan and Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997). p.125

[7] Yan Huai, "Understanding the Political System of Contemporary China", Papers of the Center for Modern China., No 10 (August 1991), p. 15.

[8] Lu Ning, "The Central Leadership, Supraministry Coordinating Bodies, State Council Ministries, and Party Departments", David M. Lampton ed., The Making Chinese Foreign and Security Policy, (California,2001), p.41

Biao from conducting a coup against him in 1971. Upon Mao's death in 1976, allies of Deng Xiaoping gained control of the Beijing guard corps and garrison. They arrested Mao's radical followers (the so-called Gang of Four, who included Mao's wife), as the first step in passing power to Deng. In 1989 Deng mobilized Beijing and provincial forces to suppress democracy demonstrators in Beijing who were backed by a leading party faction. Whether Deng's successor, Jiang Zemin, can keep power will depend above all on his ability to command backing from the generals.[9]

One of the major characteristics of the Chinese political system is the high concentration of political power in the CCP. Within the party, the power is further concentrated in the hands of one or a few leaders. Foreign affairs, military affairs, and party "organization work" (high-level appointments) have long been considered the most sensitive areas that demand an even higher concentration of decision-making power. [10]

2.1.1. The Paramount Leader and Leadership Nuclear Circle

The existence of a preeminent leader has given Chinese foreign policy some of its operational characteristics—consistency of strategic vision, the ability to enforce sacrifices upon certain institutions and individuals, and the ability dramatically to change course without negotiating with other domestic power centers. And the leaders' understanding of the world shaped the substance of China's search for security—its attentive-ness to balance of power, its willingness to go it alone without allies, and its fearlessness in the use of force.[11]

Foreign affairs have always been one of the areas in which ultimate decision-making power has been retained by the paramount leader or the leading nucleus. This paramount leader may or may not be the chairman or general secretary of the party or the state president, but most often he controls the military as the chairman of the CMC. The paramount leader creates an informal leadership nuclear circle that surrounds him, consisting of one or two members he personally designates. The paramount leader and

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[9] Andrew J. Nathan and Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997). p.126

[10] Thomas Christensen, "Chinese Realpolitik," Foreign Affairs, Vol. 75, No. 5 (Sept. Oct. 1996), p. 37

[11] Andrew J. Nathan and Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997). p.123

the leadership nuclear circle wield the ultimate foreign policy decision-making power in China because they can, in reality if not in law, veto or ratify decisions made by the Politburo.[12] (See Figure 2.3)

Figure 2. 3: Mao Tse-Tung, Deng Xiaoping, Jiang Zemin, Hu Jintao

Source: www.corbis.con

Compared to Mao, Deng Xiaoping built a larger bureaucratic apparatus for policy-making and ceded more power to experts, as was probably unavoidable when China's increased involvement in the world raised a host of new specialized issues. Yet Deng retained control of grand strategy until near the end of his life. When he ceded authority to a collective headed by Jiang Zemin, central power seemed to weaken. Foreign negotiators increasingly find China speaking with many voices, as military and economic bureaucracies gain more influence over policy but fail to coordinate with one another.[13]

2.1.2. The Politburo and Its Standing Committee

The Politburo is the most important institution of political power in China. It stands at the apex of the formal, though unpublicized, foreign policy structure and under the informal, personalized arrangement of the paramount leader or leading nucleus. The Politburo consists of members resident in provinces and cities other than Beijing, and it is relatively large. These two factors make it too cumbersome for the body to decide foreign policy issues that often demand immediate attention. As a result, de facto

[12] Yan Huai, "Understanding the Political System of Contemporary China", Papers of the Center for Modern China., No 10 (August 1991), p. 20

[13] Andrew J. Nathan and Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997). p.124

foreign policy decision-making power rests with the Politburo's Standing Committee. However, the most important foreign policy decisions, such as whether to make war or peace or major shifts in foreign policy orientation, are generally still subject to deliberations by the full Politburo. This was true even during the Mao era, even if only for purposes of legitimization. In more recent years the Politburo has been used as a training ground for future senior political leaders. Except for its Standing Committee members and those who oversee specific functional foreign affairs departments in the government and the party, most Politburo members are only marginally involved in the making of foreign policy. [14]

Internally, the highest foreign policy decision-making institution is the Standing Committee of the Politburo. Normally the Standing Committee includes the chairman of the CCP, the chairman of the CMC, the premier of the State Council, the state president, the chairman of the Standing Committee of the NPC, and the chairman of the Chinese People's Political Consultative Conference.[15]

2.1.3. The Secretariat

In the official power structure, immediately under the Politburo is the CCP Secretariat. Its role, however, has been ill defined, and it has been changed from time to time. From the late 1940s until 1956 the Secretariat was the supreme decision-making body within the CCP, functioning as does the present-day Standing Committee of the Politburo. As a consequence of the party restructuring at the Eighth Party Congress in 1956, the Secretariat as we know it today was created in subordination to the Politburo to carry out its day-to-day operations. It was later abolished during the Cultural Revolution, but reestablished at the Fifth Plenum of the Eleventh Party Congress in 1980 by Deng Xiaoping. Deng's main purpose at the time was to circumvent his political rival, Party Chairman Hua Guofeng, and the conservative-dominated Politburo. [16]

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[14] Yan Huai, "Understanding the Political System of Contemporary China", Papers of the Center for Modern China., No 10 (August 1991), p25

[15] Lu Ning, "The Central Leadership, Supraministry Coordinating Bodies, State Council Ministries, and Party Departments", David M. Lampton ed., The Making Chinese Foreign and Security Policy, (California,2001), p.42

[16] Lu Ning, "The Dynamics of Foreign-Policy Decision-making in China" (Boulder Colo.: Westview, 1997), pp. 40

The decision-making power concerning major policy orientations and principles and guidelines rests with the Politburo. The Secretariat is responsible for making detailed plans and overseeing. The actual implementation and decision-making authority regarding their details belong to government agencies and their party groups. According to the 1982 CCP Constitution, the Secretariat is the executive body of the party center, which is designated to handle day-to-day work. Officially, therefore, the Secretariat is not a decision-making body. Rather, as the executive body of the Politburo, it plans and supervises the implementation of decisions made by the Politburo.[17]

Although the relative weight of the Politburo and the Secretariat changes from time to time due to political shifts within the CCP leadership, the Politburo and the Secretariat generally serve as the providers of a rubber stamp to lend legitimacy to decisions made by the paramount leader, the leading nuclear circle, or the Politburo Standing Committee; a consultant to the paramount leader in making some key decisions; a forum for building consensus or constructing a coalition among the inner elite; an architect providing the blueprint for a new foreign policy orientation often outlined by the paramount leader; and a command center providing direction for achieving major foreign policy goals.

The central leadership makes key policy decisions that include decisions that determine the basic orientation of Chinese foreign policy; decisions over military operations that involve actual or potential conflicts with foreign powers; decisions regarding the formulation of regional policy and national policies toward key world powers such as the United Stares, Russia, and Japan; major decisions concerning the implementation of these national policies; and decisions concerning "sensitive" regions or Countries and sensitive" issues that can have a major impact on China's foreign relations.[18]

The paradox of the PRC's political structure is repeated throughout the system. The supposedly efficient, technocratic bureaucracy is broadly laced with intricate networks of personal power. Communist China's government is highly bureaucratic,

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[17] Zheng Qian,, "An Outline of the Evolution of the Contemporary Chinese Political System", (Beijing: Chubanshe, 1988), p- 91

[18] Lu Ning, "The Central Leadership, Supraministry Coordinating Bodies, State Council Ministries, and Party Departments", David M. Lampton ed., The Making Chinese Foreign and Security Policy, (California,2001), p.44

with millions of officeholders operating at four levels of party and government and across a dozen or so bureaucratic "systems," which are in turn divided into scores of ministries, commissions, and departments with branches reaching down the system to every level. The system runs on tons of paper. Until recently, even telephones were used relatively rarely, although cadres attended many meetings. Government was suffused with formal etiquette and acute status consciousness.[19]

2.2. THE LSGS AND OTHER COORDINATING BODIES AND STAFF OFFICES

The body that takes overall charge of foreign affairs is the CCP Central Foreign Affairs LSG. This LSG is a nonstanding body consisting of a head, one or two deputy head(s), and ministerial officials from various foreign affairs bureaucracies. This body was first established in 1958 with Vice Premier and Foreign Minister Chen Yi as its head. During the Cultural Revolution this body, like many others, disappeared, and most of its members were in political hot water. When it was reestablished after the fall of the Gang of Four, Li Xiannian was appointed head and Zhao Ziyang deputy head of the LSG.[20]

At the Second Plenum, held on December 16, 1987, a reform package was adopted for the CCP Central Committee institutions. Under this reform package the roles of the organs of the Party Central Committee were redefined into three categories: decision-making consulting bodies, executive bodies, and service institutions. All leading small groups fall in the first category. They are composed of leading members of the relevant government, party, and military ministerial ranking agencies, and in most cases have no permanent offices or staffs. They convene regular meetings to discuss issues, exchange ideas, and put forward proposals as policy alternatives for the Politburo and its Standing Committee to use to make decisions.[21]

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[19] Andrew J. Nathan and Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997), p.127

[20] Lu Ning, "The Central Leadership, Supraministry Coordinating Bodies, State Council Ministries, and Party Departments", David M. Lampton ed., The Making Chinese Foreign and Security Policy, (California,2001), p.45

[21] Jiang Weiwen, "A Big Expose of the Reform Plan for the High-Level CCP Institutions: A Big Reshuffle of the High-ranking CCP Officials", Guang Jiaojing (Wide Angle), No. 184 (Jan. 16,1988), p. 8

The Central Foreign Affairs LSG provides a forum for the members of the central leadership in charge of foreign affairs—the politicians—to meet face to face with the leading officials of various party, government, and military foreign affairs institutions—the top bureaucrats. When necessary, department-level officials from relevant bureaucracies, academic specialists, and influential journalists are also invited to sit in on some of the LSG meetings. Although the LSG is not a decision-making body, its policy preferences and recommendations are likely to have an important impact on the final outcomes of the decision-making process. The ratification of these decisions by the central leadership is sometimes simply a formality. At other times decisions are made by the central leadership based on the recommendation of the LSG with minor modifications. Decisions at this level often involve cross-ministerial jurisdiction or interest. Therefore, the Foreign Affairs LSG, in fact, plays a pivotal role in the decision-making process. [22]

However, this body is not a standing *institution* and has no permanent staff. Instead it has traditionally relied on the Foreign Affairs Office of the State Council (SCFAO) for staff work and to exercise overall sectoral coordination. Therefore, the SCFAO, as the executive body of the Central Foreign Affairs LSG, served as the central processing unit (CPU) between the decision-makers and the implementing organs in the party, government, and military systems.[23]

Similarly, all decisions that were beyond the mandate of a bureaucracy had to be submitted to decision-makers at the Center through this CPU, regardless of which of the three major systems originated them. From here, then, all foreign affairs activities of the PRC were coordinated. This concept is called *guikou,* and until September 1998 the SCFAO was the general entrance/exit point for the foreign affairs sector. Staffed mostly by former officials of the Ministry of Foreign Affairs (MFA), the SCFAO was always headed by a ministerial-ranking former official of the MFA. With a staff size of only twenty—mostly MFA officials who would eventually return to the MFA—it was often regarded as a bastion of MFA influence.

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[22] Si Maqian, A Comprehensive Reorganization of the CCP Foreign Affairs LSG: Li Peng Begins to Control Chinese Diplomacy, Wide Angle (Jan. 16, 1988), p. 11

[23] Transcript of meeting with a member of the Standing Committee of the Politburo, April 1993, p, 3.

When Liu Huaqiu became the director of the SCFAO, he tried to enhance the office by giving it a policy role fashioned after that of the National Security Council of the United States. This plan apparently backfired. The office was stripped its tide of the SCFAO in September 1998 and became instead the Party Central FAO. More significant, the council's policy-coordinating role and some of its staff moved to the MFA. Therefore, the FAO was reduced to a role of policy consultation.

As the dynamics of China's domestic and foreign policy change, some CCP central LSGs assumed new roles in foreign policy, whereas others have been abolished, and additional LSGs have been set up to cope with changed circumstances and to handle new issues that cut across vertical government, party, and military systems. It is worth noting that not all LSGs are of equal rank; some are made up of ministerial-ranking officials, whereas others are made up of vice ministerial officials.

The Central Financial and Economic Affairs LSG has always been the most important organ in economic decision-making. Before 1979 the Chinese economy was largely closed. Therefore, except during the 1950s when economic cooperation between China and the former Soviet Union was key, this powerful LSG had little to do with foreign policy issues. At a time when foreign economic and trade relations were viewed as instruments serving the nation's foreign political and security policies, most foreign economic aid and trade issues were handled by the Foreign Affairs LSG. However, since the late 1970s, when China embarked on its program of reform and opening up to the outside world, the centrality of economic development has dictated that China's foreign political and security policies serve its economic interests, in a reversal of past practices.

Further, the Chinese economy has become increasingly integrated with the world economy. The Central Financial and Economic Affairs LSG has therefore become an increasingly important locus for the making of China's foreign economic decisions and for their coordination and implementation.[24]

[24] Lu Ning, "The Central Leadership, Supraministry Coordinating Bodies, State Council Ministries, and Party Departments", David M. Lampton ed., The Making Chinese Foreign and Security Policy, (California,2001), p.47

Purely defense-related issues are traditionally coordinated at the General Office of the CMC, with the CMC secretary general playing a pivotal role in running the day-to-day operations of the PLA. Before the Cultural Revolution Luo Ruiqing was the secretary general. After the Cultural Revolution Geng Biao was the first secretary general. Through much of the 1980s, Yang Shangkun was in charge. After June 4, 1989, Yang Baibing became CMC secretary general, but he was removed in 1992 and the post of CMC secretary general was subsequently abolished. Thereafter, the day-to-day operations of the PLA have been handled by a vice chairman of the CMC.[25]

On September 26, 1989, an additional LSG dealing with military sales abroad was created and called the State Council and CMC Military Product Trade Leading Small Group, with the CMC as the lead body.[26]

In late 1997 the establishment of a State Military Product Trade Management Committee under the dual leadership of the State Council and the CMC was announced; its purpose was to supervise the export of military products. However, the comprehensive restructuring of the State Council bureaucracies initiated by Premier Zhu Rongji in March 1998 resulted in the abolition of this LSG. Its responsibilities were subsequently shifted to the Commission of Science, Technology, and Industry for National Defense (COSTIND), which was itself placed solely under the civilian authorities of the State Council.[27]

2.3. THE CENTRAL BUREAUCRACIES

Beneath the structures at the apex of political power, there are a number of institutions that operate somewhat independently in foreign affairs. Most of them are of ministerial/provincial/army rank. These bureaucratic institutions represent the foreign policy elements of the three major systems of Chinese political power: the party, the government, and the military. In the government system these include primarily the Ministry of Foreign Affairs, the Ministry of Foreign Trade and Economic Cooperation (MOFTEC), and Xinhua News Agency. In the party system there is the CCP Central

[25] Michael D. Swaine, "Role of the Chinese Military in National Security Policy making"(Santa Monica,Calif:RAND Center for Asia-Pacific Policy,1998), p. 7
[26] Yan Kong, "China's Arms Trade Bureaucracy," Jane's Intelligence Review, February 1994, p. 80
[27] Available on site www.peoplesdaily.com.cn/gwy/aiO7o.htm.

(Committee) International Liaison Department (ILD). And in the military system there is chiefly the PLA General Staff Department. Until early 1998 COSTIND, which oversaw China's defense research and development and defense industry, straddled the government and military systems. The government restructuring in early 1998 resulted in COSTIND's being placed solely under the State Council and assuming oversight of arms export control. Its functions that had been more closely related to the PLA were taken over by the newly upgraded PLA General Equipment Department.[28]

According to their respective functions, the foreign affairs organizations can be placed into roughly three main categories: policy consultation, coordination, and supervision—the Central Foreign Affairs LSG and, until September 1998, the SCFAO; policy recommendation and implementation-the MFA, MOFTEC, the CCP Central ILD, and the Second Directorate (Intelligence) of the General Staff Department (GSD); information and research—Xinhua News Agency, the Second and Third Directorates of GSD, and the Ministry of State Security.[29]

2.3.1. The Ministry of Foreign Affairs

The MFA plays a pivotal role in China's foreign policy decision-making. It is indisputably the most important foreign affairs institution in the formulation and implementation of China's foreign policy. Important roles are played by the MFA in the foreign policy formulation and decision-making process. First, it plays a decisive role in the "tactical" aspects of foreign policy decision-making. Second, it plays the role of a reliable provider of "processed" information to central decision-makers.

2.3.1.1. Policy Interpretation

When "strategic" foreign policy decisions are made by the central leadership, they often consist of no more than a vague concept, basic policy orientation, broad policy guideline, or long-term policy goal—just "the bones" of policy. It is consequently up to the MFA to make "tactical" policy choices and work out detailed plans for realization of leadership's policy goals, adding the "flesh and blood" to China's foreign policy. In September 1982, for

[28] Yan Kong, "China's Arms Trade Bureaucracy," Jane's Intelligence Review, February 1994, p. 8
[29] Nicholas Eftimiades, "Chinese Intelligence Operations" (Annapolis: Naval Institute Press, 1994), p.6

instance, Hu Yaobang proclaimed at the Twelfth Party Congress that China was to pursue an "independent foreign policy" under which it would make decisions on international issues based on independent judgments of their individual merits. The interpretation and implementation of such a policy fell to the MFA.

2.3.1.2. Policy Control

Decision-making power with regard to the implementation of details of China's policies toward key countries has always been a prerogative of the central leadership. This has been particularly true during periods of policy adjustment and when implementation details could have affected the posture of China's overall relationship with the major powers. These key countries fall into two categories: those of strategic importance in world affairs and those of geographical importance to China—the states on the periphery. Countries in the first category include the United States, Russia, and Japan. Countries in the second category include Korea, Indochina (Vietnam, Laos, and Cambodia), India, Pakistan, and, more recently, Kazakhstan and Mongolia. Of course countries like Russia and Japan fall into both categories.(See Figure 2.4)

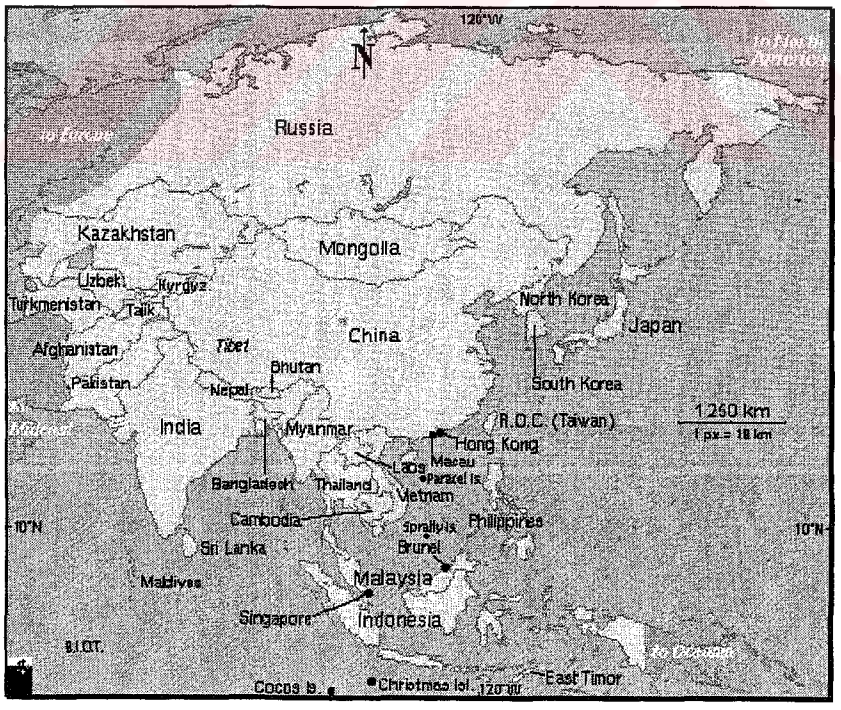

Figure 2. 4: China's neighbors

Source: www.corbis.com

Once regional policies are worked out under the guidelines provided by the central leadership, country policies for minor states are decided by the MFA, which ensures that policies toward specific countries conform to China's overall strategy and regional policies. Most decisions in this category are made by the MFA. Exceptions to this general rule are policies toward a few minor countries that, if changed, might affect the carefully constructed balance of China's regional policies. In the 1980s these "sensitive" countries included Israel, South Korea, and South Africa. In these instances shifts in China's policy would, respectively, affect overall relations with the Arab world, alienate most of its friends in Africa, or offend North Korea, a key ally. Similar to policies toward sensitive countries, certain policies are also considered sensitive because of their wider implications in functional terms. For instance, when China began to export arms on a commercial basis in the early 1980s, it was regarded as a normal trade issue with little need for oversight. However, when exports of certain products and exports to certain regions of the world began to attract international reaction, these exports became a sensitive issue.

Making policies with respect to sensitive countries and sensitive issues is the prerogative of the central leadership. However, it is almost impossible for the central leadership to micromanage the intricate details of each situation and make decisions accordingly. A system has been put in place to manage and control such sensitive policy decisions. Over time, for example, the central leadership made strategic decisions to readjust China's policies toward Israel, South Korea, South Africa, and the Vatican. (Since the main motivation behind these adjustments was largely economic, relations with the Vatican were not seriously pursued until the late 1990s.) The Chinese leadership envisaged a long process of gradual and incremental changes leading to normalization rather than a sudden shift, which could cause major upheaval in China's traditional relations with allies. Rather than setting a timetable, it entrusted the MFA to control the overall processes and determine the pace and the timing of each subtle policy shift.

Ensuring the compliance of ministerial-ranking bureaucracies with MFA policy oversight is carried out through the issuance of a central joint document mandating that all matters concerning the designated sensitive countries have policy clearance from the MFA. Similarly, during the Iran-Iraq War the two countries were designated as sensitive

areas for Chinese arms exports. All direct arms exports were generally forbidden. Special cases and indirect imports had to have specific clearance from the MFA and be approved by the central leadership. Beginning in the mid-1980s, exports of Chinese missiles, including Silkworm and ballistic missiles, were added to the "sensitive items" list. Such exports had caused an uproar in the West. In September 1989, when the aforementioned informal arrangements were no longer adequate to coordinate Chinese policies in this regard, a coordinating body was created to oversee China's arms exports—the Military Product Export Leading Group.[30]

2.3.1.3. Information Provision

In addition to the roles of policy interpretation and control of the implementation of foreign policy decisions, the MFA also plays an important role as an information provider for the central leadership. Among the Chinese bureaucracies, the central leadership has regarded the MFA as a more reliable provider of information than other sources. Much of the information provided by the MFA is processed as opposed to the raw material generated by Xinhua News Agency. As of 1999, the MFA maintained some 140 diplomatic missions abroad, whose cables reach the central leaders directly. The MFA's internal publications also provide a constant flow of up-to-date, concise, readable information. Therefore, the MFA input plays a significant role in shaping the central leadership's perceptions. As a result, the MFA's policy recommendations and opinions usually prevail over those of other bureaucratic institutions in the battle for the attention of the central leadership.[31]

2.3.2. The Ministry of Foreign Trade and Economic Cooperation

MOFTEC is the primary bureaucratic institution responsible for designing China's foreign trade and economic aid strategies and planning and for studying and implementing the foreign trade and economic aid policies under the guidelines established by the central leadership. Since decisions regarding China's foreign trade and economic relations with foreign countries often are considered less sensitive politically

[30] Yan Kong, "China's Arms Trade Bureaucracy," Jane's Intelligence Review, February 1994, p. 11
[31] Lu Ning, "The Central Leadership, Supraministry Coordinating Bodies, State Council Ministries, and Party Departments", David M. Lampton ed., The Making Chinese Foreign and Security Policy, (California,2001), p.50

than foreign policy issues, MOFTEC often has a higher degree of control over these decisions than the MFA has over foreign policy issues, and these decisions often have a strong domestic linkage. MOFTEC's decision-making process is similar to that of the MFA, though many issues within its purview are run through the powerful Central Finance and Economics LSG.

2.3.3. The International Liaison Department

The ILD was established to manage the Chinese Communist Parry's relations with other communist parties around the globe and was modeled after the Soviet system. Because communist parties were (until the late 1980s and early 1990s) ruling parties in the former Soviet Union and East European countries and still remain so in a few Asian countries and Cuba, the ILD has played a significant role in foreign policy decision-making regarding those states. The ILD's research and study regarding Russia and other East European countries has been considered high quality. It has also been instrumental in maintaining high-level contacts with the leadership of Asian communist countries such as North Korea and Vietnam. In the 1980s its information on the Khmer Rouge leadership was decisive in shaping China's Indochina policy. Since the late 1970s the ILD has begun to broaden its contacts to include noncommunist political parties in foreign countries. However, its impact on policies toward the noncommunist world is slight, and overall its influence has been declining. One indication of this loss of influence was the loss of its seat in the Foreign Affairs LSG in 1998.

2.3.4. Xinhua News Agency

With its widespread network abroad, Xinhua is the most important provider of unprocessed information to the central leadership and the broader foreign affairs establishment. Its daily publication *Cankao Ziliao* (Reference Material), each issue of which averages more than fifty pages, represents the most comprehensive world information coverage in China. Its sources are very diverse, including not only wire reports, but also articles and commentaries in major international and national newspapers, magazines, and other publications around the world. They are sent daily in their original languages by Xinhua's local offices and translated and compiled by the *Cankao Xinwen Bianji Bu* (Reference News Compilation Department) at its headquarters in Beijing.

This publication is intended for the central leadership and foreign affairs professionals, as well as for senior officials at the provincial/army level. There are occasions on which certain information is considered so sensitive that it cannot even appear in *Cankao Ziliao.* It is then printed in a special edition called *Cankao Ziliao.* Almost always classified as top secret and highly restricted in its circulation, this special publication deals with such sensitive or embarrassing issues as Chinese arms sales, defections, and alleged Chinese espionage activities.

The same department also publishes a newspaper, once internally circulated, for mass consumption called *Cankao Xiaoxi* (Reference News). In the 1950s its circulation was restricted to high-ranking officials. In the 1960s it was extended to all officials and university students. In the 1970s Mao loosened the restriction further to include ordinary workers, and in the 1980s it became available to all Chinese citizens. Although its contents are more strictly edited than those of *Cankao Ziliao,* some criticism of nonsensitive aspects of Chinese society appears in the newspaper, but sharp criticism is usually edited out.

Xinhua is not limited to the role of a provider of raw information. It has its own research units, and its correspondents based in foreign countries also write in-depth analyses of important international developments and of the domestic situations of their resident countries and those countries' attitudes toward international and regional issues, particularly China. The internally circulated biweekly *Guoji Neican* (International Affairs for Internal Reference) provides a forum for these internal analyses by Xinhua's overseas correspondents. In places where China does not have diplomatic representation, the reports and analyses by the resident Xinhua correspondents play a key role in shaping the perception of China's central leadership. Occasionally a correspondent is even mandated to carry out semiofficial functions, including contacting important local officials on behalf of Beijing and lobbying for Chinas interests.[32]

[32] Yan Huai, "Notes on China's Confidential Documents", (Papers of the Center for Modern China, 1993), p.12

2.3.5. The Peoples Liberation Army

Civilian control of the military is one of the most basic principles undergirding the Chinese armed forces. The role of the PLA in China's foreign policy decision-making is largely confined to certain activities of its departments. It is a mistake to talk of a well-defined overall PLA interest in foreign policy or of well-established policy goals. Rather, various elements of the PLA are driven by their particular departmental interests: signal and imagery intelligence gathering for the GSD Third Directorate; human source intelligence and intelligence analysis for the GSD Second Directorate; arms purchases and, until 1998, sales abroad for the General Equipment Department; and Taiwan for the General Political Department Liaison Directorate.

With the exception of the Taiwan issue, serious involvement of elements of branches of the PLA in foreign policy issues started with the Chinese leadership decision in the 1980s to allow the PLA to sell surplus arms overseas. However, following the subsequent decision by the leadership to demand that the PLA hand over all its businesses to civilian authorities by the end of 1998, this involvement by the PLA in foreign policy issues may prove only short-lived. Indeed, the PLA is likely to terminate all official involvement in overseas arms sales, with Norinco beginning to exercise oversight over the Poly Group and with the transfer of control over overseas arms sales to COSTIND under the government bureaucracy restructuring pro-pram unveiled in March 1998. The foreign affairs of different branches of the PLA are coordinated by the Foreign Affairs Bureau of the PLA General Staff Department.[33]

2.4. THE MINISTERIAL POWER STRUCTURE

Foreign policy is not usually the central issue in Chinese factional conflicts. It is a realm unfamiliar to most of the senior Communist leaders, and one that affects their power interests less than domestic issues. Despite factionalism, a confident and healthy supreme leader can have his way on many foreign policy issues, imposing his style and strategy across a range of decisions. Most of Mao's senior colleagues at first opposed intervening in the Korean War, but they united quickly behind his determination to do

[33] Available on site www.peopledaily.com.cn/gwy/aiO7O.htm

so. Mao's choice to break with the Soviet Union in the early 1960s faced hardly any dissent at top levels of the leadership. The chairman was personally responsible for launching the two 1950s Taiwan Strait crises and for the policy of rapprochement with the United States.

Similarly, Deng Xiaoping decided on China's open-door policy in the late 1970s, normalization of relations with the United States in 1979, the 1979 incursion into Vietnam, rapprochement with the Soviet Union in the 1980s, the "one country, two systems" policy for the reunification of Hong Kong and Taiwan, and the agreement with Great Britain on the return of Hong Kong to China. PRC foreign policies may not always have been correct, but under Mao and Deng they were usually the product of a coherent vision and were carried out with discipline.[34]

In addition to limiting the decision-making power of the central bureaucracies and their party groups to implementing details, the 1958 CCP Central Committee and State Council joint circular further stipulated the following: "With regard to major policy orientation, principles, and guidelines, and to implementation planning and supervision, government organs and their Party groups have the power to make recommendations. But the decision-making power belongs to the Party Center." This rule is still in effect today. Until recently the leadership structure within a government ministry or party department at the central level was almost a miniature of the central party structure and mechanism.[35]

As a result of reforms of the 1980s, the responsibilities and decision-making powers of each bureaucratic post are explicitly defined in the form of internal regulations. For all foreign affairs policy matters, the decision-making power rests with the ministerial leaders and above. Departmental officials have the power to oversee the day-to-day operations that fall under their respective jurisdictions under established rules. Even in the case of those kinds of decisions with clearly established rules and precedents, the proposed course of action is often referred to the responsible ministerial leader for ratification. In the case

[34] Andrew J. Nathan and Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997), p.128

[35] Zheng Qian , "An Outline of the Evolution of the Contemporary Chinese Political System", (Beijing: Chubanshe, 1988), p. 92

of matters that have no rules or precedents to follow, it is usually up to the ministerial leadership (and above) to make the final call.[36]

When the leader was weak, factional struggles might not only refer to foreign policies but affect them as well. When Mao was incapacitated late in his life, the court faction led by his wife attacked their rivals for their association with U.S.-China rapprochement and with China's conciliatory Taiwan policy, forcing a temporary hard-line phase in policy toward the United States. Even after the radicals were defeated, the power struggle between Deng Xiaoping and the politician he later ousted from power, Hua Guofeng, froze policy toward the United States for a time. Not until 1978 did Deng establish the preeminence needed to make compromises over Taiwan and normalize relations with the United States. Setbacks to Deng's power after the 1989 Tiananmen incident were associated with hardening policies on U.S.-China trade, arms transfers, human rights, and Hong Kong, among other areas. Deng's illness in 1995-96 seemed to contribute to the hardening of PRC policies toward Taiwan, human rights, trade, and other issues.

Paramount leadership and political factionalism are the two faces of personal power. Deng Xiaoping may turn out to have been the last Chinese leader with enough authority to dominate the factions and impose consistency on the major elements of Chinese foreign policy.[37]

The leadership that now presides over China's foreign and domestic policies is unlike any that has governed the People's Republic of China (PRC) since its founding in 1949. Often called China's "third-generation" leadership, the cluster of top leaders around Party General Secretary Jiang Zemin is the product of two concurrent transitions. On one hand, it reflects the cumulative outcome of a deliberate process of succession to a post-Deng leadership managed by Deng Xiaoping himself to put into place younger leaders recruited according to criteria befitting China's postrevolutionary agenda. On the other hand, it reflects a signal

[36] Lu Ning, "The Central Leadership, Supraministry Coordinating Bodies, State Council Ministries, and Party Departments", David M. Lampton ed., The Making Chinese Foreign and Security Policy, (California,2001), p.56

[37] Andrew J. Nathan and Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997), p.129

turnover of elite generations, bringing to the top a group of postliberation leaders whose life experiences and career paths differ profoundly from those of their predecessors.[38]

2.5. EMERGING TRENDS

In Mao's era, the foreign policy apparatus was rudimentary. Major decisions were made by Mao, often in private, and implemented by a small staff under Zhou Enlai, Mao's premier and sometime foreign minister. During the Cultural Revolution, Mao disbanded the few foreign policy institutes China had, called home all but one of its ambassadors, and sent most of the foreign policy establishment to the countryside to be reeducated by the peasants. After receiving a phone call or written instruction from Mao, Zhou frequently handled even small details of policy personally. He negotiated all the arrangements for the 1971 visit to China of an American Ping-Pong team that opened the way for Henry Kissinger and later for Richard Nixon. Even on his deathbed, Zhou continued his diplomatic work, receiving a Romanian delegation and holding discussions on policy toward Taiwan. Deng Xiaoping restored and built up the foreign policy apparatus to deal with the growing complexity of the issues China faced as he steered it into a deeper engagement with the world. As institutions grew more complex, a larger part of the process came to be conducted in routine ways, in regularly scheduled meetings with institutionalized procedures.[39]

The most fundamental change in the dynamics of foreign policy decision-making has been the shift of emphasis since 1978 on the part of the central leadership from the nation's physical security to its economic development. Although the Vietnamese invasion of Cambodia and the Soviet invasion of Afghanistan caused considerable concern over China's security, it soon became clear that the overseas misadventures of Hanoi and Moscow were such a painful drain on their own resources that any threats they posed to Beijing were manageable. By the early 1980s the leadership in Beijing reached a consensus that China was physically secure. Deng, however, invented "three main obstacles" to the normalization of relations between Moscow and Beijing, mainly to

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[38] H. Lyman Miller And Liu Xiaohong, "The Foreign Policy Outlook of Chinas "Third Generation" Elite", David M. Lampton ed., The Making Chinese Foreign and Security Policy, (California,2001), p.123

[39] Michael D. Swaine, "The Role of the Chinese Military in National Security Policymaking" (Santa Monica: RAND, 1996), p.99

control the domestic pressure to trade with Moscow so as not to create a backlash in the West.

The impact of this shift toward economic development on foreign policy decision-making can be viewed along several lines. One is the gradual erosion of the preponderant role of the paramount leader in favor of the leading nuclear circle in the making of foreign policy decisions. Deng Xiaoping retreated as the nucleus of the second generation of CCP leadership in three stages: in the late 1970s Deng retreated from active involvement in policy decision-making on issues ranging from the normalization of relations with the United States to the invasion of Vietnam; through much of the 1980s he allowed Zhao Ziyang and Hu Yaobang to make most of the important foreign policy decisions and intervened only occasionally; after 1989 and until his death in 1997, he intervened rarely and only when asked.

This shift came as a matter of objective necessity and subjective limitations, as well as personal style. As the nations foreign relations grew increasingly complex in the two decades of reforms, retaining the same high level of concentration of decision-making power as during the Mao era became impossible. To manage such an extensive and complex relationship required technical expertise that Deng's generation of leaders did not possess. Furthermore, Deng did not possess the absolute authority that Mao once commanded. Deng alone could not dictate every major decision if there was serious disunity among the government elite. It was necessary for him to build consensus. Further, Deng's personal work style had never been that of a micro manager, like that of Zhou Enlai. Deng believed in the delegation of authority and placed his chief lieutenants on the front line of decision-making.[40]

The emergence of Jiang Zemin, Li Peng, and Zhu Rongji at the center of political power represents a transition of Chinese political leadership from a generation of revolutionary politicians to a generation of technocratic politicians. This new group is characterized by its lack of any absolute authority based on charisma and prestige established through decades of wars and construction and by its relatively narrow

[40] Lu Ning, "The Central Leadership, Supraministry Coordinating Bodies, State Council Ministries, and Party Departments", David M. Lampton ed., The Making Chinese Foreign and Security Policy, (California,2001), p.57

power base. No single leader can command unquestioned authority simultaneously in the three major systems of China's political power—the party, the government, and the military. This has led to more of a collective decision-making process, with checks and balances reflected in the structure and composition of the Politburo Standing Committee, which has begun to represent more bureaucratic and regional interests.

The present Chinese leadership is distinctly new. Of the twenty-four leaders appointed as full or alternate members of the Chinese Communist Party's (CCP's) Politburo at the Fifteenth National Congress in September 1997.(See Figure 2.5 and Table2.1)

Figure 2. 5: Chinese Communist Party Officials

Table 2. 1: China's National Party Leadership, March 2000

CCP Politburo Members	Age (2000)	Other principal posts	Province of origin and university degree, if any
Standing Committee leaders (rank order)			
Jiang Zemin	74	CCP general secretary; chairman, CCP and PRC Central Military Commission; PRC president	Jiangsu; electrical engineering
Li Peng	72	NPC chairman	Sichuan; hydro-electrical engineering
Zhu Rongji	72	Premier	Hunan; electrical engineering
Li Ruihuan	66	Chairman, CPPCC	Tianjin; construction engineering
Hu Jintao	58	PRC vice president; president, Central Party School	Anhui; hydraulic engineering
Wei Jianxing	69	Secretary, Central Discipline Inspection Commission; Secretariat; president, All-China Federation of Trade Unions	Zhejiang; mechanical engineering
Li Lanqing	68	Vice premier	Jiangsu; enterprise management
Regular members (stroke order)			
Ding Guan'gen	71	Secretariat; director, CCP Propaganda Department	Jiangsu; railroad engineering
Tian Jiyun	71	NPC Standing Committee vice chairman	Shandong
Li Changchun	56	Secretary, Guangdong CCP Committee	Liaoning; electrical engineering
Li Tieying	60	President, Chinese Academy of Social Sciences	Yanan/Hunan; physics
Wu Bangguo	59	Vice premier	Anhui; electrical engineering
Wu Guanzheng	62	Secretary, Shandong CCP Committee	Jiangxi; electrical engineering
Chi Haotian	67	Minister of National Defense; state councillor; CMC vice chairman	Shandong; Third Field Army
Zhang Wannian	72	CMC vice chairman; Secretariat	Shandong; southern Fourth Field Army
Luo Gan	65	Secretariat; state councillor	Shandong; metallurgical engineering
Jiang Chunyun	70	NPC Standing Committee vice chairman	Shandong]
Jia Qinglin	60	Secretary, Beijing CCP Committee; mayor, Beijing	Hebei; electrical engineering
Qian Qichen	72	Vice premier	Shanghai
Huang Ju	63	Secretary, Shanghai CCP Committee	Zhejiang; electrical engineering
Wen Jiabao	58	Secretariat; vice premier	Tianjin; geology
Xie Fei	68	NPC Standing Committee vice chairman (deceased October 27, 1999)	Guangdong
Alternate members			
Zeng Qinghong	61	Director, CCP Organization Department	Jiangxi; engineering
Wu Yi	62	State councillor	Hubei; petroleum engineering

The differences between the present leadership around Jiang and the 1982 leadership around Deng Xiaoping are stark and dramatic. First, the present Jiang leadership is on average a decade younger than the leadership installed in 1982 around Deng. The average age of the twenty-four members of the Jiang leadership on appointment in 1997 was sixty-three years. By contrast, the average age of the twenty-five leaders appointed to the Politburo with Deng Xiaoping in 1982 was in that year seventy-two.

Second, following directly from the relative youth of the Jiang leadership, most of its members began their careers after the founding of the PRC.

Third, the present leadership is far better educated than that of 1982. Among the twenty-five leaders appointed to the Politburo in 1982, none had university degrees. Two (Nie Rongzhen, from the Red Army Academy in Moscow, and Xu Xiangqian, from the Whampoa Military Academy in Canton) had studied at military academies, and two more (Ulanfu and Yang Shangkun) had studied at Sun Yat-sen University in Moscow. Two others, Hu Qiaomu and Liao Chengzhi, had at least two years of university-level study but never completed degree programs. By contrast, seventeen of the twenty-four members of the present Politburo leadership have university degrees.

Fourth, the present Jiang leadership is strongly associated with the progressively reformist provinces on the Chinese coast. Among the twenty-four members of the present Politburo, thirteen trace their regional origins to the five coastal provinces of Shandong, Jiangsu, Zhejiang, Fujian, and Guangdong and two province-level coastal cities, Tianjin and Shanghai. Of the remaining eleven who do not come from these coastal provinces, four (Zhu Rongji, Zeng Qinghong, Jia Qinglin, and Wu Bangguo) worked substantial portions of their careers in these provinces and cities during the 1980s and 1990s, the heyday of Deng's coast-oriented reforms. By regional origin or work experience, seventeen of the twenty-four, therefore, are associated with the coastal backbone of reform. By contrast, only six of the twenty-five members of the 1982 Deng leadership hailed from the coastal provinces and cities.

Last, the Jiang leadership appointed in 1997 is virtually devoid of military experience. Only the two professional military leaders, Zhang Wannian and Chi

Haotian, who both fought in the civil war and in the Korean War, have firsthand military experience. The remaining twenty-two have none at all. By contrast, among the twenty-five members of the 1982 Deng leadership, twenty had military experience by way of past military leadership positions or direct combat, and seven had followed military career paths after 1949.

Therefore, the consolidation of the Jiang leadership at the Fifteenth Party Congress in 1997 marked the arrival at the top of China's political hierarchies of a generation of leaders whose life experiences and careers set them apart from the preceding party leaderships around Deng Xiaoping and, before that, Mao Zedong. Most of the present leaders came of political age during the "ten glorious years" of the PRC's first decade after rising steadily through the various institutional hierarchies amid the social transformations created by the communist revolution. Many endured the Cultural Revolution decade rather than prospered from it, and so they are mindful of the policy disasters of the last two decades of Mao Zedong's rule. All saw their careers take off with the Dengist restoration of the late 1970s and 1980s. By education most are technically trained, and, as part of the managerial elite created in the 1950s and early 1960s, they are by profession technocratic in administrative experience, not heroic social revolutionaries. In a China where in modern times security has remained the foremost priority and where political power has rested in part on military foundations, the Jiang leadership is an unprecedentedly civilian leadership.[41]

Another trend that has emerged from the shift in focus to economic development is the centrality of economic factors in making foreign policy decisions. During the Mao era, because the focus was on national security, Beijing's political considerations dominated foreign policy decision-making. Foreign trade and economic aid were but instruments for the realization of China's international political and security objectives. By 1980 this order was reversed: China's diplomacy was required to serve the nation's paramount interest in economic development. When faced with choices, the decision-makers in the central leadership, particularly the premier, under great pressure to deliver economically, have been biased in favor of economic interests.

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[41] H. Lyman Miller And Liu Xiaohong, "The Foreign Policy Outlook of Chinas "Third Generation" Elite", David M. Lampton ed., The Making Chinese Foreign and Security Policy, (California,2001), p.127-128

As a result of this economic bias, the third trend in the changing dynamics in foreign policy decision-making has emerged: the decentralization of decision-making power in favor of the foreign affairs establishment at the expense of the central leadership, in favor of other bureaucracies at the expense of the MFA, and in favor of trade corporations and local authorities at the expense of MOFTEC.

The subtle shift of authority from the central political leadership to the foreign affairs establishment has been driven by the same forces that have been responsible for the erosion of the power of the paramount leader in favor of the leading nuclear circle. The relative fluidity of the leading nuclear circle has also contributed to this process. Turnover at this level has been fairly frequent compared with the past. As a consequence of its relative inexperience, the political leadership has had to rely more heavily on professional bureaucrats to reach foreign policy decisions. The bureaucratic institutions, meanwhile, have become more assertive and have occasionally even resisted ill-conceived policy initiatives of members of the leading nuclear circle.

MOFTEC's growing influence is a contributing factor to the erosion of the MFA's power. MOFTEC, however, is itself losing some of its decision-making power over the conduct of Beijing's foreign economic and trade relations. This reflects the economic reform program that emphasizes decentralization of economic decision-making power from central to local authorities and from administrative bureaucracies to corporations and enterprises. Since the 1985 reform of the foreign trade structure, MOFTEC has eased its oversight of the business management of the sixteen Chinese foreign trade corporations, which until then had been under its direct control. In the meantime, various ministries of the central bureaucracy have set up their own corporations to conduct trade independent of MOFTEC. Similarly, MOFTEC has had to yield increased powers to trade departments in the provinces to allow them to conduct trade negotiations with foreign concerns independently. In this respect MOFTEC's power has been further undercut by the fact that, starting in 1999, all government, party, and army organs have been obliged to give up all businesses they controlled. China's entry into the World Trade Organization will simply accelerate all of these trends.

In the shifting of power in the central foreign affairs establishment, the emergence of the PLA's role in foreign affairs has garnered considerable attention in the West. Although the opening of the PLA to the outside world since the early 1980s has been unprecedented, the perception that the PLA has become an independent force in foreign policy decision-making is erroneous. The decision to sell arms abroad was a domestic economic decision, not an attempt by the PLA to extend its influence abroad or to encroach on foreign policy formulation. And with the restructuring of the government bureaucracy and the decommercialization of the PLA, even this limited role has officially come to an end.

The biggest loser among institutions involved with foreign policy has been the ILD. More than any other foreign affairs institution, the ILD has been susceptible to changes in the external environment. Its tentative revival in the late 1970s and 1980s, when Beijing began to mend its fences with the Soviet Union and the East European nations, where communist parties still dominated, soon fell victim to the demise of the communist regimes in Eastern Europe and the disintegration of the former Soviet Union in 1989-1991. With the Khmer Rouge fading into oblivion and North Korea and Cuba struggling to survive, it is doubtful that the ILD will ever regain its influence in the foreign policy-making process.[42]

The outer ring of the Chinese foreign policy establishment consists of research institutes. The Chinese Academy of Social Sciences has numerous area studies institutes studying all parts of the world from the angles of politics, economics, history, religion, and culture. In addition, there are over twenty think tanks in Beijing devoted to analyzing international affairs. Specialized think tanks serve the Ministry of Defense, the Foreign Ministry, the State Council, the Communist Party's Military Affairs Committee, and the General Staff of the PLA. Each provincial government runs a social sciences academy that includes international

[42] Lu Ning, "The Central Leadership, Supraministry Coordinating Bodies, State Council Ministries, and Party Departments", David M. Lampton ed., The Making Chinese Foreign and Security Policy, (California,2001), *pp.58-59*

relations in its field of studies. The governments of Shanghai, Guangzhou, Xiamen, Harbin, and other major cities have also established foreign policy think tanks.[43]

Think tank staffs are often sent to Chinese embassies abroad. They visit foreign universities and institutes to give lectures and conduct interviews, spend time abroad as visiting scholars, and attend academic conferences. The analysts prepare reports for their government agencies, informing the Chinese leadership of the latest thinking among foreign officials and experts on policies toward China and issues affecting Chinese security. Many of these research organizations also provide periodic reports to the Politburo.

The Chinese government posts around the world a third large staff consisting of journalists, who prepare reports on the same subjects as embassy personnel and think tanks. Most Chinese journalists work for the official New China News Agency, the China News Service, or a government or party newspaper like People's Daily. Most are party members. Abroad as at home, reporters write not only for publication but also for classified, "internal" news bulletins that circulate among high-ranking officials of the party and government. In most foreign countries reporters are allowed to base themselves more widely and travel more freely than diplomats.

Like all major powers, China has a sophisticated covert intelligence system. By definition, it is a secret institution about which we know little. But apparently the Chinese security agencies focus on technological information. They develop relationships with some Chinese going abroad for long-term visits or permanent residence, expecting that some will develop careers in fields dealing with national security or sensitive technology and will one day provide classified information to the Chinese government. Most of the few cases in which the United States, Japan, and other countries have apprehended Chinese spies involved efforts to transfer sensitive information on advanced technologies with potential military use.[44]

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[43] A. Doak Barnett, "The Making of Foreign Policy in China" (Boulder: Westview Press, 1985), David Shambaugh, "China's National Security Research Bureaucracy," China Quarterly, no. 119 (June 1987), p.276

[44] Andrew J. Nathan and Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997), p.132-133

2.6. THE GLOBAL AGENDA

Although China is not a global power, it has a global agenda. While senior policymakers tend to Chinese relations with the great powers and neighbors that can threaten Chinese security, professional diplomats spend much of their time working on issues below the level of grand strategy. One major Chinese goal with global implications is to deny Taiwan wider diplomatic recognition and membership in international organizations. China seeks to maintain diplomatic relations with every country, no matter how poor or remote, to prevent it from recognizing the Republic of China. This requires a detailed knowledge of the politics and diplomatic priorities of countries in Africa, Latin America, Oceania, and the Middle East that otherwise have little influence over Chinese interests. In cultivating favor with such countries, China dispenses economic aid, provides sympathetic help in the UN Security Council and other multilateral forums, and bestows prestige on Third World governments. In a busy program of high-level state visits, Beijing extends its trademark hospitality to leaders from many small states and dispatches top PRC leaders on frequent trips to out-of-the-way countries.

A second goal that engages Chinese diplomats throughout the world is the effort to shape the emerging system of international treaties and agreements that increasingly constrain the autonomy of states in areas as diverse as arms exports, arms control, human rights, the environment, air and sea navigation, and international economic relations. We show in the next three chapters that as China has become more involved in the world, it has fallen under attack for violating many of these international regimes. One purpose of its diplomacy is to gain more influence in shaping them.[45]

Although its diplomacy is omni directional, China does not invest equal diplomatic resources everywhere. It expends special efforts in centers of influence in each region. In Europe, one of these is Germany, a country China long viewed as a barrier to the expansion of Soviet influence, and which it now sees as a forceful economic rival of the United States and a balance against American influence over European China policy. China also fostered a close relationship with France because of Paris's independence of

[45] Andrew J. Nathan and Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997), p.134

Washington. France was the first American ally other than Britain to recognize the PRC, which it did as early as 1964.

In the Middle East, China's largest embassy has long been in Egypt, the region's largest country in population and one of its most influential. Beijing also focused much attention on strategic Iran. In Latin America, it has maintained close ties with Mexico, Brazil, and Chile. In Africa, it devoted disproportionate resources to the frontline states against South Africa. Since the end of apartheid Beijing has developed friendly ties with Johannesburg, seeking to woo it away from diplomatic relations with Taipei.[46]

2.7. BUREAUCRATIC POLITICS AND LEADERSHIP SUCCESSION

China is interacting more with the outside world at all levels of government at the same time that the center has lost its formerly absolute control over bureaucratic agencies and local authorities. Although the Foreign Ministry is China's designated negotiator on most international issues, it is a weak bureaucratic actor, unable to guarantee that its commitments for action within China will be implemented, because it lacks the economic resources and bureaucratic authority to enforce them in the absence of direct intervention by the preeminent leader.

The central party and state foreign policy organs are increasingly unable to monopolize decisions that relate to foreign policy. Educational, banking, police, and military authorities at all levels frequently make decisions that affect foreign interests and that may expand into central-level issues. On the other hand, Chinese policy continues to be strategic and disciplined in areas where the leadership enjoys consensus and powerful bureaucratic actors support the policy. Examples include policies toward foreign human rights pressure, Taiwan and Hong Kong, and minority independence movements in Xinjiang, Inner Mongolia, and Tibet.

The post-Deng era is likely to see a continued diminution of the preeminent leader's authority. Many leaders in China's successor generation joined the party only in the 1950s. Since they have pursued careers in one bureaucracy, they have not developed personal

[46] Lillian Craig Harris, "Myth and Reality in China's Relations with the Middle East," in Robinson and Shambaugh, eds., Chinese Foreign Policy, p. 283

networks throughout the system. None of them has the revolutionary legitimacy of either Mao Zedong or Deng Xiaoping. Central civilian leaders are likely to have less control over the military than did Mao and Deng.

Rising military influence on foreign policy could complicate China's external relations in several ways. The military may be less inclined to comply with obligations under arms control treaties and to take on new obligations in response to U.S. and Western pressure. Under military influence policy may harden in regard to prodemocracy dissidents, Tibetan, Moslem, and Mongol nationalists, Hong Kong political activists, and Taiwan independence forces. Rising tensions in these areas could increase regional apprehensions and make management of U.S.-China relations more difficult. The military may also be more assertive in conflicts with neighbors over such issues as territorial rights in the South China Sea.[47]

2.8. FOREIGN POLICY ORIENTATION

On the basis of the preceding considerations, what kind of approaches to state-craft and policy outlook should we expect from the post-Deng Xiaoping leader- ship?

— The Jiang leadership is likely to be very pragmatic.

— It is true that Jiang has repeatedly announced programs to reduce interprovincial inequities and to develop China's West. Nonetheless, the Jiang leadership has continued to emphasize the role of the coastal provinces in leading the way in overall national development.

— Because of their coastal regional association and reformist outlook, and drawing on their much broader experience in dealing with the international order during the later Deng years, the Jiang leadership is likely to be thoroughly internationalist in its approach to the international community.

— In international politics the Jiang leadership is likely to understand international power in realist terms and therefore be acutely sensitive to China's relative strengths and weaknesses with respect to the regional and global context in which they operate.

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[47] Andrew J. Nathan and Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997), p.135-136

— As technically trained reformers the Jiang leadership will undoubtedly attach great priority to the technological transformation of the PLA into a fighting force that attains advanced contemporary standards. Increasing military budgets and the incorporation of new technologies into a leaner force are fully consistent with these views.

— With respect to decision-making processes as they relate to foreign policy and security issues, the Jiang leadership is fundamentally a civilian leadership accustomed to operating in the institutional context that Deng established in the post-Mao period. They are inclined to rely on staff work by aides, professional bureaucrats, and experts to provide background information and intelligence and on various formal and informal mechanisms, such as standing bodies and task forces, to debate policy options.[48]

[48] H. Lyman Miller And Liu Xiaohong, "The Foreign Policy Outlook of Chinas "Third Generation" Elite", David M. Lampton ed., The Making Chinese Foreign and Security Policy, (California,2001), p.136-137

2.9. THE EXTERNAL RELATIONS OF CHINA'S PROVİNCES

China is composed today of 33 administrative units on the level of the province. (See Table 2.2, 2.3)

Table 2. 2: China' Administrative Units

Province:22, Autonomous Region:5, Metropolitan City:4, Special Zone:2

No.	*Name*	*Type*	*No.*	*Name*	*Type*
1	Beijing (Pekin)	Metropolitan City	18	Hubei	Province
2	Tianjin	Metropolitan City	19	Guangdong	Province
3	Hebei	Province	20	Guangxi	Autonomous Region
4	Shanxi	Province	21	Hainan	Province
5	Liaoning	Province	22	Sichuan	Province
6	Jilin	Province	23	Guizhou	Province
7	Shanghai	Metropolitan City	24	Yunnan	Province
8	Jiangsu	Province	25	Xizang (Tibet)	Autonomous Region
9	Zhejiang	Province	26	Shaanxi	Province
10	Anhui	Province	27	Gansu	Province
11	Fujian	Province	28	Qinghai	Province
12	Jiangxi	Province	29	Ningxia	Autonomous Region
13	Shandong	Province	30	Xinjiang	Autonomous Region
14	Henan	Province	31	Chongqing	Metropolitan City
15	Neimenggu	Autonomous Region	32	Hong Kong	Special Zone
16	Heilongjiang	Province	33	Aomen (Macao)	Special Zone
17	Hunan	Province			

Source: David M. Lampton ed., The Making Chinese Foreign and Security Policy, (California,2001)

Table 2. 3: Basic Statistics of China's Provincial-Level Units, 1997

Province	Size (square km)	Population (10,000)	GDP (100 million yuan)	GDP per capita (yuan)	Agricultural output (100 million yuan)	Industrial output (100 million yuan)	Foreign investment (U.S.$ million)
Beijing	16,807	1,240	1,810	16,735	171	1,993	1,627
Tianjin	11,305	953	1,240	13,796	149	2,838	2,524
Hebei	180,000	6,525	3,954	6,079	1,437	5,980	1,107
Shanxi	156,000	3,141	1,480	4,736	341	2,351	281
Inner Mongolia	1,280,000	2,326	1,095	4,691	489	1,075	131
Liaoning	145,700	4,138	3,490	8,525	921	6,499	2,458
Jilin	180,000	2,628	1,447	5,504	585	1,597	409
Heilongjiang	469,000	3,751	2,708	7,243	845	2,703	760
Shanghai	6,431	1,457	3,360	25,750	204	5,654	4,602
Jiangsu	100,000	7,148	6,680	9,344	1,816	12,542	5,595
Zhejiang	100,000	4,435	4,638	10,515	1,005	10,380	1,548
Anhui	130,000	6,127	2,670	4,390	1,227	4,317	453
Fujian	120,000	3,282	3,000	9,258	926	3,858	4,202
Jiangxi	166,600	4,150	1,715	4,155	786	1,573	448
Shandong	150,000	8,785	6,650	7,590	2,232	9,984	2,778
Henan	167,000	9,243	4,079	4,430	1,710	5,648	759
Hubei	180,000	5,873	3,450	5,899	1,244	5,977	853
Hunan	200,000	6,465	2,993	4,643	1,322	3,817	1,010
Guangdong	178,000	7,051	7,316	10,428	1,656	12,331	12,639
Guangxi	230,000	4,633	2,015	4,356	980	2,040	931
Hainan	34,000	743	410	5,698	234	231	725
Chongqing	82,000	3,042	1,350	4,452	445	1,285	453
Sichuan	485,000	8,430	3,320	4,029	1,395	3,469	310
Guizhou	170,000	3,606	793	2,215	418	715	64
Yunnan	390,000	4,094	1,644	4,042	612	1,440	170
Tibet	1,200,000	248	77	3,194	41	12	n.a.
Shaanxi	200,000	3,570	1,326	3,707	464	1,312	638
Gansu	450,000	2,494	781	3,137	325	957	52
Qinghai	720,000	496	202	4,066	59	162	10
Ningxia	66,000	530	211	4,025	73	221	44
Xinjiang	1,600,000	1,718	1,050	5,904	476	771	45

Source: David M. Lampton ed., The Making Chinese Foreign and Security Policy, (California,2001)

China's provincial-level units have emerged as important political and economic actors since 1978. Deng Xiaoping's economic reforms and open-door policy have not simply

decentralized economic power from the central government to the provinces and other localities, but also increased the latter's involvement in China's foreign affairs. Not only have such developments posed enormous challenges for the management of China's foreign affairs system, but they have also generated a new dynamic in central-provincial interaction, because the provinces have heightened their participation in the global economy and forged their own international links. This increased assertiveness of China's provinces in the 1990s has significant implications for the study of China's international behavior and foreign policy.[49]

During the first three decades of the People's Republic of China (PRC), tight central control over foreign affairs at all levels was maintained. Even prior to the inauguration of the PRC, the Chinese Communist Party (CCP) had set up regional foreign affairs offices in cities that had significant foreign presences such as Tianjin and Shanghai.[6] Although the central government attempted to recruit cadres from local governments to serve in the Foreign Ministry during the mid-1960s, the central leadership has always dominated foreign policy-making, with perhaps the sole exception of the late 1960s, when the whole government machinery became paralyzed during the Cultural Revolution. Provincial authorities, especially in the border provinces, played a supporting role in receiving foreign visitors and supporting the efforts of the central government to manage relations with neighboring countries, but they did not have their own foreign affairs agendas.[50]

2.9.1. POLICIES OF THE CENTRAL GOVERNMENT TOWARD THE PROVINCES SINCE 1978

Provincial involvement in external affairs in the reform era is influenced by at least three factors: their physical attributes (especially their geographic locations), the policies of the central government, and provincial development strategies. If differences in provincial conditions largely determine a province's resources and policy agenda, the policies of the central government still constitute the most significant factor shaping the framework for provincial external relations Foreign policy and national defense are the prerogatives of the

[49] Kenneth Lieberthal and Michel Oksenberg, Policy Making in China: Leaders, Structures, and Processes (Princeton, N.J.: Princeton University Press, 1988), p. 138

[50] Shuguang Zhang and Jian Chen, eds., Chinese Communist Foreign Policy and the Cold War in Asia: New Documentary Evidence, 1944-1050 (Chicago: Imprint, 1996).p.22

central government. Although the provinces share revenue with the Center and play key roles in supporting China's foreign policy, the formulation of foreign policy, defense policy, and foreign economic policy still rests with the central authorities.

The inland and border provinces began to lobby for the universalization of preferential policies as early as the mid-1980s. After the promulgation of the coastal development strategy in 1988, the bandwagon moving toward greater opening to the outside world gained momentum. After the fall of Zhao Ziyang in 1989, China shifted from the pro-coastal development strategy of the 1980s to one that stressed the industrial sectors in the 1990s. Since the emphasis of this new strategy was on agriculture, energy, and other basic industries, it reflected a change in favor of the interior regions, dropping the pro-coastal development biases in the Sixth and Seventh Five-Year Plans. These moves in opening up China were not simply economic reform measures, but were also part of an effort to achieve diplomatic breakthroughs in the early 1990s.

A senior Xinjiang official even openly argued that closing the gap between the coastal region and the inland and border regions was critical to maintaining national unity.[51]

China's open-door policy was fully expanded from the coastal provinces to the inland and border provinces after Deng Xiaoping's southern tour in early 1992. Although Deng's tour provided further stimulus to the coastal region, such as additional policy support for Shanghai and the creation of bonded zones in five coastal provinces in 1992-93, the inland and border regions clearly benefited most from the new wave of opening. In 1992 five cities along the Yangtze River and eighteen provincial capitals of interior areas received the same preferential treatment as the coastal open cities.

2.9.2. THE MANAGEMENT OF PROVINCIAL EXTERNAL RELATIONS

The organization and operation of the provincial foreign affairs system have expanded and become more professional since 1978. The framework for local foreign affairs activity in the reform era was authoritatively spelled out by Li Xiannian, former president and head of the Foreign Affairs Leading Small Group of the CCP, in 1981. He stipulated that local

[51] Li Dong-hui, "Ideas on the Problem of Closing the Gap between the East and the West," Strategy and Management, No. 4 (1995), p. 42

external affairs constituted an integral part of Chinese foreign policy and had to supplement the efforts of the central authorities. China's provinces conduct their external relations through an elaborate set of organizations and mechanisms. The provincial Foreign Affairs Office (FAO) is the key organ responsible for conducting provincial foreign affairs. FAOs are part of the provincial government establishment and are entirely funded and staffed by the local authorities; hence, they are under the dual leadership of the MFA and the provincial governments. According to a key State Council document issued in 1981, the FAOs at the provincial, ministerial, and commission levels served as "the functional departments for the government's external affairs and the secretariat of the local party committee and its leading group on external affairs work." They were established to implement the principles and policies of the central government in foreign affairs under the dual leadership of the MFA and its respective party committee and government, to manage and coordinate external affairs and other external activities at the local level, and to handle political affairs with an external dimension.

The FAOs do not and cannot monopolize all dimensions of external relations, because other provincial governmental and nongovernmental organs also play significant roles in their respective arenas. The FAO in a province is one of the forty to fifty or so provincial bureau-level *(ting)* organs. Other important provincial organs that play an active role in foreign affairs include the Foreign Economic and Trade Commissions (FETCs) and the Overseas Chinese Affairs Offices (OCAOs). The FETCs are responsible for the management of foreign trade, the acquisition of foreign investment, and the supervision of foreign enterprises. Communist Party organs such as the United Front Work Department and the Propaganda Department are also involved in provincial external relations.[52]

Policy-making regarding foreign affairs is managed by a small leading group on provincial foreign affairs, which is under the provincial Communist Party Committee and is headed by a ranking official.

[52] Yearbook of Heilongjiang's Foreign Economic Relations and Trade, (Heilongjiang People's Press), 1997 p.1.

2.9.3. THE CONDUCT OF PROVINCIAL FOREIGN AFFAIRS

The pattern of provincial involvement in China's external relations is identified and examined in this section. Local governments in China support national foreign policy in a variety of ways. As the international relations of China expand, provincial authorities must manage the expanding foreign diplomatic presences within their jurisdictions. Border and coastal provinces are often involved in border talks and cross-border management. Provinces also provide expertise and research support to the central government, with the most notable example being the Shanghai Institute of International Studies. Further, provinces sometimes conduct informal diplomacy on behalf of the central government with countries with which Beijing has no diplomatic links or when formal diplomatic relations are strained.[53]

[53] Yang Jichang and Liu Hanyu, The Rising of Southwest China (Nanning: Guangxi Education Press, 1994), p.11

3. CHINA'S CENTRAL MILITARY COMMISSION AND ITS RELATIONSHIP WITH THE MILITARY, PARTY, AND STATE DECISION-MAKING SYSTEMS

Compared with other facets of PLA reforms in recent years, civil-military relations have been slow to change and shifts have been less evident. The events of 1989 had a wrenching political effect on the military, brought to a halt some nascent reforms in the armed forces, and strengthened political priorities relative to professional ones for a period of time—but by the mid 1990s, the debates and reforms of the late 1980s were again in evidence. The composition of military elites also changed, as did some of the modalities of civil-military interaction.

Since the mid 1990s, there has been an evident, if subterranean, three way struggle being played out among the army, party, and government—with the army seeking greater autonomy from the party, the party attempting to strengthen its control of the army, and the government trying to increase its own jurisdictional oversight of the armed forces (while continuing to delineate its sphere of responsibilities as distinct from that of the party). Because of their inherently political and highly sensitive nature, these changes have been only incremental and subliminal. No radical restructuring of party-army relations has been undertaken. To do so would call into question the very legitimacy and sustenance of the Chinese Communist Party (CCP).

Perhaps more than in other domains, the weight of past traditions have also inhibited overt reform in this area. Relations between the civilian leadership and military in China still very much take place in a CCP-PLA (party-army) context, although there are growing signs of bifurcation between these two institutions. Triggered by the broader drive toward professionalization of the armed forces, there have been a number of key changes in the PLA, some probably unintended, which have fundamentally affected the political identity of the military and its relationship to the CCP.[54]

In political systems dominated by a communist party, the People's Republic of China included, the military is an instrument of the party. It brings the party to power in violent revolution and uses occasional coercion and force to keep it in power. Its national security

[54] David Shambaugh, "Modernizing China's Military", (California:Univesity of California Press,2002), p.11

mission is a dual one, targeting both internal and external enemies. Such militaries, the PLA included, are institutionally penetrated by the ruling communist party—particularly through a network of political commissars—and most, if not all, officers are party members. At the top of the political system, there is an "interlocking directorate": a high percentage of senior serving military officers are members of the party's Central Committee and Politburo, and many senior party officials will have previously served in the armed forces (trading their uniforms for civilian garb, but maintaining close factional ties with military elites). In such communist militaries, "political work" and ideological indoctrination of the officer corps and the rank and file is prominent and occupies considerable time (net time not spent in training).

In short, in communist militaries, the PLA included, there is an essential symbiosis between the army and the ruling communist party. Sometimes, this symbiosis is reflected in party attempts to assert greater control over the military, while at other times, communist militaries have become more politically assertive vis-a-vis the ruling party. In such systems, because of the essential symbiosis, militaries generally do not engineer coups d'etat against their ruling parties (although they may become involved in intraparty factional maneuvering).[55]

Such a model of party-army relations was wholly applicable to China until the second half of the 1990s, but it has been only partially applicable since that time. For a variety of reasons, and judged by a variety of indicators, the relationship between the PLA and the CCP is changing, perhaps fundamentally. To be sure, it is still a party-army in important respects, but a number of the criteria noted above no longer characterize the CCP-PLA relation hip. The "interlocking directorate" has been completely broken by generational succession. Not a single senior party leader today has had a single day of military experience, and only two senior PLA officers in the High Command (Generals Chi Haotian and Wang Ruilin) have any significant experience in high-level politics. The party-army elite is clearly becoming bifurcated. Senior PLA officers, from the Central Military Commission (CMC) down to group army commands, are now promoted based on meritocratic and professional criteria, while political consciousness and activism count for

[55] David Shambaugh, "Modernizing China's Military", (California:Univesity of California Press,2002), p.12

very little. The officer corps is thus becoming increasingly professional, in classic Huntingtonian terms. Indeed, recruitment into the PLA is now based predominantly on technical criteria. The military's mission today is almost exclusively external, to protect national security, rather than internal security. The role of ideology is virtually nil, and political work has declined substantially; concomitantly the General Political Department's mission has become more oriented to providing welfare for soldiers and their families than indoctrinating them. Time formerly spent in political study (approximately 30 percent) is now spent in training. This shift is also true of curriculum content in institutions of professional military education (PME), which is now mandatory for all officers above division level. Moreover, PLA units have been ordered to divest themselves of their commercial holdings, so time formerly dedicated to business is now increasingly spent in training. In place of the earlier informality and personalization of command and control, the military is now also subject to a large number of laws and regulations. The State Council and Ministry of Finance now exert much more control over the PLA budgeting process and, at least on paper (the National Defense Law), the responsibility for military command and oversight lies with the president and the National People's Congress (NPC).[56]

Accordingly, for these reasons, it is now more analytically appropriate to consider civil-military rather than party-army relations in the PRC. The catalyst for these changes has been the professionalization of the armed forces. To be sure, this evolution is ongoing and incomplete. The former model has not, and is not likely to, completely replace the latter. Yet, by a number of criteria, it does seem clear that the PLA is moving away from its traditional communist institutional ethos into a new stage of limited autonomy from the ruling party.[57]

This new stage of civil-military relations in the PRC may also be viewed as the intermediate stage in a transition from a party-army to a "national army." China and the PLA are clearly not there yet. Yet there have been, and continue to be, subterranean discussions in China and the PLA about greater state control of the military, a military that serves the nation and not just the ruling party, and a military controlled by civilian rule and

[56] David Shambaugh, "Modernizing China's Military", (California:Univesity of California Press,2002), p.13
[57] You Ji, "China: From Revolutionary Tool to Professional Military," in Muthiah Alagappa, ed., Military Professionalism in Asia: Conceptual and Empirical Perspectives (Honolulu: East-West Center, 2001), p.111

governed my legislative oversight. This cuts right to the core of the PLA's identity and the CCP's legitimacy, if not that of the PRC itself, and, as if to put a fine point on the sensitivity of the issue, there have been a series of condemnations of such "bourgeois" concepts in both party and military media from time to time.

Is it feasible to have a national army in a Leninist system? Or can such a military only exist in a democratic system? Given the evidence of economic and educational reforms in China, to take but two issue areas, a hybrid relationship in which a professional national military coexists with a ruling communist party within a framework of state and legislative control is not inconceivable. Yet many of the conditions necessary to proclaim the PLA a "national army" seem anathema to the CCP and its rule. For example, it would require at least a viable Ministry of National Defense (not the hollow shell of the MND at present); a civilian minister of defense; chairmanship of the Central Military Commission by the president; thorough control of the military by the state president, National People's Congress, and State Council; a series of established laws and procedures governing the use of force and mobilization of the military; strong legislative oversight of the armed forces; complete budgetary control over the military by the legislature and no extra budgetary revenue; and no political content in professional military education. By all these criteria, it is clear that China has a long way to go before the PLA becomes a national army, despite internal discussions and incremental movement in this direction.[58]

3.1. THE HISTORICAL EVOLUTION OF THE CMC

Mao Zedong's observation that political power flows from the barrel of a gun is as relevant in China today as when he wrote these words more than half a century ago. The Peoples Liberation Army (PLA) is a core pillar of the Chinese power structure, although its influence in the running of the country's affairs is less significant and pervasive than in the past. It retains a powerful voice at the highest levels of the country's decision-making process, however, especially in the defense and national security arenas. But how the military brass formulates its views and exercises its influence is cloaked in a tight veil of secrecy. As China makes its presence increasingly felt on the international stage, increasing attention is given to the role the PLA plays in shaping the country's strategic

[58] David Shambaugh, "Modernizing China's Military", (California:Univesity of California Press,2002), p.14

posture. This has been highlighted by such events as provocative Chinese military exercises in the Taiwan Strait in 1995 and 1996.[59]

The CMC is the country's highest-level military organ and is responsible for the making and coordination of defense policy. It also wields potent political influence, and it is an unwritten but general rule of Chinese politics that the country's paramount leader must also be in charge of the CMC. The CMC is the organizational embodiment of the relationship between political power and the gun.[60]

When Marxist revolutionaries founded the Chinese Communist Party (CCP) in 1921, one of their first acts was to establish an organ responsible for military affairs. This forerunner to the CMC was set up in 1924 in Guangdong with Zhou Enlai as its head. The CMC was officially established in 1926, although it took another four years before its functions and structure were properly defined. Ever since its establishment, the CMC has played a pivotal role in the CCP's rise to power and in shaping the development of the PLA. At the 1935 Zunyi Conference Mao Zedong won control of the Communist Party. He took over as CMC chairman shortly thereafter, a position he retained until near the end of his life. Throughout the civil war and anti-Japanese war years, the CMC was in operational charge of the Red Army. The army's headquarters command, which included the general staff and the political and supply departments, was subordinate to the CMC.

After the communists took power in 1949, the CMC relinquished its operational responsibilities to the PLA headquarters departments, which were also separated from the CMC's administrative structure. The CMC concentrated instead on the transition of the PLA from a wartime guerrilla outfit into a regular peacetime army. This included the demobilization of several million troops, the establishment of a military rank and salary system, the creation of a paramilitary internal security force, and the formulation of new military operational strategies.[61]

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[59] Mao Tse-Tung, "Selected Works of Mao Tse-Tung", Vol. 2 (Beijing: Foreign Languages Press, 1967), p. 22

[60] Michael D. Swaine, The Role of the Chinese Military in National Security Policy-making (Santa Monica, Calif.: RAND, 1996)

[61] Li Houtine and Tang Jinhe, "Chronology of China's' Armed Power 1949-1989", (People's Publishing House, 1990), p. 404

Nonetheless, the CMC remained a key center of political power during the early years of communist rule. Top CMC leaders were among the inner decision making elite, including Mao and Marshal Peng Dehuai, who was in charge of the CMC from the early to the late 1950s. The CMC's political importance also meant that it became entangled in internal power struggles within the party and military leadership. In 1959, for example, Peng was charged with military factionalism following his criticism of Mao Zedongs Great Leap Forward, was stripped of all his posts, and was forced out of the military in disgrace.

More political turmoil followed with the outbreak of the Cultural Revolution in the mid-1960s when the CMC was taken over by conservative hardliners ("leftists" in the jargon of the time) led by Marshal Lin Biao, who had replaced Peng. Lin, Mao's hand-picked successor, allied with Jiang Qing, Mao's wife, and other leftist leaders and established a CMC Small Affairs Group that cook control and left the rest of the CMC structure virtually paralyzed.

After an allegedly abortive coup by Lin in 1971, the CMC was placed in the hands of Marshal Ye Jianying and other top military elders close to Mao. The CMC Small Affairs Group was abolished, and the CMC resumed its pre-Cultural Revolution structure. The role and size of the CMC ballooned under Ye's tenure during the mid- to late 1970s. More than sixty Long March revolutionaries and Maoist stalwarts were appointed to the CMC in 1977, for example. In addition, the CMC formed numerous committees and offices to directly handle major military issues. These included a weapons science and technology committee, an education and training committee, and a leading group on wartime communications preparations.[62]

When Deng Xiaoping took over in late 1978, he moved to reduce the CMC's involvement in the running of the military establishment. During a meeting of the commission in July 1982, Deng complained about the CMC's bloated size and its confused lines of command: "The Military Commission and the various general departments should be streamlined. It is not yet completely clear how that should be done. But the present system, method of leadership and organization of work in the army are not very satisfactory; they are too

[62] Academy of Military Science, "Major Events in the 60 Years of the Chinese People's Liberation Army, 1927-1987", (Military Science Publishing House, 1988), p. 672-85

complicated. We have the Military Commission, its Standing Committee, its regular working conferences and then the several general departments. The fact is, we should increase the responsibilities of the General Staff Headquarters, the General Political Department and the General Logistics Department, and have only a small co-coordinating organization above them. With too many leaders, not only do the comrades at lower levels find it hard to get things done, but we ourselves have trouble circulating papers for approval."[63]

At the Twelfth Parry Congress in 1982, at which Hu Yaobang replaced Hua Guofeng as general secretary of the CCP, the CMC underwent a major streamlining with the abolition of its Standing Committee and a reduction in the number of its committees. Yang Shangkun, one of Deng's close confidants, took over as CMC secretary general and was given wide-ranging responsibility for the body's management. In the spring of 1983 a state CMC was established, along with the enactment of a state constitution, as part of the effort to separate state and party functions and to at least give the appearance of civilian control of the military. This new body, however, was an empty shell whose membership mirrored the leadership of the party CMC.

During the mid-1980s military planners were given the task of drawing up guidelines for the PLA's development to the end of the century. One of the main conclusions was that the state CMC should be given real authority or that a new state National Defense Council should be set up to work closely with a fully functioning Defense Ministry. Planners argued that this new defense organization was needed because the PLA's modernization had become too complex for the party CMC to handle alone.

At the same time that these military reforms were being advocated, the political leadership was beginning to take steps to overhaul the political system. At the Thirteenth Party Congress in October 1987, top leaders agreed to separate the functions of the party and state apparatuses. This separation would have eventually given state bodies a greater role in defense issues. The National Peoples Congress (NPC), for example, considered the establishment of a special National Defense Committee. These discussions came to an

[63] Deng Xiaoping, "Selected Works of Deng Xiaoping, 1975-1982", (Beijing: Foreign Languages Press, 1984), p. 386

abrupt halt, however, with the June 1989 Tiananmen Square crackdown. The leadership moved quickly to reaffirm the party's exclusive control over the military and clamped down on any talk of separating the party and state apparatuses. The proposals to enhance the state CMC's role were indefinitely shelved.[64]

3.2. JIANG ZEMIN AS CMC CHAIRMAN

In November 1989 Deng handed over the CMC chairmanship to Jiang Zemin in an effort to shore up the weak power base of his newly chosen successor. Although Jiang had never served in the military, his appointment as the PLA's commander-in-chief was an honor that Deng had not bestowed on his previous heirs apparent. Following the appointment, Jiang devoted enormous energy to attending CMC and other PLA meetings to demonstrate to the top brass his interest in military affairs. For example, he attended an average of two to three of the CMC's weekly work meetings each month during the early 1990s. Although the routine work of the CMC proceeded normally, Deng's departure had a profound impact on the organ's political authority. Under Mao and Deng the CMC had owed its importance not only to its institutional clout, but also to the personal prestige of its chairmen. With Jiang at the helm a key source of the CMC's influence had been diminished, although if the party chief were able to solidity his hold on political power, this situation could be reversed.[65]

Jiang had a difficult time securing control of the CMC in the early 1990s because Yang Shangkun and his half-brother Yang Baibing had built up a strong power base within the commission and other parts of the PLA high command, Only after Deng purged the Yangs at the Fourteenth Party Congress in late 1992 did Jiang begin to actively consolidate his support within the military high command. Jiang spent a considerable amount of time over the next few years cultivating personal ties with many leading generals in the PLA headquarters departments and the military regions. His top military supporters included Generals Zhang Wannian and Chi Haotian, who were appointed as CMC vice chairmen in late 1995 alongside two Deng loyalists, Generals Liu Huaqing and Zhang Zhen, who ran

[64] Tai Ming Cheung, "The Influence of the Gun: China's Military Commission and Its Relationship with the Military, Party, and State Decision-Making Systems", David M. Lampton ed., The Making Chinese Foreign and Security Policy, (California,2001), p.64

[65] C. Dennison Lane, Mark Weisenbloom, and Dimon Liu, "Chinese Military Modernization" (London: Kegan Paul, 1996), p. 209

the CMC during this period. Chi and Zhang Wannian took full control of the CMC at the Fifteenth Party Congress in September 1997 when Liu and Zhang Zhen retired.

Jiang has been active in cultivating ties with PLA chiefs, but his interest in military affairs has been largely confined to political, welfare, and personnel issues. He has occasionally spoken out on matters related to military strategy and force modernization, but these pronouncements have tended to be scripted and lacking in substance. Jiang has also spent less time taking part in military activities since the mid-1990s. However, although he no longer attends working-level CMC meetings, Jiang continues to make high-profile appearances at important military events to show that he is paying attention to military affairs.

With Jiang mostly preoccupied with party and state affairs, Chi and Zhang Wannian have enjoyed wide-ranging autonomy in running the CMC. These officers are representative of the post-1949 generation of professional soldiers who have little interest in participating in politics. This distinguishes them from earlier generations of military leaders who were often intimately involved in the political process. This change has helped promote a growing sense of institutional identity in the upper echelons of the high command.[66]

Zhang is ranked ahead of Chi in the CMC lineup primarily because he is responsible for the modernization of the PLA's war-fighting capabilities. He is an experienced field commander and has been actively involved in revamping the PLA's training program and developing military contingencies against Taiwan. He has also overseen the formulation of strategic and operational doctrines and the streamlining of the PLA's force structure. Chi is in charge of political and external liaison work as well as defense science and technology. He has an extensive background as a political commissar and has also traveled widely overseas as defense minister, including to the United States in 1996. His main role is to oversee party work within the rank and file and to deal with the military's involvement in foreign relations. He is the military's representative in the party's leading small group on foreign affairs. Chi is also a close political ally of Jiang and has played a leading role in building up the party chief's power base within the military.

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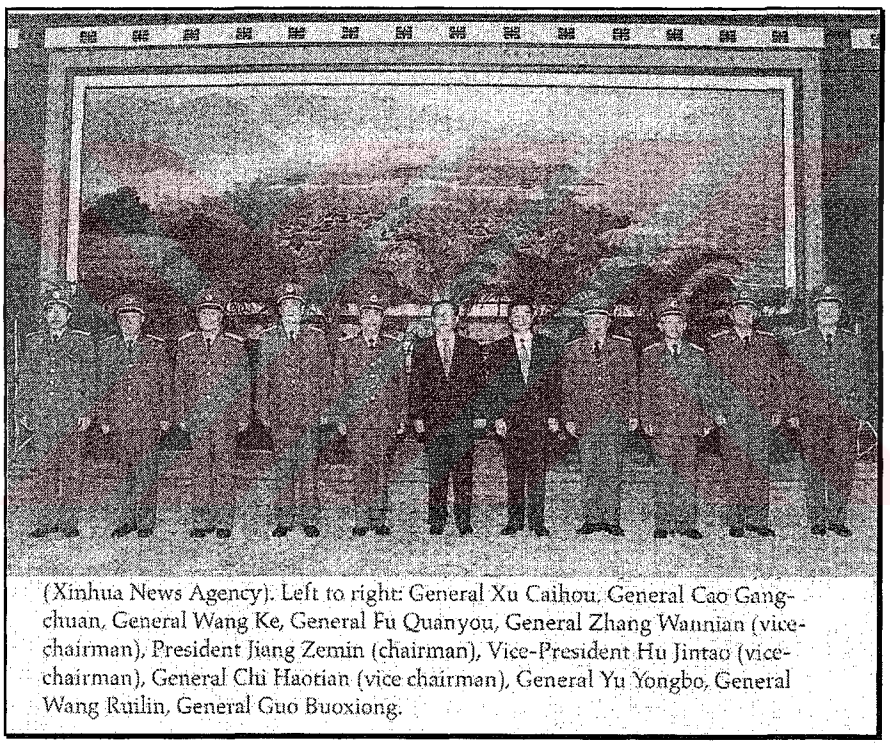
[66] Michael Swaine, "The Military and Political Succession in China" (Santa Monica, Calif.: RAND, 1993), p.22

Zhang and Chi appear set to retire at the Sixteenth Party Congress that is scheduled to take place in 2002. Leading candidates to replace them include General Fu Quanyou, currently PLA chief of the General Staff, and General Cao Gangchuan, head of the PLA General Equipment Department (GED). Two younger generals were appointed to the CMC as members in September 1999 in preparation for their elevation to the CMC's top posts within the next few years. They were Lieutenant Generals Guo Boxiong and Xu Caihou. Guo was formerly the commander of the Lanzhou Military Region, and Xu was the political commissar of the Jinan Military Region. Hu Jintao, a member of the Politburo Standing Committee (PBSC) and vice state president, was also appointed as a CMC vice chairman in September 1999.(See Figure 3.1)[67]



(Xinhua News Agency). Left to right: General Xu Caihou, General Cao Gang-chuan, General Wang Ke, General Fu Quanyou, General Zhang Wannian (vice-chairman), President Jiang Zemin (chairman), Vice-President Hu Jintao (vice-chairman), General Chi Haotian (vice chairman), General Yu Yongbo, General Wang Ruilin, General Guo Buoxiong.

Figure 3. 1: Members of the Central Military Commision, September 22, 1999

Source: David Shambaugh, "Modernizing China's Military", (California:Univesity of California Press,2002), p.226

The access of the PLA's top representatives to the top levels of the party and state decision-making processes is unclear, though. Although Chi and Zhang are members of the full

[67] Tai Ming Cheung, "The Influence of the Gun: China's Military Commission and Its Relationship with the Military, Party, and State Decision-Making Systems", David M. Lampton ed., The Making Chinese Foreign and Security Policy, (California,2001), p.66

Politburo and Zhang is also a member of the Party Secretariat, they do not belong to the more powerful PBSC. The failure of either of them to replace Liu Huaqing on the PBSC at the Fifteenth Party Congress was considered a serious blow to the PLA's political clout. The military also did not have a seat on the PBSC during the 1980s, but Yang Shangkun is believed to have regularly attended its meetings to ensure that the military's views were heard.[68]

Defense chiefs may have reservations about Jiang's commitment to backing their interests on the PBSC. As the CMC chairman has steadily consolidated his power base, however, his dependence on the military's support has lessened, as indicated by his willingness in 1998 to take on the PLA's business interests and clamp down on its smuggling activities. Although Jiang's backing of the military remains strong, since the mid-1990s he also has had serious disagreements with defense chiefs over how to deal with Taiwan. Jiang has been relatively keen to adopt a more flexible strategy to improve ties with Taipei, but the military has advocated a hard-line approach, because it believes that former Taiwanese President Lee Teng-hui and current President Chen Shui-bian are seeking independence.

To ensure the rest of the top leadership pays attention to their views, the military chiefs are actively seeking a wide range of channels to make their views heard. These channels include key policy-making forums such as meetings of the party leading groups on foreign affairs and Taiwan as well as small group deliberations at the annual sessions of the National Peoples Congress. There are reports that the military has sought to upgrade its representation in the party's Taiwan Affairs Leading Small Group from a deputy chief of general staff to a CMC vice chairman, but it does not appear to have achieved this objective thus far.

All four heads of the PLA headquarters departments are also CMC members, along with Deng Xiaoping's former military secretary and deputy director of the General Political Department, Wang Ruilin. They regularly participate in CMC functions, including key internal meetings, and have an influential say. The heads of other major military units, including the service arms, the National Defense University, the Academy of Military

[68] Tai Ming Cheung, "Waiting at the Top", Far Eastern Economic Review, Sept. 12,1991, p. 18

Sciences, and the seven military regions also occasionally participate in CMC discussions, although they are not members of the commission and have no voting rights.

General Cao Gangchuan, the head of the PLA's GED, is regarded as a rising star in the military hierarchy. He is now in overall charge of managing the PLA's weapons and equipment apparatus, including research, development, and procurement. This gives him considerable influence over budgets and input into the direction of the PLA's force modernization, which had previously been the responsibility of Zhang Wannian.[69]

Another important figure in the CMC hierarchy is Jiang's personal military secretary and head of his General Office, Jia Tingan, who is also a deputy director of the CMC General Office. Jia has worked for Jiang since the late 1970s, but had only limited military experience before his appointment to the CMC general office in 1994. Despite his lack of military credentials, Jia enjoys the rank of a major general and wields substantial influence within the CMC because of his direct access to Jiang.[70]

3.3. THE IMPACT OF THE PAST ON THE PRESENT

The history of Chinese civil-military relations has profound implications for understanding developments after the CCP came to power and in the present period. Professionalism has been ongoing since the 1950s and Marshal Peng Dehuai's tenure as minister of defense. Even under Marshal Lin Biao in the 1960s, and contrary to conventional wisdom, the military continued to professionalize and modernize in several dimensions. If there has been a tension, it has been between party control and limited military autonomy. The norm of a symbiotic party-army relationship has been sustained over time, but in different periods over the past fifty years (notably 1959-62, 1971-82, and 1989-92), the CCP has made extra efforts to exert control over the armed forces and at other junctures, the military has sought to increase its corporate autonomy from the CCP. On several occasions, the military sought to exert its role in high-level party affairs (notably in 1967,1976,1989, and to a certain extent in 1996), but it can be plausibly argued that these efforts had more do with certain elites "pulling" the military into politics during periods of social unrest and

[69] Tai Ming Cheung, "The Influence of the Gun: China's Military Commission and Its Relationship with the Military, Party, and State Decision-Making Systems", David M. Lampton ed., The Making Chinese Foreign and Security Policy, (California,2001), p.68

[70] Ming Pao, "Central Military Commission Reportedly Reshuffled" Nov. 9,1996, p. 11

party weakness. In other periods (1954-59,1974-75, and 1982-89), the armed forces have sought to increase their autonomy from the party, but this must be carefully distinguished as *limited autonomy.* At no time has the PLA ever sought to fully separate itself from the CCP (or vice versa).[71]

The military has simply sought greater autonomy over affairs it considers to be fully in its corporate domain—training, doctrine, force structure, personnel appointments, military education, and protection of national security. Meanwhile, professionalizing tendencies have been more or less continual, although with a particular emphasis in the late 1950s, mid 1980s, and late 1990s. The PLA has been a "party-army with professional characteristics." Thus, the army's relationship with the party-state has evolved and fluctuated over time. This fluctuation correlates with the strength or weakness of the party-state.[72]

Professionalization remains partially apt today, although since the mid 1990s we may have witnessed increasing military autonomy from the party in general, as well as nascent signs of increased state (i.e., government) control of the armed forces. This trend would suggest a slight variation on his typology: a more linear evolution from symbiosis to control to limited autonomy. Suffice it to note here that increased state control need not ipso facto imply the zero-sum displacement of the party's relationship with the army.[73]

Any consideration of civil-military relations in China as it enters the twenty-first century must proceed from clear cognizance of the past. Over the past century, individual military actors and the military as an institution have played key active roles in the Chinese regime and nation. These have taken a variety of forms, but the military has never been fully isolated from the political arena. Both military and party elites have viewed military involvement in politics, domestic security, society, and even commerce as legitimate. While the political involvement of the Chinese military is distinct from the Western tradition of military corporatism and separation from the political arena (based on the Ottoman, European, and American experiences), it is hardly unique among developing or

[71] Ellis Joffe, The Military and China's New Politics: Trends and Counter-Trends, CAPS Papers, no. 19 (Taipei: Chinese Council on Advanced Policy Studies,1997)
[72] David Shambaugh, "Modernizing China's Military", (California:Univesity of California Press,2002), p.18
[73] Jeremy Paltiel, "PLA Allegiance on Parade: Civil-Military Relations in Transition," China Quarterly, no. 143 (September 1995)

socialist countries. Many postcolonial and developing nations have experienced sustained military rule and praetorian intervention, while most former communist party-states were based on the "interlocking directorate" of party and military elites and the penetration of the military and security services by party control mechanisms.[74]

An interesting literature has also begun to address civil-military relations in the Chinese context of a democratizing Taiwan. Scholars specializing in post-1949 Chinese military politics would do well to tap into all of these studies, as the PLA shares many commonalties with these other cases. As professionalism and corporate identity rise in the PLA, and greater efforts are made to subject the military to state control, comparing other national experiences will be increasingly pertinent to understanding the future evolution of the PLA.[75]

3.4. CMC STRUCTURE, WORKINGS, AND RESPONSIBILITIES

Although it is one of the most powerful institutions in China, the CMC is a small and trim bureaucratic organ that operates independent of the rest of the military high command. Some observers believe that the CMC operates in a similar fashion to party leading groups, as a forum for "facilitating coordination, communications, supervision and consultation" among leading military organs. But the CMC wields far more power and responsibility; its status is more on a par with that of the PBSC and the State Council.[76]

As the CMC is the supreme national organ in charge of military and defense affairs, its functions include the "formulation of military strategy, timely handling of contingencies and vital issues concerning defense building, comprehensive coordination of military, economic, political and diplomatic strategies, and formulation of guidelines and polices." In the event of war the CMC "can take command of the whole army and quickly set up a wartime establishment while, at the same time, organizing the soldiers of the whole country to make a quick and effective response." The role of the CMC chairman is especially important, as "the particularity of military struggles requires ... the practice of

[74] Samuel P. Huntington, "The Soldier and the State: The Theory and Politics of Civil-Military Relations" (Cambridge, Mass.: Harvard University Press, 1957)
[75] Monte Bullard, "The Soldier and the Citizen: The Role of the Military in Taiwan's Development", (Armonk,N.Y.:M.E.Sharpe,1997)
[76] Michael Swaine, "Military and Political Succession in China", (Santa Monica, Calif.: RAND, 1993), p.52

the system of personal responsibility for the chairman, so as to execute highly concentrated command of the armed forces".[77]

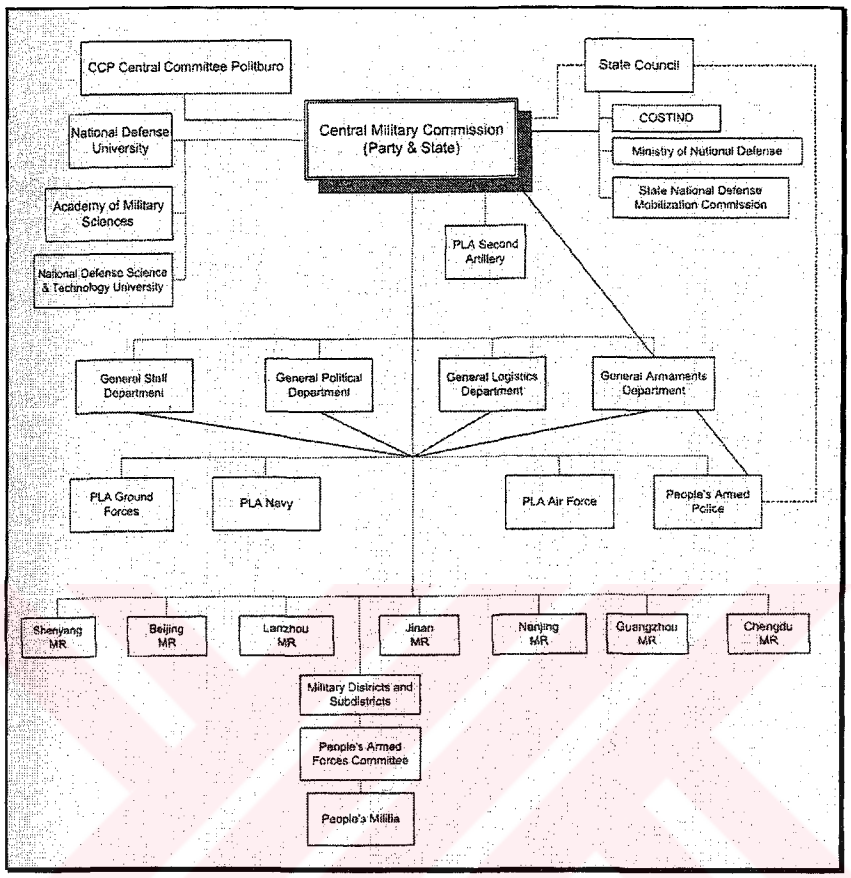


Figure 3. 2: The Command Structure of the PLA

Source: David Shambaugh, "Modernizing China's Military", (California:Univesity of California Press,2002), p.111

The structure of the CMC (see Figure 3.2 and 3.3) includes two parts: its permanent administrative structure and the various types of ad hoc committees and working groups that are convened under its auspices. The CMC's main bureaucratic structure is its General Office, which has a staff of between two hundred and three hundred and is headquartered in Sanzuomen, near the central leadership compound of Zhongnanhai in central Beijing. A new, more modern CMC headquarters building was opened up next to the Military Museum in western Beijing in October 1999. It is called the August First Building and is an almost opulent structure. The General Office's main functions are to provide secretarial,

[77] Tang Yan, "Trends and Theories in the System of Army Organization", (Military Literature Publishing House, 1987), p. 261

administrative, and personnel support for the CMC leadership. The General Office is headed by a lieutenant general, and it has several components, including a discipline inspection commission, policy research section, audit department, military trade bureau, legal affairs bureau, and communications war readiness office.[78]

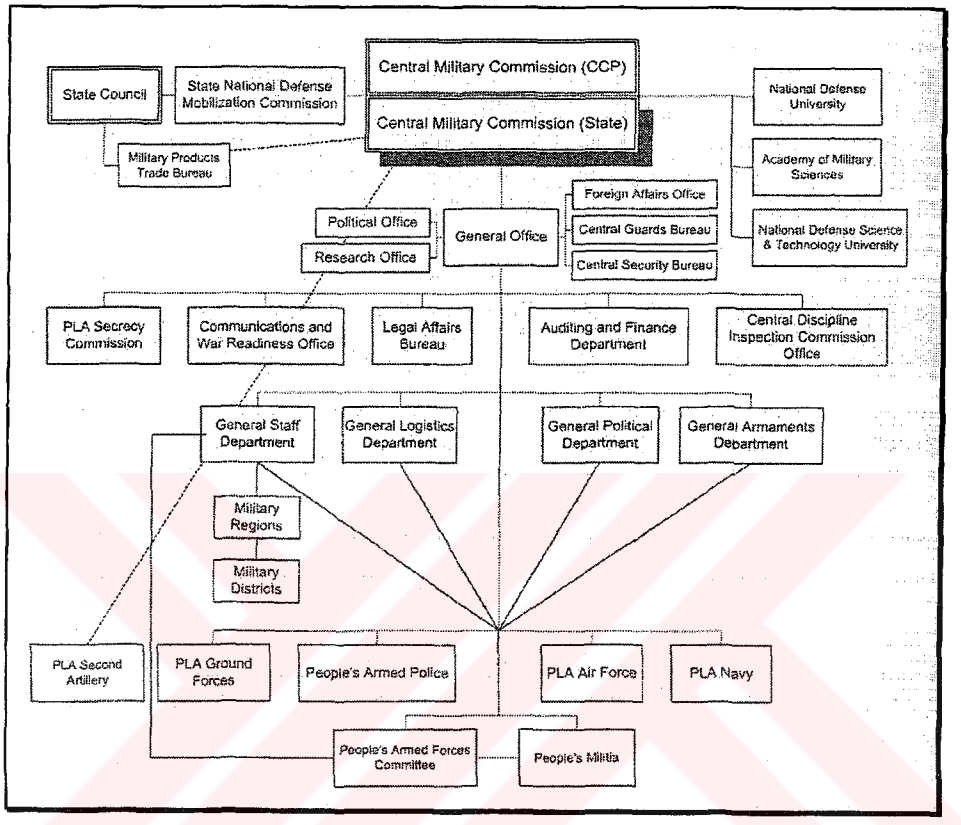


Figure 3. 3: The Central Military Commission

Source: David Shambaugh, "Modernizing China's Military", (California:Univesity of California Press,2002), p.112

Although the General Office plays a marginal role in the CMC's policy-making, it wields considerable influence by controlling the flow of information and documents, as well as the organization and agendas of key CMC meetings.[79]

[78] Serold Hawaii, "Directory of People's Republic of China Military Personalities", (Honolulu: Serold Hawaii, Aug. 1998), p. 4

[79] Hong Kong Commercial Daily, Directory of China's Government Structure (Hong Kong: Hong Kong Commercial Daily Press, 1997), pp. 10-11

Mao Zedong pointed to the unseen but influential role played by the CMC General Office when he commented in 1952: "In my understanding of the army's situation, no small part goes to comrade Xiao Xiang-rong (CMC General Office director), who delivered the materials." The General Office collates reports from other PLA organs and circulates them to the CMC leaders in the form of reading material summaries, commentaries, and bulletins. The General Office also liaises frequently with its counterparts in the party and state apparatuses. Some observers believe that the General Office's functions and clout are being expanded on account of the absence of a functioning CMC Secretariat; the future of that office was put in limbo with the sidelining of Secretary General Yang Baibing in 1992. In a related move, the number of General Office deputy directors has been gradually expanded, from three to four in the early 1990s to six in 1997.[80]

Ambitious staffers in the General Office have occasionally put forward policy initiatives of their own. When Major General Li Jijun headed the General Office's policy research section in the late 1980s, he wrote several policy papers advocating a new local war strategy as part of a general shift that was taking place in the PLA's strategic posture at that time. These proposals were well received by Li's superiors, including Yang Shangkun and Zhao Ziyang, who served as CMC first vice chairman between 1987 and 1989, notwithstanding strong bureaucratic opposition to his role from other parts of the PLA apparatus. Although Li's initiative was shelved after Zhao was ousted from power in the Tiananmen Square crackdown, it was eventually adopted in the early 1990s as part of the PLA's new operational strategy for fighting high-technology wars under local conditions.[81]

The chairman and vice chairmen have their own offices, each with a small staff of secretaries and personal advisors. Their chief personal secretaries are powerful figures within the CMC administrative system.[31] As already pointed out JiaTingan, Jiang's chief military secretary, is a deputy director of the CMC General Office and head of Jiang Zemin's general office.[82]

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[80] Serold Hawaii, "Directory of Peoples Republic of China Military Personalities", (Honolulu: Serold Hawaii, 1999), p. 11

[81] Michael Swaine, "Military and Political Succession in China", (Santa Monica, Calif.: RAND, 1993), p.68

82 Wei Li, "The Chinese Staff System: A Mechanism for Bureaucratic Control and Integration" (Berkeley, Calif.: Institute for East Asian Studies, 1994), p.7

3.5. THE CMC'S INVOLVEMENT IN DEFENSE AND NATIONAL SECURITY DECISION-MAKING

As China's role in international affairs grows, its defense and national security interests are also expanding. Acting as the nexus between the military and civilian decision-making apparatuses, the CMC has played a prominent role in areas that have a major impact on the country's defense and security postures, especially related to the safeguarding of the country's sovereignty and territorial integrity. These areas include arms exports, ties across the Taiwan Strait, strategic relations with major powers, and maritime sovereignty disputes.

Although the CMC and the rest of the military establishment is paying more attention to the external security environment, their involvement in the mainstream foreign policy arena appears to have diminished. This has allowed the civilian foreign policy establishment, especially the Ministry of Foreign Affairs (MFA), to become more assertive in advancing its own diplomatic interests and expanding its areas of responsibility. The MFA has, for example, assumed a leading role in international arms control negotiations and, along with the Ministry of Foreign Trade and Economic Cooperation, a more prominent role in technology export controls.

But the onset of the Asian financial crisis in the summer of 1997 also led decision-makers in the CMC and other PLA organs to focus more attention on nonmilitary threats that could adversely affect the country's national security. Considerable interest was paid to the consequences of the Asian financial meltdown for China's overall security as well as its ramifications for the regional security regime.[83]

3.5.1. Cross-Strait Relations

At the top of the military's list of priorities since the early 1990s has been the deterioration in relations across the Taiwan Strait. Policy-making toward Taiwan during the 1980s and early 1990s was primarily in the hands of paramount leader Deng Xiaoping and Yang Shangkun. As these two revolutionary veterans controlled the CMC, there was little need

[83] Tai Ming Cheung, "The Influence of the Gun: China's Military Commission and Its Relationship with the Military, Party, and State Decision-Making Systems", David M. Lampton ed., The Making Chinese Foreign and Security Policy, (California,2001), p.74

for PLA chiefs to be involved in the policy-making process. Under Deng, Beijing took a pragmatic and long-term approach to its dealings with Taiwan, focusing on economic and cultural exchanges in the hope that this would pave the way for eventual reunification.

This situation changed following the Fourteenth Party Congress. Yang, who also headed the Taiwan Affairs Leading Small Group (TALSG) was retired after losing a power struggle, and Deng's involvement in policy-making decreased sharply thereafter due to his failing health. The Taiwan portfolio was left open, and Jiang took charge of the TALSG. Military chiefs also moved to fill the vacuum, and they began to make their voices heard. The new leadership began to explore possible initiatives regarding Taiwan, and a far-reaching debate among policy-makers began on the future direction of cross-strait relations. Competing institutions represented in the TALSG put forward new proposals in response to the changing dynamics in China-Taiwan relations, especially in the following areas.[84]

3.5.2. Arms Sales

China's arms sales, especially its export of missiles and nuclear technologies to Pakistan and Iran, have been a major source of friction in Sino-U.S. relations since the mid-1980s. Even the MFA reportedly complained about the lack of control on arms exports, which were being conducted by well-connected family members of the country's ruling elite.

The CMC established an arms trade bureau in 1989 to tighten up supervision of the military's arms trading activities. This bureau not only focused on overseeing arms exports, but since the early 1990s has also played an active role in the acquisition of advanced foreign arms and technology, especially from Russia. The bureau, for example, established an office in the Chinese embassy in Moscow to handle arms acquisitions and related technology transfers from Russia.[85]

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[84] Tai Ming Cheung, "The Influence of the Gun: China's Military Commission and Its Relationship with the Military, Party, and State Decision-Making Systems", David M. Lampton ed., The Making Chinese Foreign and Security Policy, (California,2001), p.75

[85] John W. Lewis," Beijing's Defense Establishment: Solving the Arms Export Enigma, International Security", Vol. 15, No. 4 (Spring 1991), p. 87

3.5.3. The PLA's Views on Economic Security

The near-meltdown of many Asian economies in the late 1990s has led Chinese military planners to pay considerable attention to the importance of economic security as a critical component of the country's overall national security. This was apparent in the publication in the summer of 1998 of the country's first-ever Defense White Paper, which pointed out that economic security "was becoming more important" in shaping national security interests. The report said that the Asian financial crisis "has made the issue of economic security" more prominent, especially the volatility and destructive power of global financial markets.

As the Asian financial crisis deepened, the world's financial markets began to scrutinize the Chinese economy, especially the stability of the renminbi (the official Chinese currency). It was widely assumed that if the Chinese currency were devalued, it would have a domino effect on currency values in other Asian economies, most notably Hong Kong, and this could, in turn, have a devastating impact on the world economy. In the second half of 1998 the Chinese central leadership is believed to have ordered the GSD's Second (Intelligence) Department and the Ministry of State Security to investigate international currency and hedge fund speculators, especially those seeking to undermine the renminbi and the Hong Kong dollar. Although China generally avoided he most severe economic effects of the Asian financial crisis, it nonetheless has serious problems in its domestic economic and financial system that could affect the country's stability. These include rising unemployment, a weak banking and financial system, and a chronically inefficient and bloated state industrial sector. There are mounting concerns that the country could face economic upheavals over the next few years if it is unable to tackle these deep-rooted defects.[86]

The primary contribution of the Chinese military high command has been to avoid taking any actions that might lead to military tensions and scare away sorely needed foreign investments. PLA decision-makers, for example, debated in the summer of 1998 whether to organize military exercises in the period before the parliamentary elections in Taiwan in

[86] Tan Jian, "Who Will Be Responsible for Defending State Economic Security?" (Jiefangjun Bao, April 30,1998), p. 5

December to deter voters from supporting the DPP. They decided against authorizing these maneuvers because of the potential adverse impact on China's economy.

3.6. THE PLAYERS IN MILITARY POLITICS

Following the purge of the Yangs, the participants at the top of the military pyramid changed almost in toto. In assessing the High Command, one must distinguish proximate players from peripheral ones. The true circle of proximate players comprises members of the Central Military Commission, while the peripheral players are the seven military region commanders, their political commissars, and the deputy heads of the four general departments. However, unlike in the Maoist era, today there are no independently powerful regional military commanders who rule "independent kingdoms" and wield clout in Beijing's power game from afar. Since the purge of the Yangs, neither are there powerful retired military elders playing influential roles behind the scenes (although the patronage networks of the octogenarian generals *Zhang* Zhen and Zhang Aiping remain operative). Indeed, one of the accomplishments of the Jiang era has been to narrow the circle of those who possess authority and influence in military affairs and civil-military relations. This is true not only in the military but even more noticeably in civilian party politics.[87]

The lack of civilian influence over the military is a function more of changes in the party elite than in the military. The current lack of military experience among senior party leaders breaks with a long-standing element of party-army relations. The "interlocking directorate" has been broken, and with it a key component of the traditional symbiotic army-party linkage. The importance of this should not be overstated, but it does begin to fundamentally redefine the overall nature of elite politics in China. This redefinition, in turn, creates the opportunity for the armed forces to carve out greater autonomy from the party. Nonetheless, the CMC remains unquestionably a Communist Party organ; the PLA is still the party's army, all officers above the rank of senior colonel are party members, and the CCP still institutionally penetrates the military apparatus. Nonetheless, these important changes in party-army relations will likely have lasting consequences.[88]

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[87] You Ji, "Jiang Zemin's Command of the Military", China Journal, no. 45 (January 2001), p.131

[88] James C. Mulvenon, "Professionalization of the Senior Chinese Officer Corps: Trends and Implications", (Santa Monica, Calif.: RAND Corporation, 1997)

Another factor has to do with the continuing professionalization of the officer corps and concomitant promotion of officers with command experience instead of political commissars. This primarily affects the peripheral military elite—that is, the top forty or fifty full, lieutenant, and major generals—although they are not regularly engaged in civil-military affairs.[89]

3.7. THE CENTRAL MILITARY COMMISSION MEMBERSHIP

Jiang Zemin is by far the most important civilian in the civil-military arena. Indeed, aside from Vice President Hu Jintao, one is hard pressed to identify any other member of the party or government elite who has any influence or contact with the PLA High Command. Nor should Hu's influence be exaggerated. He has no military experience, although he did serve as the first party secretary of the Tibet and Guizhou military districts during his service there (1985-88). His elevation to the CMC at the Fourth Plenum of the Fifteenth Central Committee in September 1999 was a transparent move to continue the grooming of Jiang's successor by giving him some military responsibility and exposure.[90] (see table 3.1)

Table 3. 1: Central Military Commission Members

Central Military Commission Members, 2001

Member	*Position*	*Date of Membership*
Jiang Zemin	chairman	November 1989
Hu Jintao	vice-chairman	September 1999
Chi Haotian	vice-chairman	September 1995
Zhang Wannian	vice-chairman	September 1995
Cao Gangchuan	member	November 1998
Fu Quanyou	member	October 1992
Guo Boxiong	member	September 1999
Wang Ke	member	September 1995
Wang Ruilin	member	September 1995
Xu Caihou	member	September 1999
Yu Yongbo	member	October 1992

Source: David Shambaugh, "Modernizing China's Military", (California:Univesity of California Press,2002), p.33

[89] June Teufel Dreyer, "The New Officer Corps: Implications for the Future", China Quarterly, no. 146 (June 1996), p.315

[90] Tai Ming Cheung, "Jiang Zemin at the Helm: His Quest for Power and Paramount Status", China Strategic Review 3, no. 1 (Spring 1998), p.167

Hu is no better prepared than Jiang was when he was suddenly appointed chairman of the CMC in November 1989. Upon his appointment, Jiang reportedly confessed:

> *At the Fourth Plenum, I said that I was not worthy of being elevated to [the position] of general secretary; I did not have the ideological preparation. This decision to promote me to Central Military Commission chairman has also left me without proper ideological preparation. I have not undertaken work in military affairs and have no experience in this regard. I deeply feel the responsibility, but my ability is insufficient. The party has placed a big responsibility on me. I shall certainly assiduously study military affairs, strive to become quickly familiar with the situation in the military, and diligently and quickly carry out the duties.*[91]

Despite his understandable uncertainty, over the course of the past decade Jiang Zemin has done a remarkably good job of cultivating a base of support in the PLA. He has certainly done a better job of winning military support than either of his predecessors, Hu Yaobang and Zhao Ziyang (both of whom drew lukewarm support or opposition from the PLA High Command). Moreover, he weathered the 1995-96 Taiwan crisis, oversaw the removal of the Yangs and a wholesale turnover of the High Command, and felt confident enough to order the armed forces to divest themselves of their commercial holdings in 1998.

In cultivating a base of support in the PLA, Jiang has been careful, persistent, and methodical in his strategy and tactics. He has certainly been attentive since the beginning of his tenure in office—frequently visiting bases and units, cultivating relationships with various high-ranking officers, and staking out palatable positions on issues of key concern to the PLA. His has been a building-block strategy—establishing bases of support among different institutional subconstituencies in the military, but always being mindful of cultivating relations with key allies in the Central Military Commission, central departments, and regional commands. He has hitched his horse to certain individuals, but he has not been afraid to switch positions and abandon some when it was expedient. He has astutely gauged sentiments n the armed forces and adapted his speeches and activities accordingly—a characteristic that previously earned Jiang the nickname "the weathervane"

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[91] Li Guoqiang et al., "High-Ranking Officers of the Chinese Communist Military", (Hong Kong: Wide Angle Press, 1992), p. 6

of the "wind faction". Key elements of Jiang's strategy include: personnel changes, support for military modernization and professionalism, and receptivity to military sentiments in foreign and domestic policy matters.[92]

Since disposing of the Yangs, Jiang Zemin has paid close attention to personnel policy in the armed forces. He has personally promoted more than fifty officers to the rank of full general. It was reported that in the early 1990s, Jiang himself insisted on reviewing the files of any officer recommended for promotion down to the level of division commander. In personnel matters, Jiang has had to rely heavily on the advice and influence of Generals Wang Ruilin, Yu Yongbo, and Zhang Wannian. Jiang's military secretary on the CMC, JiaTing'an, has also played an influential role as deputy director of the CMC General Office.[93]

During Jiang's tenure as chairman of the Central Military Commission, a wholesale turnover of personnel has taken place in the CMC itself, in the four general departments (the General Staff, Logistics, Armaments, and Political Departments), in military region and district commands, at the group army level, in elite military academies, and in the paramilitary People's Armed Police. Not since the aftermath of the Lin Biao affair in the early 1970s or the housecleaning after the purge of the "small Gang of Four" in 1981-82 has the PLA experienced such widespread turnover of personnel. There is considerable evidence that Jiang Zemin has overseen and approved this process and has been personally engaged in specific removals and appointments. He has certainly benefited from the turnover, even if he cannot claim true personal loyalty from many of those promoted. Jiang has overseen the promotion of numerous officers he has met during his tours of the military regions, but otherwise there are really only two examples of promotions directly tied to Jiang: General Ba Zhongtan and his successor General You Xigui as head of the Central Guards Bureau. Thus, in one respect, Jiang has appreciated one of the cardinal tenets of being a Leninist leader—control of the *nomenklatura.* Not only is control of personnel central to political survival and power in a communist political system, it is also key to policy implementation, because one has to be able to trust subordinates to carry out dictates and implement policy.

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[92] David Shambaugh, "Modernizing China's Military", (California:Univesity of California Press,2002), p.35
[93] Lu Yushan, "Jiang Zemin Hits Out in All Directions to Consolidate His Strength",(Hong Kong, 1994),p.14

Another key facet of Jiang's strategy regarding the PLA has been to reach out to various constituencies within the armed forces, trying to mobilize as broad a coalition of support as possible (what might be described as "pork barrel politics with Chinese characteristics"). In various ways and at various times, Jiang has played to and placated the political commissars (General Political Department), the military-industrial complex (General Logistics Department and five defense corporations), the defense science and technology establishment (COSTIND and GAD), the nuclear forces (Second Artillery), the military academies (NDU and AMS), the People's Armed Police, the General Staff Department, and all three services. Jiang has at various times supported all the important themes: politicization of the military and loyalty to the party; professionalization of the armed forces; modernization of equipment, doctrine, and research and development; and protection of state sovereignty and national security interests. He has been a proponent of "army building," a harsh critic of corruption and laxity, a supporter and then an opponent of commercial activities in the PLA, and a proponent of increased military budgets and improved living standards. And, throughout, he has wrapped himself in the garb of Deng Xiaoping's teachings on "army-building in new historical circumstances."[94]

Jiang has been all things to all quarters and has demonstrated in his moves toward the PLA the same political strategy he has demonstrated toward other constituencies in the Chinese political system. He is a consummate politician— playing to, balancing, and placating different constituencies. Chinese politics should be thought of as an endless web of bureaucratic and political constituencies that compete and bargain for position and resources within a vertically organized Leninist system.[95]

In this respect, Jiang is a new breed of Chinese politician, not cut from the same cloth as his Leninist or Maoist predecessors (or even his colleagues Li Peng and Zhu Rongji, both of whom show more autocratic tendencies). Rather than command, Jiang conciliates and arbitrates between competing interests, trying to build support among individual components that can be forged into a broad-based coalition. Jiang is not prone to backroom factional maneuvering or strong-arm tactics but is capable of both. He is not beholden to any bureaucratic or geographic base of support (although he has clearly promoted his

[94] David Shambaugh, "Modernizing China's Military", (California:Univesity of California Press,2002), p.36
[95] Kenneth Lieberthal and Michel Oksenberg, "Policy Making in China: Leaders, Structures, and Processes", (Princeton, N.J.: Princeton University Press, 1988)

colleagues from Shanghai). His inclinations are politically conservative, but this serves him well during times of succession indeterminacy. Prior to 1997, Jiang seemed con templative, plodding, careful, deliberate, and cautious, but subsequently he has become much more assertive in advocating policy (including toward the military). His political style may reveal an important move away from a hierarchical Leninist system to a more constituency- and coalition-based political system (albeit within a single party system)—one more characteristic of cither newly industrializing countries and proto-democracies.[96]

The third facet of Jiang's strategy for earning support from the PLA has been greater sensitivity to PLA concerns in foreign and national security affairs. To some extent, he has had no choice, because the military has asserted itself on several issues of concern to it. Also, it is not unnatural for the PLA to express its views on matters of national security—and it has done so with respect to Taiwan, relations with the United States, the U.S.Japan Revised Defense Guidelines, India's detonation of nuclear devices, and potential U.S. development and deployment of theater missile defenses (TMD). In all these instances, Jiang has been receptive and responsive to military concerns. The closest he has come to being challenged by the PLA came in the wake of the 1995 visit by Taiwan's President Lee Teng-hui to the United States. Jiang was held personally responsible by the PLA brass for the policy "failure" that permitted the visit, and he and Foreign Minister Qian Qichen were forced to make self-criticisms before the Central Military Commission during the second week of July 1995. Qian was held accountable, because he had assured the Politburo Standing Committee that "under no circumstances" would Lee Teng-hui be granted a visa to the United States. Jiang apparently acquiesced at the CMC meeting to PLA demands that a "military option" be activated vis-a-vis Taiwan.[97]

Immediately following Jiang's self-criticism, the PLA announced two rounds of ballistic missile tests just off the northern coast of Taiwan, undertook conventional military exercises in the Taiwan Strait, and continued nuclear testing in defiance of the international moratorium. On these and other foreign policy issues, Jiang has been sensitive to PLA

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[96] Bruce Gilley, "Tiger on the Brink: Jiang Zemin and China's New Elite", (Berkeley and Los Angeles: University of California Press, 1998)

[97] Willy Wo-Lap Lam, "Get Tough with Taiwan and U.S., Generals Tell Jiang", South China Morning Post, July 17,1995, p. 4

concerns, but it is of more importance that the military has been forced to defer to civilian management since the mid 1990s. This is another indication that the PLA's policy jurisdiction has been limited strictly to the military realm.

Among PLA members of the CMC, Zhang Wannian is clearly the most important. Although Zhang had unspecified health difficulties in 1997-98 (reportedly a heart condition), he continues to hold the de facto top spot. Zhang emerged as the most senior member of the PLA High Command in 1996-97, a fact underlined by his inclusion as the military representative in the four-member official delegation for the Hong Kong reversion ceremonies (along with President Jiang Zemin, Premier Li Peng, and Foreign Minister Qian Qichen).[98]

Zhang Wannian transferred to Beijing to head the General Staff Department, a position he held until 1995. Being an outsider to central-level positions, possessing a solid set of previous command credentials, and not having been involved in politics or closely aligned with any particular faction all accrued to Zhang's promotion. To be sure, Zhang's unequivocal support for the June 4 Beijing massacre and ties to Zhang Zhen also aided his meteoric rise to the top spot in the PLA. After joining the Central Military Commission in December 1995, Zhang Wannian increasingly took over Zhang Zhen's portfolio of operations, training, tactics, and doctrine. He has closely identified himself with high-technology weapons and innovative tactics related to limited war, but his public speeches conform closely to standard rhetoric.[99]

The second most important CMC officer is General Chi Haotian. As minister of national defense since 1993, Chi has had extensive foreign travel and interaction with foreign military and civilian leaders—including a visit to the United States in December 1996. He has also played a key role in brokering the PLA's growing ties with the Russian military and defense industrial sector. General Chi is thought to be the closest of all PLA leaders to Jiang Zemin, and he has extensive ties with the military elders Liu Huaqing, Zhang Aiping, Yang Dezhi, You Taizhong, and, formerly, to Deng Xiaoping and Xu Shiyou. Chi proved his political loyalties during crucial junctures—he played a role in coordinating the arrest

[98] "The Resurgence of Fourth Field Army Veterans," Kaifang (Hong Kong), November 1992, p. 25
[99] David Shambaugh, "China's Commander-in-Chief: Jiang Zemin and the PLA," p. 218

of the Gang of Four in 1976 and was chief of staff during the June 4 crackdown (with ultimate command of the troops). Following the 1989 massacre, Chi was a staunch public defender of the actions taken, but be also subsequently developed a fierce rivalry with Yang Baibing. His standing has been enhanced since the dismissal of Yang in 1992, and he is a key member of the Shandong faction now dominant in the upper echelons of the PLA.

Chi Haotian is known to be a key advocate of the politicization of the PLA, particularly the subordination of the army to the Communist Party, but he has also been a public advocate of military professionalization and modernization. Given his background as a political commissar and his exposure to foreign militaries as defense minister, Chi is a good complement to the more technical, apolitical, and distinctly less cosmopolitan Zhang Wannian and Fu Quanyou. Chi appears to have few enemies in the PLA (save Yang Baibing), but—aside from Jiang Zemin—neither does he have PLA superiors to whom he is closely tied. His two previous patrons, Marshals Ye Jianying and Nie Rongzhen (both of whom promoted Chi for his role in the arrest of the Gang of Four), have died. His longevity as defense minister seems to be the result of his antipathy for the Yangs, his support for Jiang Zemin, and possibly the support of Zhang Zhen, stemming from their days together in Nanjing.[100]

At present, the third most important member of the new PLA leadership is Fu Quanyou, currently chief of the General Staff and previously head of the General Logistics Department from 1992 to 1995. Fu is another example of the strong professional background and ethos characteristic of many of the new PLA leadership.

Fu's background has also been that of a soldier's soldier—having experience in strategy and tactics, commanding large numbers of troops, combat experience in large-scale battles, and functional expertise working in artillery, armor, infantry, and the engineering corps. His background is ideal for heading the GSD and overseeing the modernization of the PLA under the new doctrinal requirements. As chief of staff, Fu has begun to travel more widely overseas, but he is described by those who have met him as being uncomfortable in meeting with foreigners and discussing global strategic affairs.

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[100] David Shambaugh, "Modernizing China's Military", (California:Univesity of California Press,2002), p.36

The fourth most important member of the CMC is Yu Yongbo, currently director of the General Political Department. Yu has served as head of the GPD since November 1992, the longest-held position of any member of the High Command. Throughout this period, Yu has shown his loyalty to Jiang Zemin. In fact, the Jiang-Yu relationship dates to the 1980s, when Jiang was mayor of Shanghai and Yu was director of the political department of Nanjing MR, responsible for liaison with local civilian leaderships. As head of the GPD today, Yu is not only responsible for propaganda and political work in the armed forces but also plays a key role in vetting promotions. In this capacity, Yu has worked closely with General Wang Ruilin. The two men had direct responsibility for ferreting out followers of Yang Baibing following his dismissal in 1992. Yu was once thought to be a member of Yang's faction, but it seems that Yu was all along reporting to Jiang Zemin and Deng Xiaoping about the Yangs' machinations. For his loyalty he has been maintained in this sensitive position despite tremendous turnover elsewhere in the High Command.

Another important member of the PLA leadership is General Wang Ke. Wang owes much of his career rise to the PLA elder Zhang Zhen, who personally trained him in the Fourth Division of the New Fourth Field Army during the civil war. Zhang Zhen subsequently followed and oversaw Wang Ke's advancement. A veteran artillery commander, Wang has been described as a "jack of all guns."[101]

Wang Ke thus also perfectly fits the profile of the new Chinese military leadership: he is in his sixties, has a ground force background, combat experience, extensive regional command experience (in more than one region), functional expertise (in artillery), connections to Jiang Zemin and important PLA elders, and an interest in reforming doctrine and tactics appropriate to making the PLA a modern military.

Although relatively new to the CMC (promoted in November 1998), General Cao Gangchuan has rapidly earned the respect and support of Jiang Zemin and other senior members of the CMC. He is a top candidate to succeed Zhang Wannian and Chi Haotian as the leading officer on the CMC, if they retire at the Sixteenth Party Congress.

[101] Wang Ke, "Commander of the Shenyang Military Region", Inside China Mainland, March 1994, p. 83

Two characteristics distinguish Cao Gangchuan's career path: expertise in conventional land armaments and ties to Russia. These two attributes were fused when Cao was promoted to the position of director of the Military Products Trade Office of the CMC in 1990 and consequently became the PLA point man for negotiating weapons purchases and military cooperation with Russia. For the previous five years, Cao had served as deputy director of the Armaments Department of the Headquarters of the General Staff Department, and in November 1992, he was promoted to the position of deputy chief of staff with overall responsibility for PLA equipment and weaponry. Cao succeeded Ding Henggao as director of COSTIND in 1996 and presided over its dismantling. Previously he had expressed great frustration with COSTIND and its failure to produce high-quality weaponry. General Cao was therefore the logical candidate for inaugural director of the General Armaments Department when it was created in 1998 (he may well, in fact, have been responsible for conceptualizing the new body and the revision of COSTIND).

He was selected to attend the Russian training school in Dalian. After two years of Russian, Cao was sent to Moscow's Artillery Engineering Academy, where he studied for six years.

He returned to China in 1963, after the Sino-Soviet split, fluent in Russian and with an extensive knowledge of the Soviet Red Army's artillery development. For much of the next fifteen years, Cao worked in the Ordnance Department of the General Logistics Department, but in 1979, he was sent to the front lines of the Sino-Vietnamese conflict to help coordinate artillery attacks. This experience earned Cao a place in the advanced class of the National Defense University. After a two-year year stint, he embarked on the fast track through the GSD to his appointment as director of the new GAD. He was promoted to full general in March 1998, and shortly thereafter, he became a full member of the CMC. [102]

Another key member of the current CMC is General Wang Ruilin. Wang rose not as a result of any strategic expertise but rather as an administrator. His career has been closely tied to the late Deng Xiaoping. Deng chose Wang to be his personal military secretary in

[102] Jerry Hung, "Cao Gangchuan—Deputy Chief of Staff, People's Liberation Army," Inside China Mainland, January 1995, p. 84

the early 1960s, and thereafter he became one of Deng's most important confidants and assistants. When Deng was purged during the Cultural Revolution and sent to work in a tractor factory, he was allowed to select and take with him one assistant; Deng chose Wang Ruilin. When Deng chaired the CMC in the 1980s, Wang acted as director of the CMC's General Office, handling all confidential material. In this capacity, Wang is reported to have routinely represented Deng at CMC meetings and in other communications. But Wang's power and influence were not limited to military affairs, because he was also appointed deputy director of the General Office of the Central Committee— the key staff position for the Politburo and high-level party affairs. From the late 1980s on, Wang also served as senior secretary of Deng's personal office (the Deng Ban). In Deng's final years, Wang was thus quite possibly the most important official in China (playing a role similar to that played by Mao Yuanxin and Wang Hairong during Chairman Mao's final days). Wang Ruilin was the conduit between the ailing leader and his family (including his powerful daughters) and the Politburo and other senior leaders, controlling access to Deng and interpreting his wishes and dictates. The Deng Ban was disbanded following the patriarch's death, but Wang Ruilin continued his duties as a CMC member and GPD's deputy director. In 1992, he also became director of the CMC's Discipline Inspection Commission.

In September 1999, at the Fourth Plenum of the Fifteenth Central Committee, two new members were added to the CMC: Lieutenant Generals Guo Boxiong and Xu Caihou.

The current CMC appears to be relatively faction-free, very professional (rather than political) in its orientation, technically competent, and focused on implementing the various programs associated with "building an elite army with Chinese characteristics." Although it is ostensibly a party organ, this body is the nexus of civil-military relations. Channels of interaction outside the CMC have been radically reduced in recent years. The PLA no longer has a representative on the Politburo Standing Committee, for example, and its representation on this body is presently limited to Zhang Wannian and Chi Haotian. (It will be interesting to see if this changes at the Sixteenth Party Congress, although traditionally there has not necessarily been a military member of the Politburo Standing Committee.)

Other informal channels of PLA influence have also been reduced. As late as the mid 1990s, the Hong Kong media reported that senior military officers personally visited and lobbied Deng Xiaoping and other leaders, sometimes submitted "letters of opinion" and other documents expressing their views in inner-party circles, and sat in on Politburo meetings. At the time, retired PLA elders allegedly weighed in on policy deliberations. Assuming these reports were correct to begin with, this all seems to have stopped, and the channels of civil-military interaction have been restricted to the CMC, even during the 2001 EP-3 spy plane incident with the United States. As a result of these changes and the general bifurcation of army and party elites of the "third generation," noted above, civil-military relations have entered an entirely new and unprecedented period.[103]

3.8. DECISION-MAKING IN THE PLA HIGH COMMAND

At Deng Xiaoping's directive, the CMC's direct involvement in military operational decision-making has steadily decreased since the early 1980s. As a result, other military organizations have become more prominent in policy-making. The place of these organs in policy formulation falls into several concentric rings:

- The Central Core

The CMC stands at the center of the military decision-making process.

- The First Inner Ring

The PLA GSD is the chief executive arm of the CMC and provides critical support in information gathering, analysis, and policy formulation to its parent.

- The Second Inner Ring

Other central-level military organs provide regular input into the policy-making process, but they normally participate in decision-making only regarding issues directly related to their areas of responsibility. These include the General Political Department (GPD); the General Logistics Department (GLD); the General Equipment Department (GED); the

[103] David Shambaugh, "Modernizing China's Military", (California:Univesity of California Press,2002), p.46

Commission for Science, Technology, and Industry for National Defense (COSTIND), and the service arms.

- The Third Outer Ring

The military regions are on the margins of the military decision-making apparatus, although they play an important role in policy implementation and in the adaptation of central-level operational doctrines to local conditions.[104]

3.9. INTERACTION BETWEEN THE MILITARY AND CIVILIAN DECISION-MAKING PROCESSES

The military decision-making system has traditionally been a highly insular and vertically integrated structure with few external linkages except with the party. But with China's economic liberalization and opening up to the outside world since the early 1980s, efforts have been made to increase the contacts between the military and civilian policy-making organs, principally the state apparatus, at different levels of the chain of command. At the same time, however, the military's interactions with the party have steadily diminished because of its focus on professionalism and its reluctance to become entangled in domestic affairs.[105]

3.9.1. Military-Party Ties

The highest level of interaction is between the CMC and the CCR although these ties have diminished since the 1980s as the PLA has become less involved in party affairs and focused more on professional matters. The CMC has several channels of contact with leading party organs. Among the most important linkages are the personal ties between senior CMC members and party leaders. Because the CMC chairman is also the country's top political leader, he plays a pivotal role in liaising between the CMC and the PBSC. But because of his other responsibilities, the CMC chairman usually becomes involved only in

[104] Tai Ming Cheung, "The Influence of the Gun: China's Military Commission and Its Relationship with the Military, Party, and State Decision-Making Systems", David M. Lampton ed., The Making Chinese Foreign and Security Policy, (California,2001), p.79

[105] Ellis Joffe, "Party-Army Relations in China: Retrospect and Prospect China", Quarterly, June 1996, p. 299

major issues and delegates responsibility for handling routine matters to his deputy at the CMC, who is either the secretary general or the executive vice chairman.

Zhang Wannian took over as second in command at the CMC at the Fifteenth Party Congress in 1997. But because he is not on the PBSC and appears to have few personal ties with any of its members, his influence with the party leadership is instead through his official position on the full Politburo and, perhaps more important, on the party Secretariat. As the executive arm of the top party leadership, the Secretariat is responsible for refining the decisions made by the PBSC and supervising their implementation. The organ's influence also comes from its oversight of the activities of the central party bureaucracy, including the leading small groups.

Zhang is the first military member of the Secretariat since Yang Baibing in 1992. Zhang and Defense Minister Chi Haotian's membership in the full twenty-two-member Politburo, though, is of more symbolic importance, because this organ generally lacks decisive political clout. In addition, Wang Ruilin was a deputy director of the Party Central Committee's General Office, a position largely derived from his role as Deng Xiaoping's secretary.[106]

Below the Politburo level, the military has a presence in two key party leading small groups dealing with foreign/affairs and national security matters.[107]

3.9.1.1. The Foreign Affairs Leading Small Group

Chi Haotian's membership in the Foreign Affairs Leading Small Group (FALSG) is ostensibly in his capacity as defense minister, although his CMC position accords him greater authority. Although the FALSG is primarily a forum for coordination and discussion among party, government, and military organs involved in foreign affairs, it can have an influential role in overall foreign policy decision-making.

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[106] Lu Ning, "The Dynamics of Foreign-Policy Decisionmaking in China", (Boulder, Colo.: Westview, 1997), p. 10-11

[107] Carol Lee Hamrin, "The Party Leadership System," in Kenneth G. Lieberthal and David M. Lampton, eds., Bureaucracy, Politics, and Decision Making in Post-Mao China (Berkeley, Calif.: University of California Press, 1992), p. 95-124

3.9.1.2. The Taiwan Affairs Leading Small Group

The military's representative on the Taiwan Affairs Leading Small Group (TALSG) presently is Xiong Guangkai, the deputy chief of the general staff responsible for intelligence and external affairs, suggesting that he plays a primarily advisory role, especially as the other members are more senior civilian decision-makers,

3.9.2. Military-State Ties

Relations between the military and state decision-making apparatuses are less focused on defense or security matters than on economic issues. The State Central Military Commission and the Ministry of National Defense (MND) serve as the formal links between the government and the PLA. But although the state constitution makes the latter responsible for overseeing army building and military preparedness, in reality, they have no policy-making or administrative functions. The state CMC exists simply for symbolic purposes, and its members all serve concurrently on the more powerful party CMC.

3.10. ARMS TRADE, WEAPONS PROLIFERATION, AND DISARMAMENT

Under Mao, China supplied military assistance free to friendly regimes in North Vietnam, North Korea, Albania, Pakistan, and Tanzania. These countries were among China's few allies, and they could not afford to pay for Chinese weaponry. Countries that could afford to buy Chinese weapons tended to shun the PRC, wary of its reputation for spreading revolution and sensitive to American disapproval.

As China became a participant in the global economy under Deng Xiaoping, arms sales grew.[108]

Military leaders created eight arms export companies. Some of these companies are supervised by the PLA General Staff Department under the Central Military Commission, such as China Poly Group. Others are under the Commission of Science and Technology of the State Council, and operate under the personal protection of top leaders. These enterprises often enjoy even more leeway than other foreign trade companies under the

[108] John W. Lewis, Hua Di, and Xue Litai, "Beijing's Defense Establishment: Solving the Arms-Export Enigma," International Security 15, no. 4 (Spring 1991), p.87

reform of the foreign trade system. Arms sales hit a peak of $3 billion in 1988, when China sold weapons to both sides in the Iran-Iraq war. After the war ended, sales declined to less than $1 billion by 1993, far below the over $10 billion of 1993 U.S. exports. Compared with that of major arms suppliers like the United States, France, and the Soviet Union, the value of Chinese exports is modest. Moreover, because they are defense industries, their revenue is managed by the State Council rather than by the military.

China's primary weapons exports include field artillery, anti-aircraft artillery, including rocket launchers and short-range missiles, armored personnel carriers, tanks, and a limited number of naval vessels. China enjoys a comparative advantage in the international arms market in that its technology is often appropriate for Third World situations and its prices are lower than those of the advanced industrial countries. For close neighbors Thailand, Pakistan, and Burma, arms sales at friendship prices reinforce broader security relations. Of these three countries, Thailand has been the most active arms buyer, acquiring Chinese trucks, artillery, tanks, and frigates.

For the most part, China has been one seller among many in the international bazaar in conventional weapons. But its transfers of nuclear technology and certain types of missiles have attracted global concern. In the early 1980s China provided Algeria with a nuclear reactor. Profit was apparently the motive, since China had no strong strategic or economic ties with Algeria. The sale was criticized by the United States, but China defended it as falling within International Atomic Energy Agency safeguards and went ahead with it. In 1988 China delivered internationally proscribed CSS-2 ballistic missiles to Saudi Arabia. The deal was profitable for the PLA and helped persuade Saudi Arabia to break relations with Taiwan. But the missiles also could have destabilized the balance of power in the Middle East. Given the fragility of peace there and the destructive potential of the missiles, the delivery prompted the Reagan administration to impose sanctions on certain technology exports to China. Chinese leaders moved to limit the damage by assuring the United States that they would not supply Saudi Arabia with nuclear warheads for the missiles.

Since the end of the Cold War, China's record on arms transfers and nuclear reactor exports has been relatively clean. In the early 1990s China was negotiating to sell M-9 missiles to

Syria, but canceled the agreement in 1992 after lengthy negotiations with the United States. In 1992, following the U.S. decision to sell F-16s to Taiwan, Beijing undertook to help Iran develop a nuclear reactor. In response to complaints from the United States and its allies that China was helping a terrorist state go nuclear, China announced in 1995 that it would suspend the agreement. The one glaring exception to China's accommodation of U.S. interests is its long-term program of assistance to the Pakistani nuclear weapons program. Because Pakistan is its sole ally in South Asia, Beijing has an interest in protecting its security against greater Indian power. Over the years China has supplied Pakistan with a nuclear reactor, numerous nuclear weapons components, and specialist assistance. In 1992, to render the Pakistani deterrent more credible, China shipped the nuclear-capable middle-range M-ll missile to Pakistan. Beijing has resisted American pressure to terminate its nuclear and missile assistance to Islamabad. Chinese foreign affairs specialists point out that PRC policy toward Pakistan is similar to U.S. policy toward Israel. Instead of assuming direct responsibility for the defense of Israel, Washington looked the other way when Israel developed a nuclear deterrent. So too, China provided the most practical form of defense assistance to Pakistan within its means. Chinese analysts also argue that Pakistan's U.S.-provided F-16 aircraft are more formidable instruments for the delivery of both conventional and nuclear weapons onto Indian Territory.

China has been more cautious than its image as a rogue arms exporter would suggest. Nonetheless, it has refused to commit itself to various arms control agreements, creating uncertainty about its intentions. Arms exports are one of the few options that China has for retaliating against American policies that challenge its interests. The transfer of M-11 missiles to Pakistan and the agreement to help Iran build a nuclear reactor both followed the 1992 U.S. decision to sell 150 F-16s to Taiwan. It is useful to have the United States worry that China might open its stockpiles to Third World countries. This is one reason Beijing refuses to commit to abide fully by the Missile Technology Control Regime, the agreement among the major producers of missiles controlling the export of certain categories of missiles. When U.S. diplomats raise the issue of Chinese missile

proliferation, PRC diplomats raise the issue of U.S. proliferation of advanced weaponry on Taiwan.[109]

Beijing's policies on other arms control agreements also reflect national security concerns. In a 1995 white paper on arms control and disarmament, its first on this subject, China reiterated its long-standing position that it will disarm completely of nuclear weapons when the two superpowers do so themselves. But China has refused to enter into nuclear arms reduction talks. Even a 50 percent reduction in the nuclear stockpiles of Russia and the United States would maintain their overwhelming strategic superiority and leave unaffected their ability to threaten China with massive destruction. Not until both of these powers reduce their stockpiles to China's level could Beijing become an equal partner in the negotiations. In July 1996, Chinese leaders announced a moratorium on nuclear testing. They have endorsed the comprehensive nuclear test ban and have committed the PRC to signing an agreement, but they have also warned that China would reconsider its commitment to the treaty if the United States were to deploy a theater missile-defense system in Asia that undermined China's second-strike deterrent capability. Unlike the United States, China has committed itself to a policy of no-first-use of nuclear weapons. This policy reflects Chinese strategic circumstances. Beijing would have to use nuclear weapons only against the United States or Russia, whose conventional forces are superior to China's, but in so doing it would undoubtedly incur massive nuclear retaliation, societal destruction, and military defeat; it thus has no incentive to use nuclear weapons first.[110]

China has entered into confidence-building measures with a number of states on its periphery, especially Russia and the Central Asian states. Such measures increase military transparency by sharing information about military capabilities and troop movements. In Northeast and Southeast Asia, however, China has resisted U.S.-backed efforts to increase transparency. This may reflect its relative military weakness in these regions. In a modern version of the Empty Fortress stratagem, Chinese leaders may wish to allow their capability to appear more threatening than it is. This may be appropriate policy for contending with the great powers, but it undermines the confidence of China's smaller

[109] Andrew J. Nathan, Robert S. Ross, "The Great Wall and Empty Fortress",(New York:Norton,1997), p.154
[110] Alastair Iain Johnston, "Learning versus Adaptation: Explaining Change in Chinese Arms Control Policy in the 1980s and 1990s," China Journal, no. 35 (January 1996), p.27

neighbors. The risk of this posture is that other countries may gird themselves against a threat that does not exist and thus undermine Chinese security.

China is often charged with exporting dual-use technology and materials—materials that have both civilian and military uses. In 1996 a Chinese corporation sold ring magnets used for uranium enrichment to Pakistan. Reports of Chinese exports of dual-use chemicals raise concern about proliferation of proscribed chemical weaponry. But in contrast to missile sales and nuclear energy agreements with Libya and Pakistan, some dual-use exports may not be the outcome of central government decisions. The May 1996 Clinton administration decision to refrain from sanctions in retaliation against the transfer of ring magnets to Pakistan reflected its understanding that Beijing has only limited ability to regulate the behavior of the numerous and scattered firms that produce dual-use technologies. A comprehensive export-control system is difficult to develop. The U.S. government employs numerous scientists and engineers to evaluate the dual-use potential of a profusion of civilian technologies, has a finely graded regulatory system reflecting the scientific subtleties of such technologies, and enforces the regulations with an effective licensing and sanctioning system. The Chinese government lacks both the expertise and the resources to impose such a system. The weakening of centralized authority in China has reduced the government's ability to control the international proliferation of dangerous materials and technologies to irresponsible states.[111]

[111] Andrew J. Nathan, Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997),p.156

4. SINO-RUSSIAN RELATIONS

The historical decline of Russia and the steady rise of China in the past 20 years have been accompanied by a growing gap between the domestic political systems of the two nations. At the turn of the millennium, however, Sino-Russian relations are perhaps more equal and more mutually beneficial than they have been at any other time during the past 300 years.[112]

There are a number of visible indicators of this more mature bilateral relationship. Despite fluid internal and external environments, the relationship between Russia and China is relatively stable. High level exchanges have been taking place, with top officials frequenting each other's capital on a regular basis. There is now a busy and profitable border trade along what was once the longest fortified peacetime border. Whereas Russia and China used to stand on the brink of nuclear war, with Russia prepared to launch a nuclear strike against China, now China and Russia have mutually pledged not to use nuclear weapons against one another. This is especially striking in that Russia recently dropped its no-first-use policy towards other countries. In July 2001, the two countries signed a major and comprehensive friendship treaty, 30 years after the first one expired on February 14, 1980.

At least three factors contributed to these ironic changes. First, the changes have been against the backdrop of centuries of difficult and complex Sino-Russian relations. Second, China's historical rise and Russia's unprecedented peacetime decline during the last decade of the 20th century resulted in a structural equilibrium. Finally, the post-Cold War "chill" has driven the two powers together in spite of a growing gap in their domestic politics.

4.1. THE SINO-SOVIET SPLIT

Although Mao was never comfortable with the Soviet domination of the Sino-Soviet relationship, he was for many years careful to avoid open criticism. But Khrushchev's "secret speech" discrediting Stalin, delivered to the CPSU Twentieth Congress in February 1956, marked a turning point. Whatever compunctions Mao may have felt about privately criticizing the Soviet leadership vanished. Talking to the Politburo in 1956, Mao warned,

[112] Joseph Fletcher, "Sino-Russian Relations, 1800-1862," in The Cambridge History of China, Vol. 10,Late Ch'ing, 1800-1911, Part 1,John Fairbank,ed.,(Cambridge: Cambridge University Press,1992),p.347

"We must not blindly follow the Soviet Union. . . . Every fart has some kind of smell, and we cannot say that all Soviet farts smell sweet." He was irritated that his countrymen worshipped all things Soviet. He complained at one point he "couldn't have eggs or chicken soup for three years because an article appeared in the Soviet Union which said that one shouldn't eat them. . . It didn't matter whether the article was current or not, the Chinese listened all the same and respectfully obeyed." He mocked Chinese artists who, when painting pictures of him and Stalin, "always made me a little bit shorter, thus blindly knuckling under to the moral pressure exerted by the Soviet Union at that time." He remained conciliatory in public, however, largely because he was hoping to get his hands on Soviet nuclear weapons.[113]

Mao's eagerness to acquire nuclear weapons, so as to confirm China's newly achieved great power status, knew no bounds. Although he had earlier rejected, as an affront to Chinese sovereignty, a Soviet offer to set up its own nuclear bases on Chinese soil, he somehow managed to convince Stalin's successor to aid China's nuclear weapons program. A nuclear technology transfer agreement to this end was signed in 1957. Under this agreement, Khrushchev later recalled, the Chinese received "almost everything they asked for. We kept no secrets from them. Our nuclear experts co-operated with their engineers and designers who were busy building a bomb."

The Soviets were about to hand over a prototype bomb when Mao's saber rattling over Taiwan spooked them. As Mao prepared to invade Quemoy and Mazu in September 1958, Khrushchev advised caution. Mao was deeply offended, in part because he no longer respected Soviet military advice. So it was that when Khrushchev pointedly reminded him that America possessed nuclear weapons, Mao airily dismissed the possibility of mass casualties. "So what if we lose 300 million people," the Great Helmsman told a stunned Khrushchev. "Our women will make it up in a generation."

Not surprisingly, in June 1959 Khrushchev unilaterally abrogated the agreement that was to have provided China with an atomic weapon. Mao was furious. In September of that year he angrily denounced Soviet meddling in Chinese affairs, telling members of the Military

[113] Lowell Dittmer, "China's Search for Its Place in the World," in Contemporary Chinese Politics in Historical Perspective, ed. Brantly Womack (Cambridge: Cambridge University Press, 1991), p. 213

Affairs Commission, "It is absolutely impermissible to go behind the back of our fatherland to collude with a foreign country." The Soviets were "revisionists," China was soon telling the world, and a greater threat than American "imperialism." In going its own way, China was now less a part of an international revolutionary movement than the reawakening China slowly regaining control over its known world.[114]

With the onset of the Cultural Revolution, the war of words escalated, and armed clashes broke out at several points along the 4,000-mile border with the Soviet Union. Mao dispatched additional troops to the border and on March 2, 1969, on the Chairman's orders, a battalion-sized PLA force ambushed Soviet patrols on the Wusuli River. The Soviets promptly retaliated, and during the next two years there were repeated skirmishes at many points along the border. Though no territory changed hands, the message was clear: The existing border was dependent on Soviet strength, not Chinese acquiescence.

The Ninth Party Congress, held April 1-24 that same year, took an openly hegemonic tone. The only published speech was that of Lin Biao, then Chairman Mao's heir apparent, who repeated Mao's formula that a third world war would promote revolution and dig the graves of both revisionism and imperialism. "We must be ready for a conventional war and also for an atomic war," Lin said. "Both the Soviet Union and the United States are paper tigers." The present border between the Soviet Union and China could be made the basis of negotiation, he avowed, but Moscow would first have to admit that the historical border treaties were "unequal treaties."[115]

4.2. THE HISTORY

The role Russia played in the suppression of the Boxer Rebellion was but the culmination of several centuries of intrusion into China. This intrusion was in some ways different from those of other European powers. For example, the widely publicized Opium Wars of the 1840s fought by Britain against China were fought in densely populated areas and were effectively resisted. Russia's advance into China, by contrast, took it into the sparsely

[114] Laszlo Ladany, The Communist Party of China and Marxism: A Self-Portrait, 1921-1985 (Stanford: Hoover Institution Press, 1988), p.267
[115] Steven W. Mosher, "Hegemon: China's Plan to Dominate Asia and the World", (California,2002), p.48

populated region of Asian Siberia. It was, therefore, not effectively resisted by China nor did it create an immediate conflict of interest with other powers.

Russian persistent encroachment upon China's territorial integrity during the 18th and 19th centuries was checked in the early 20th century. The halt to Russian expansion took place, ironically, not because of successful Chinese resistance, but because of Japan's victory in the Russia-Japanese War of 1904-05 and because of subsequent revolutionary developments within Russia itself.

Russian expansion into China was a long and tragic experience for China, which helped shape its modern history. But Russia, in fact, has done far more than this to influence its Asian neighbor. It has, indeed, been a catalyst for many far-reaching changes in China's internal and external politics. Perhaps most significant of all is the role played by Russia in bringing about the Chinese embrace of socialism.[116]

The Korean War seemed to cement Moscow-Beijing relations. But Chinese leaders felt outmaneuvered and even betrayed by their Soviet counterparts throughout the process. China was neither fully consulted nor fully informed before the Soviet-North Korean decision to launch the 1950 attack against the south. Moreover, China, which suffered one million casualties during the 3-year war, had to pay for most of the armaments provided by Moscow. Some Chinese leaders later vowed that China would never be dragged into another conflict in Korea.[117]

To be sure, the Sino-Soviet honeymoon in the 1950s witnessed "the most comprehensive technological transfer in modern industrial history" between any two states. Moscow provided $2 billion in loans and assistance to China. However, though timely, it was still only 40 percent of the sum of money provided by the United States to Taiwan during the same period.[118]

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[116] Yu Bin, "Historical Ironies, Dividing Ideologies And Accidental "Alliance": Russian-Chinese Relations Into The 21st Century", Carolyn W. Pumphrey Ed., The Rise of China In Asia: Security Implications, (January,2002), p.114

[117] Dan Bo, "The intelligence and foreign affairs research institutions of communist China", Cheng Ming, September 1996, p. 30

[118] Ross Terry, "Mao: A Biography", (New York: Harper and Row, 1980), p. 202

Mao himself was perhaps both the cause and result of China's ambivalence toward Russia. His own rise within the CCP before 1949 was clearly at the expense of the pro-Moscow "returned students." Throughout his life, Mao studied English, not Russian, and preferred a physician educated in the West to one trained by Russia. China's "lean-to-one-side" policy toward Moscow was a marriage of necessity rather than an expression of genuine mutual trust based on a shared ideology. Mao's rejection of the Soviet centralized approach in the late 1950s led to the most devastating famine in China's history (1959-61) and the self-destruction of China's entire political infrastructure during the Cultural Revolution (1966-76).[119]

The two communist giants experienced a rapid downturn in their bilateral relations during the lifetime of Mao. They moved from suspicion to open polemic, to dramatic break in diplomatic ties in 1960, and finally to military confrontation. Both sides committed enormous resources to prepare for their own two-front war, which was also a major factor in the failure of their respective national economies. Indeed, during this period, Russia and China engaged in a "zero-sum" game, which they likely came to regret a few decades later in an America-dominated unipolar world. From a systemic point of view, the Sino-Soviet disputes ended the strictly bipolar system and eventually led to the creation of the so-called strategic triangle between Beijing, Washington, and Moscow. Whatever the case may be, bilateral relations under Mao oscillated between love and hate. They never achieved normality.

It was during the reform decade of the 1980s in both countries (under Deng Xiaoping and Gorbachev) that pragmatism finally overcame ideological divides, and Moscow and Beijing started to mend the much-damaged relationship.

4.3. TWO COMMUNIST STATES

In the 1990s unsettling and challenging domestic developments quickly complicated relations between Russia and China. Both countries changed dramatically in this decade.

[119] Li Zhisui, "The Private Life of Chairman Mao", (New York: Random House, 1994), p.21

In China, the reform decade of the 1980s had created a strong sense of uncertainty among both the members of the elite and Chinese society in general. This led to the 1989 demonstration in Tiananmen Square and the government crackdown that followed. Gorbachev's visit to Beijing in 1989 was a historic moment and marked the start of the normalization of Sino-Russian relations(See Figure 5.1). However, this same meeting also highlighted a growing ideological divide between Gorbachev's radical reforms and Deng Xiaoping's gradualist economic reforms. Almost overnight, Gorbachev replaced Deng Xiaoping as the West's "pet" communist reformer. The collapse of the Soviet Union considerably reduced a direct threat to China's national security. However, at the same time it also exposed China to a Western anti-communist crusade, whose brunt was to be felt later.

Figure 4. 1: Gorbachev's visit to Beijing

Source: www.corbis.com

Both Russia and China were, at the time, reforming their countries. The reforms, however, were radically different and had very different consequences. China's changes were part of a process of political consolidation, following Mao's romantic and chaotic social experiment. Their net result was to lead to a build-up of Chinese power. In contrast,

Gorbachev's unsuccessful reforms of glasnost and perestroika led to more desperate moves in 1989 and 1990. These, in turn, started to undermine, though not intentionally, the stability of the previously rock-solid Soviet bureaucracy.[120]

The differences between China and Russia which resulted from Chinese buildup and Soviet breakdown were reinforced and accelerated by developments in civil-military relations in the two countries. During the reform period, the People's Liberation Army (PLA) was in the process of becoming more professional and less political. (The intervention in politics by the Chinese military in 1989 [The Tiananmen Square incident] was actually rather an anomaly at this time.) The Russian military, by contrast, was becoming more political. The short-lived August 1991 coup in Moscow was the work of an increasingly divided and politicized Soviet military operating against equally divided and disoriented political elite.[121]

China has so far managed to achieve a sustained economic growth since the late 1970s. Between 1979 and 2000, China's average GDP growth was about 9.6 percent. Annual growth rate for the first half of the 1990s was as high as 13.1 percent. China's growth rate did come down in the second half of the 1990s, partly as a result of bottlenecks in the domestic Chinese infrastructure, and partly as a result of the Asian financial crisis which hit between 1997 and 1999. However, the average growth rate for the period remained at about 8 percent. A country the size of China will inevitably attract attention at best and anxiety and fear at worst when it enjoys such a high rate of growth. And its success is all the more striking when compared to the miseries of Russia.[122]

The rise of China and the decline of Russia changed the balance of power in a relatively short period and left Russia more vulnerable than it had been at any time in the previous 3 centuries. The growing gap between the domestic political systems of Russia and China could easily become a source of conflict.[123]

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[120] Yu Bin, "Historical Ironies, Dividing Ideologies And Accidental "Alliance": Russian-Chinese Relations Into The 21st Century", Carolyn W. Pumphrey Ed., The Rise of China In Asia: Security Implications, (January,2002), p.116

[121] Stephen G. Brooks and William C. Wohlforth, "Power, Globalization, and the End of the Cold War: Reevaluating a landmark Case for Ideas," International Security, Vol. 25, No. 3, Winter 2000/01, p. 5

[122] Lu Wei, "Welcome Opening Up and Refuse to Disorient", (China Economic Times), February 12, 2001

[123] Michael W. Doyle, "Liberalism and World Politics," American Political Science Review, Vol. 80, No. 4, December 1986, p. 152

China and Russia have developed much closer and more cooperative relations. It is certainly true that China and Russia have many political differences. It is also true that a considerable amount of geo-strategic "discomfort" has resulted from the radical shift of power balance between the two countries. Nonetheless, they are anxious not to fall once again into the "traps" of the past. This has helped to sustain an interest in developing normalized relations. Meanwhile, common concerns of a not-so-friendly post-Cold War peace have steadily pushed Moscow and Beijing toward coordination at all levels, particularly in strategic, diplomatic and security areas.

4.4. MOSCOW AND BEIJING IN THE "COLD PEACE"

In the past decade, Sino-Russian relations have evolved in two broad phases.

- 1989-1995. Russia and China first tried to stabilize relations in 1989 and 1992, when each were in the midst of an internal crisis. By 1994-95 they had progressed to the point of developing a future-oriented "constructive partnership."
- 1996-2001. By the end of 1996 the Russians and Chinese had formed a "strategic coordination partnership" designed to help them to cope with a "chilly" post-Cold War world. At the turn of the millennium, Beijing and Moscow found themselves compelled to deepen and broaden this partnership. In the year 2001, they have signed a comprehensive Treaty for Good Neighborliness, Friendship, and Cooperation.

4.4.1. In Search of Stability: Towards a Constructive Partnership (1989-95)

One striking feature of the post-Cold War Sino-Russian relationship was the high frequency of summit meetings.[124] (See Table 5.1.)

[124] Yu Bin, "Historical Ironies, Dividing Ideologies And Accidental "Alliance": Russian-Chinese Relations Into The 21st Century", Carolyn W. Pumphrey Ed., The Rise of China In Asia: Security Implications, (January,2002), p.120

Table 4. 1: Mutual Visits by Top Chinese and Russian Leaders, 1989-2001

Date	To China	To USSR/Russia	Agenda
'89 May	M. Gorbachev		Normalization of relations
'90 April		PM Li Peng	6 accords on border, trade, export credit to Russia, nuclear & space technology cooperation & regular talks of FMs.
'91 May		CCP GS Jiang Z.M.	Summit; border agreement (Eastern section); 2nd joint communique; PRC $730 (1 bil. Swiss Francs) loan to Russia.
'92 Jan. Dec.	Prt. Yeltsin Prt. Yeltsin	PM Li Peng	- Meeting hi UN, 1st time after Aug. coup. - Summit; 24 accords signed on trade, arms sale, nuclear power plant, border troop reduction, etc.
'93 Jan.	Supreme Soviet		- Supreme Soviet delegation visited China
'94 May Sept.	SDC Ivan Rybkin PM Chernomyrdin	Prt. Jiang Zemin	- Parliamentary talks - Economic cooperation - Summit; "constructive partnership" debut; accord on no-targeting nuclear weapons on each other.
'95 May June		Prt. Jiang Zemin PM Li Peng	- Attending 50th anniversary of Russia's V-E day; 7 accords signed. - Economic cooperation
'96 April April Sept. Oct. Dec.	Prt. Yeltsin RFCCh.E.Stuoev	NPC Ch. Qiao Shi CPPCCChLiR.H. PM Li Peng	- Parliamentary exchange visit - Summit; "strategic coordination partnership" declared; joint gov't committee by PMs; 12 accords signed, 1" "Shanghai-5" meeting, - Parliamentary exchange - Parliamentary exchange visit - regular PM meeting; nuclear cooperation; PRC licenced production of Su-27s ($2.5 bil. for 200 jets in next 15 years).
'97 April June Nov. Nov.	PM Chernomyrdin Prt Yeltsin	Prt. Jiang Zemin PM Li Peng	- Summit; declaration of multi-polar world; border force reduction; - 2nd regular PM meeting; 1 0 accords; summit preparation. - Economic cooperation, trade; finalizing border deal (eastern). - 2nd Shanghai-5; border accord with 3 other Central Asian states.
'98 Feb. July Nov.	PM S. Kiriyenko	PM Li Peng Prt. Jiang Zemin	- 3rd regular PM meeting; 5 accords; military sales; Iraq issue, - next summit; military/ technical cooperation - 1st "informal" summit with Yeltsin.
'99 Feb. Aug. Sept. Dec.	Prt. Yeltsin PM Putin Prt. Yeltsin	PM Zhu Rongji Prt, Jiang Zemin Prt. Jiang Zemin	- 4th regular PM meeting; extended to Zhu's official visit. - Mini-summit in 4* "Shanghai-5" summit, Kyrgyzstan - Working meeting during APEC meeting in New Zealand - 2nd informal summit
'00 July Sept. Nov.	Prt. Putin Prt. Putin	NPC Ch. Li Peng PM Zhu Rongji	- Mini-summit in 5"[1] "Shanghai-5" summit, Dushanbe, Tajikistan - Working summit; 5 accords; Beijing Declaration; ABM accord - Mini-summit with other UN Security Council members in New York. - Parliamentary exchange. -5* PM annual meeting for eco. exchange.
'01 June July Sept. Oct.	Prt. Putin Prt Putin	Prt Jiang Zemin PM Zhu Rongji	- Annual Shanghai-5 summit - Summit in Moscow for signing the Friendship-Cooperation Treaty - 6th regular PM meeting; extended to an official visit. - Mini-summit during 13* APEC meeting in Shanghai.

Abbreviations: CCP: Chinese Communist Party; Ch: Chairman; CPPCC: The Chinese People's Political Consultative Conference; GS: General Secretary; NPC: National People's Congress; PM: Prime Minister (Premier); Prt: President; RFC: Russian Federation Council; SDC: State Duma Chairman.

Meanwhile, Beijing and Moscow began to restore and expand their institutional contacts across a wide range of areas, including party-party contacts, trade, banking, journalism, trade unions, internal security, controlling agencies, women's associations, the aerospace industry, and the military. Regardless of the actual results of these contacts, the fact that these top officials met, got acquainted, and talked to one another is very significant. Before the normalization of relations, there were hardly any high-level contacts between Russians and Chinese apart from the visits made on the deaths of Soviet leaders (the so-called "funeral diplomacy").

In the next 2 years, two top Chinese leaders visited the Soviet Union. The visit by Li Peng to Russia in April 1990, was the first visit by a Chinese Premier for 26 years, and that of Jiang Zemin in May 1991 was the first visit by a Party General Secretary in 34 years. These visits turned out to be the last before the Soviet collapse. These high-level exchanges, however, set up important institutional frameworks for the continuous normalization process including cooperation in economic matters, science and technology, regional security (Korea and Indochina), border confidence building and demarcation, and regular foreign policy consultation at various levels.[125]

Russia and China both felt a heightened sense of threat following the Gulf War, especially given that both countries had had serious reservations over the use of force. The sense of threat increased their interest in developing more amicable bilateral relations which could give them both some badly needed breathing space.

The August 1991 coup in Moscow temporarily knocked bilateral relations off balance. China feared that it would no longer be able to play the very useful Soviet "card" against the West. They were also concerned whether or not the Soviet Union would abide by the accords they had signed with China.

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[125] Gaige Kaifang Yilai de Zhongguo Waijiao, "China's Foreign Policy During the Reform and Open-door Period", Tian Zengpei, ed., (Beijing: World Knowledge Publisher), 1993, pp.303-305

While the Chinese debated the nature of Russia's political change, Deng gave instructions that the Chinese should "Observe the development soberly, maintain our position, and meet the challenge calmly." To secure its interests and minimize the impact of Russia's instability, Beijing moved quickly to support Russia in its bid to succeed to the Soviet Union's seat in the U.N. Security Council and to secure China's accords with the former Soviet republics.

China's initiatives eventually paid off. After more than a year of managing domestic disarray, Russian President Yeltsin visited China at the end of 1992 and declared that "An important step has been made in the development of bilateral relations, and a new page has been opened in our friendly relations." The signing of a Joint Statement on the Basis of Mutual Relations cemented the evolving new relationship. China and Russia declared friendship, renounced the use of a nuclear first strike against the other country, and pledged not to enter into treaties "prejudicing the sovereignty and security interests of the other party." Twenty-three other documents relating to economics, trade, science and technology, and culture were signed. The Chinese and Russians also agreed to cooperate in certain military and technological projects, in food credits, in the construction of a nuclear power plant, and in the reduction of troops along the border.

Top-level contacts between China and Russia helped to stabilize the ties in the most uncertain period of their domestic and foreign policies. Over the next few years, a stream of top foreign policy and defense officials traveled to one another's capital, culminating in September 1994 when President Jiang traveled once again to Moscow for the second time in 17 months. Among the signed agreements was a document in which Russia and China agreed not to target their strategic missiles at each other. This represented an official ending of hostilities. It also came as a major relief for Beijing, since Russia in late 1993 had dropped its long-standing commitment not to be the first to use nuclear weapons in a conflict.[126]

In a subsequent joint statement the two sides, for the first time, defined their bilateral relationship as a "constructive partnership" of equality, mutual benefit and friendship

[126] Gaige Kaifang Yilai de Zhongguo Waijiao, "China's Foreign Policy During the Reform and Open-door Period", Tian Zengpei, ed., (Beijing: World Knowledge Publisher), 1993, pp.313-316

between the two countries extending into the 21st century. This statement indicated that after several years of mutual adjustment to each other's domestic upheavals, China and Russia were beginning to coordinate their foreign policies. Although both countries have denied this, this included joint efforts to oppose the will of the United States.

In May 1995, Jiang again traveled to Moscow to attend the commemorative activities for the 50th anniversary of V-E Day. Given the nature of the celebration it was somewhat surprising that the Russians invited a non-European to attend and one can but assume that Russia had an ulterior motive.[127]

4.4.2. Deepening and Broadening the "Strategic Partnership" (1996-2001).

The second half of the 1990s witnessed a notable upgrading of the Sino-Russian relationship from "constructive partnership" to "strategic coordination partnership." Although both sides continue to deny that there is anything of an alliance-building nature in this strategic partnership, Beijing and Moscow are clearly coordinating their foreign policies on the world stage in an increasingly active fashion.

The concept of a Sino-Russian "strategic partnership" was first tossed around in early 1996 and became official when Yeltsin traveled to Beijing for the second time as Russian president. Thirteen agreements were signed, including a hotline to facilitate communications between top leaders and a joint committee chaired by the two premiers to supervise the implementation of the bilateral agreements. Yeltsin's China tour also activated what came to be known as the "Shanghai-Five," a multilateral regime between Russia, China, Kazakhstan, Tajikistan and Kyrgyzstan. Among a series of accords signed was a historic agreement on Confidence Building in Military Field along Border Areas.[128]

Over the next few years, the forum gradually became institutionalized. It regularized summit meetings and ministerial-level consultations on a whole range of issues including border demilitarization and stability, military confidence building, terrorism, separatism, cross-border crimes, economic cooperation and exchanges, etc. With the revival of domestic separatist and religious fundamentalist movements in the region, the "Shanghai-

[127] Gaige Kaifang Yilai de Zhongguo Waijiao, "China's Foreign Policy During the Reform and Open-door Period", Tian Zengpei, ed., (Beijing: World Knowledge Publisher), 1993, p. 325
[128] Renmin Ribao (People's Daily), December 28, 1996

Five" provides a multilateral anchor for all participants. The forum's apparent success led to its first expansion in 2001 when Uzbekistan officially joined and it was renamed the "Shanghai Cooperative Organization" (SCO).[129](See Figure 5.2)

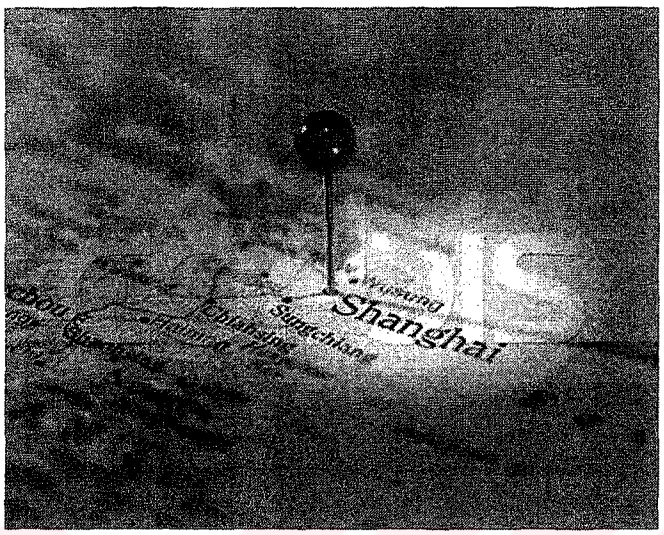

Figure 4. 2: Map of Shanghai

The momentum of the Sino-Russian strategic partnership, unleashed in early 1996, quickly picked up at the first regular premiers meeting at the end of 1996. On this occasion, a high priority and much publicity was given to military sales and technology transfers. Military cooperation and arms sales no longer were part of a "hidden" agenda for those top-level exchanges. Li was also the first foreign leader received by Yeltsin after his heart surgery in November. The ailing Russian president was said to have taken a personal interest in trying to secure the transfer of arms to China in both qualitative and quantitative terms, and, in particular, trying to arrange for the licensed production of 200 Russian Su-27s in China.[130]

By 1997, Sino-Russian "strategic partnership" developed more substance when Jiang Zemin (April) and Yeltsin (November) visited each other's capital. In a series of political statements, the two men declared that "the era of strategic alliance targeting on the third country is over" and "large powers should go with the global trend of multipolarity." This last remark expressed a clear aversion to the West-dominated post-Cold War world. The official Chinese newspaper interpreted Jiang's visit as an indication that the Russians and

[129] Renmin Ribao (People's Daily), December 27, 1996, front page
[130] Renmin Ribao (People's Daily), December 28, 1996

Chinese were no longer concerned only with bilateral issues, but with "multipolar content."[131]

The spirit of summitry continued through 1998 and culminated at the end of 1999 when Yeltsin chose to go to Beijing on his last presidential foreign trip. The gesture served as a reminder to the United States that Russia "possesses a full arsenal of nuclear arms." In the following month, a military memorandum of understanding was signed between Russia and China to cooperate in a range of issues. The two sides spoke, in particular, of the "deepening of military-technical cooperation between" the two armed forces and defense industries. Yeltsin apparently went too far, at least for some in Russia. His successor Vladimir Putin tried to restore the balance in the new millennium by delaying his promised visit to Beijing. Once the European-minded Putin was in Beijing in July 2000, however, the former KGB colonel signed the "Beijing Declaration" reaffirming all previous commitments. Moreover, Putin and his Chinese host issued a joint statement opposing the US National Missile Defense (NMD) system at the expense of the 1972 anti-ballistic missile defense treaty.[132]

There are multiple causes for the growing ties between Beijing and Moscow. One explanation is the fact that almost all of the Chinese leaders in the political, economic, and defense areas were trained in the former Soviet Union during the 1950s. Their natural sympathy for Russia may have led to their policy preference. Such an argument, however, should not be overplayed. Despite their experiences in and with the former Soviet Union, these Russian-speaking Chinese elites have presided over their huge country in the most daring Westernization experiment ever seen in Chinese history. While Russian (Soviet) leaders have swayed between orthodox communism and democratic capitalism, the Chinese are mixing both. The result is that today's Chinese are perhaps more Western-looking than most of Putin's fellow countrymen. At the same time, unlike the elites who founded communism a century ago, they no longer perceive the West through a "Russian lens."

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[131] Sino-Russia Joint Declaration, RMRB, April 24,1997, p. 1

[132] Michael R. Gordon, "Washington Bites Its Nails as Russian Votes Are Tallied," New York Times, March 27,2000

Frequent summits and exchanges at all levels and dealing with a broad range of issues serve a variety of practical purposes. First, they help to stabilize bilateral relations at a time of domestic and international change. They provide a direct and immediate means for both sides to observe and evaluate each other when new political faces emerge, particularly in Russia.

Second, Russia and China need to consult regularly with one another to discuss the security of the Asia-Pacific region. Northeast Asia has been an area of grave concern for both countries for the past 100 years.

The best explanation for the increasingly close Sino-Russian political strategic relationship in the post-Cold war era, however, lies elsewhere. To fully understand why these two countries have learned to cooperate in spite of their increasingly different internal systems, we must consider external relations between China and Russia and the dominating Western powers, particularly the United States.

Relations between both China and the West and Russia and the West were full of "irritants" during the second half of the 1990s. U.S. President Clinton's 1995 decision to allow Taiwan's President Lee Teng-hui to visit the United States led to a steep downturn in Sino-U.S. relations. Before and during the March 23,1996 presidential election in Taiwan, the PLA conducted a series of exercises along the Taiwan Strait and the United States responded by sending two carrier task forces to the area, a situation not seen since the end of the Vietnam War.[133]

4.4.3. The Millennium Turn Toward the Post-Post-Cold War.

At the onset of the new millennium, Beijing and Moscow further elevated their strategic partnership by signing a comprehensive, 25-article "friendship treaty" in July 2001 to counterbalance Washington's increasing unilateralism. Although both sides insisted that their actions did not target any third party, the 20-year treaty does require Moscow and Beijing to coordinate their responses closely in the event that either country is subjected to pressure or aggression from another power. Such a move toward stronger and deepened

[133] Yu Bin, "Historical Ironies, Dividing Ideologies And Accidental "Alliance": Russian-Chinese Relations Into The 21st Century", Carolyn W. Pumphrey Ed., The Rise of China In Asia: Security Implications, (January,2002), p.128

strategic relations, however, was soon to be tested by the impact of the September 11 attacks against the United States in 2001.[134]

The idea of signing a comprehensive friendship treaty was conceived by Yeltsin and Jiang Zemin in 1996 in order to promote and institutionalize their growing yet somewhat uncertain relationship. In July 2000 when Putin visited Beijing for the first time in the capacity of Russian president, the Chinese raised the issue again. For Beijing, a general framework for bilateral relations was needed to cope with the sudden change of the guards in the Kremlin at the end of 1999. Moreover, the Russia's new head of state (Putin) did not appear to be eager to develop relations with Beijing in the first few months of 2000. For Moscow, Russia's historically weak position requires some safety-net to deal with a rising China.

The nonbinding features of the treaty represent a culmination of two significant characters in Beijing-Moscow's relations in the past decade. One is close coordination on a range of major issues, particularly in foreign and defense areas, in order to safeguard their sovereignty at the minimum and to promote a multipolar world at maximum. This includes collective opposition to the U.S. missile defense plan, coordination at the U.N. and other multilateral diplomacy, regional security, border stability and antiterrorism/separatism (Taiwan and Chechnya). While Beijing continued to support Russia's effort to maintain "strategic stability," Putin reminded Washington, right after his meeting with President Bush in Slovenia and for the first time by a Russian president, that China should not be overlooked or kept in the dark during the U.S. pursuit of missile defense.

The second and perhaps more important character of their strategic partnership is the desire and efforts by both sides to maintain maximum flexibility in their respective relations with other countries. This is particularly true with regard to relations with the United States. Aside from issues such as sovereignty and missile defense, Moscow and Beijing seem to have reached a stage of not overreacting to the other's relations with Washington, at least not publicly. In the aftermath of the EP-3E collision with the Chinese Air Force jet in the South China Sea, Russia expressed "regret" over the accident and maintained a rather neutral position in what the Russian foreign minister depicted as "an accident which

[134] www.people.com.cn, July, 16, 2001

brought to the verge of crisis for the bilateral relations of the two big countries in Asia-Pacific." After the U.S. massive arms sale to Taiwan in late April, the Russian foreign ministry referred to the sale as a "question of bilateral relations." Whatever the case, Moscow and Beijing seem to deliberately avoid jumping to act on behalf of their strategic partner's side with regard to each other's relations with Washington even during times of crisis.[135]

The seemingly contradictory characters of the Sino-Russian strategic partnership and the friendship treaty—close coordination and maximum flexibility—can be possible only if officials at various levels in both countries develop high levels of confidence and trust for each other. Their interactions, therefore, will focus on bigger and strategic pictures while not being hampered by minor issues and irritants such as occasional spying cases and other disputes. Indeed, after a decade of carefully cultivating bilateral relations, Russian and Chinese leaders seem to be able to conduct real, informal but substantive "strategic dialogues" whenever they meet.

To be fair, Beijing-Moscow relations would improve with or without the U.S. factor, given the protracted enmity, the tremendous cost for both, and the desire for normal relations. However, the mutual feeling for the post-Cold War chill, or the "cold peace" in Yeltsin's words, simply accelerates the warming process. As a result, the two were somewhat compelled to form and deepen a strategic partnership from 1996 onward, even if their respective national interests require them to have good relations with the West, particularly with the United States. In the final analysis, the external pressure clearly drives the two countries closer along geopolitical line, despite the growing differences in their respective domestic systems.[136]

4.5. ECONOMICS OF CONSTRAINT

The "reluctant" strategic partnership between Russia and China can be further demonstrated by their insignificant and disappointing economic relations. Despite the rather rosy predictions made by both sides in the mid-1990s and ambitious goals to push annual bilateral trade to U.S.$20 billion by the decade's end,49 two-way trade in 2000 was

[135] Renmin Ribao (People's Daily), April 13, 2001
[136] Renmin Ribao (People's Daily), December 28, 1996

at an insignificant level of $8 billion, barely surpassing the 1993 level of $7.7 billion. (See Figure:6.1.)

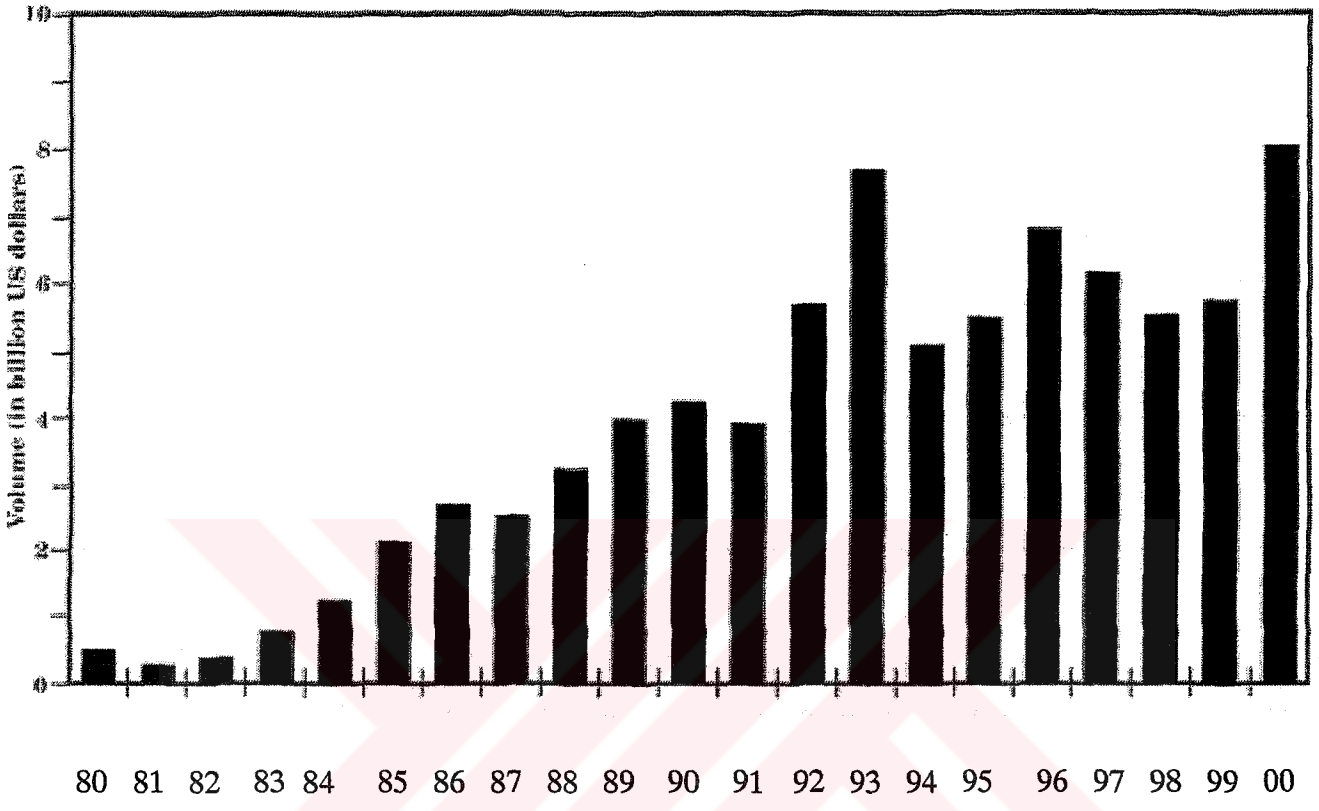

Figure 4. 3: Sino-Russian (Soviet) Trade, 1980-2000

Source:: IMF Direction of Trade Statistics Yearbook, 1987 and 1999, and The Washington Post January 15,2001

There is, however, a qualitative difference between current and past economic relations. Both countries now trade with each other for purely tangible interests, whereas in the past economic relations were marked by a high degree of politicization.

During the 1950s, the Soviets gave a massive $2 billion in economic loans to China. These were largely the result of China's lean-to-one-side strategic choice. The sudden withdrawal of Soviet aid from China at the decade's end was followed by a serious ideological divide between the two communist giants. During the 1960s and 1970s, Russia and China had very few economic ties to one another. While Moscow developed close economic relations with its Eastern European partners, China's self-imposed "splendid isolation" reduced

Beijing's trade with the outside world to a minimum. None of this was unexpected. The centralized economic systems in both communist countries were closely related to their respective political systems. These dictated the economic activities in both countries. The low level of trade between Russia and China reflected this reality and also reflected their soured political relations.[137]

4.5.1. Structural Impediments.

The basic problem for Sino-Russian economic relations is a lack of mutual dependence. The Chinese are interested in acquiring Russian weapons and some raw materials, but beyond that, the Russians and Chinese do not need one another very much. Russian trade with China represents only a fraction of its total trade. The same is true of Chinese trade with Russia. Part of the reason is that China's historical rise and Russia's unprecedented peacetime decline have equalized the two powers in such a way as to ensure that both need, and compete for, the same resources in the world (capital and technology).

The limited degree to which Russia and China need one another is reflected in some interesting trading statistics. In 1999 Russia was ranked as China's 9th largest trading partner, while China was Russia's 10th largest trading partner. In this same year, the volume of trade between China and Japan, the United States, Hong Kong, and the European Union was 7 to 10 times greater than it was with Russia. A curious situation has developed whereby China and Russia both see the other as a supplementary market, that is as an outlet for those products which are not competitive in other areas. As a result, both tend to export their quality products to advanced countries while sending one another sub-standard stuff.[138]

There are a number of factors that have contributed to the limited bilateral trade. These include the depressed consumer demands, the unpredictability, and corruption which resulted from Russia's economic disarray. The cumbersome accounting methods used by the Russians and the Chinese in their bilateral trade have also contributed to the problem.

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[137] Yu Bin, "Historical Ironies, Dividing Ideologies And Accidental "Alliance": Russian-Chinese Relations Into The 21st Century", Carolyn W. Pumphrey Ed., The Rise of China In Asia: Security Implications, (January,2002), p.133

[138] Beijing Review, April 29-May 5, 1996, p. 12

In 1994, Sino-Russian trade dropped by 30 percent to $5.1 billion, due to the conversion of bilateral trade accounting to hard currencies.

There are also some psychological obstacles in the way. Some Russians are quite concerned with the fast-growing China trade. This is particularly disturbing to them as it is accompanied by the general decline of Russian trade with Western countries. They are worried about the apparent influx of Chinese (legal or illegal) seeking economic opportunities in Russia. They are also troubled by the notion of becoming economically dependent on China.

4.5.2. Light at the End of the Tunnel?

Three years after the Asian Financial Crisis, China's economy began to gallop at a faster pace. With an 8 percent GDP growth in 2000, China's demands for Russian timber, rolled steel, and fertilizer rose sharply. Economic recovery in both countries apparently led to a better-than-expected trade situation. The 2000 bilateral trade volume rose sharply to $8 billion, the best since 1980, and the first half of 2001 saw another 30 percent jump in bilateral trade.[139]

Trade relations will also be facilitated by some economically ambitious and politically significant projects that are currently being worked out, notably by two major pipeline deals. One is the $2 billion, 2,000 kilometer (km) Tomsk-Beijing oil pipeline with a maximum capacity of half a million barrels per day (bpd). The other is the $4 billion, 3,700 km Kovykta (Irkutsk)-China natural gas line with a maximum capacity of 35 billion cubic meters per year (bcm). Since late 1999, both Russian and Chinese oil firms have been working together with the two governments to hammer out the technical and financial details.

In the year 2000, Russia only provided a fraction (10 million barrels) of China's 300 million barrels of annual imported oil. However, provided that its economy continues to rise, China's thirst for energy will grow only faster in the future: it is entering into the automobile age, which will bring with it vastly increased consumer demand. The Tomsk-Beijing oil line will be able to supply half of China's current annual import. Without it,

[139] Renmin Ribao (People's Daily), February 10, 2001

China will find itself increasingly affected by the unstable Mideastern region and by the potentially disputable sea lanes (South China Sea and the Taiwan Strait).

In additional to major energy projects, the two sides have tried to explore some potentially lucrative projects. One such project is cooperation on producing a new generation of civilian planes and energy equipment. The multi-billion U.S. dollar Lianyungan project started in October 1999. They plan to follow this by cooperating in building yet another nuclear power plant. The two sides are close to a deal on China's participation and operation of Russia's Global Navigation Satellite System (GLONASS) as an alternative to the U.S. equivalent Global Positioning System (GPS).[140]

4.6. SECURITY RELATIONS

The Sino-Russian security relationship is perhaps the most publicized. While the Western media tends to focus on issues of military sales to China, this analysis takes a broader perspective by examining three separate but related issue areas: border issues, confidence building, and military sales.

4.6.1. Pacifying the Longest Border.

The political situation in the former Soviet Union was volatile immediately after the disintegration of the Soviet Union. Beijing faced the birth, almost overnight, of several new central Asian nation-states whose internal stability, nuclear potential, and ethnic diversity have created multiple complexities for both China and Russia. China's immediate concern was whether agreements with the former Soviet Union would remain intact and be implemented. China in 1992 nervously watched the debate in the Russian Duma for the verification of the border agreement signed before the collapse of the Soviet Union. It was not until Yeltsin's visit to Beijing at the end of 1992 that the situation became stabilized. Beijing seized the opportunity to regain the momentum in working on the border issue with a joint delegation consisting of officials from Russia, Kazakhstan, Tajikistan, and Kirghistan. The eastern part of Sino-Russian border bargaining was finalized during

[140] Yu Bin, "Historical Ironies, Dividing Ideologies And Accidental "Alliance": Russian-Chinese Relations Into The 21st Century", Carolyn W. Pumphrey Ed., The Rise of China In Asia: Security Implications, (January,2002), p.135

Yeltsin's November 1997 visit to Beijing where the Russian president agreed to return 1,500 hectares of land to China.[141]

Because the Russian political scene has been subject to frequent radical political change, none of the existing border agreements between Russia and China are guaranteed. By early 1995, local officials in Russia's Far East openly resisted the implementation of the Sino-Russian border agreements. Some in the Russian parliament went as far as to suggest abolition of the Sino-Russian border agreement. Chinese officials openly expressed their concern that the economic weakness of Russia was leading to a rise in Russian nationalism. Moscow, therefore, has to reaffirm its agreement with Beijing from time to time. It was not until April 1999 that the official border survey was finally over. The preservation and implementation of all the agreements between China and the Russian side (including three other central Asian states of Kazakhstan, Tajikistan, and Kyrgystan), however, continue to be a major challenge within the context of their overall security relations.[142]

4.6.2. Confidence Building.

While border agreements are yet to be fully implemented, Beijing and Moscow have been steadily progressing in some broader security-related areas. During Yeltsin's 1992 visit to China, the two sides signed the Joint Statement on the Basis of Mutual Relations which renounced the use of a nuclear first strike against the other country, and both countries pledged not to enter into treaties "prejudicing the sovereignty and security interests of the other party."[143]

This was followed in 1993 by an agreement to create a demilitarized zone along their border. This meant that the Russian military, traditionally deployed within a 50-to-100 km area from the border, had to be redeployed further north, while the Chinese side did not have to do so due to its more in-depth defense posture. Because of financial difficulties, Russia would have to substantially cut its forces in the Far East. An accord was signed

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[141] Gaige Kaifang Yilai de Zhongguo Waijiao, "China's Foreign Policy During the Reform and Open-door Period", Tian Zengpei, ed., (Beijing: World Knowledge Publisher), 1993, p. 312
[142] Beijing Review, April 29-May 5, 1996, p. 12
[143] Gaige Kaifang Yilai de Zhongguo Waijiao, "China's Foreign Policy During the Reform and Open-door Period", Tian Zengpei, ed., (Beijing: World Knowledge Publisher), 1993, p. 316

with China to prevent inadvertent military confrontation between the two militaries. This more than met Russia's security needs. The two sides also agreed to inform each other of plans for military maneuvers in border districts and to exchange information on military doctrine and experience.

The effect of these confidence-building agreements was furthered by a 1994 crisis-prevention agreement during Chinese Defense Minister Chi Haotian's visit. All these confidence building measures were combined into a single document and signed during Yeltsin's visit to China in April 1996. Three other central Asian states belonging to the "Shanghai Five" also signed the document. Starting from 1999, staff officers began to observe and verify each other's military withdrawal from the border areas. Beijing and Moscow are even thought to have concluded a secret intelligence agreement as part of the overall confidence-building arrangement.

4.6.3. Military Sales.

Russian military sales to China have been a fast growing area of exchange. To date, Beijing and Moscow have completed some major transactions of military equipment including hundreds of Sukhoi-series jet fighters-bombers, ten 11-76 cargo planes, hundreds of S-300 antiaircraft missiles (U.S. Patriot equivalent), helicopters, samples of Russia's main battle tanks and other armored vehicles, four Kilo-class conventional attack submarines, and two Sovremenny-class guided missile destroyers (with the powerful SS-N-22 Sunburn antiship cruise missiles).

Meanwhile, more deals are reportedly being discussed, including a joint venture for developing China's own fighters; and the grant of a license to manufacture the Kilo-class submarine and nuclear-powered submarine, naval vessels, and nuclear and missile technology. These actual and possible Russian sales have been the largest foreign arms deliveries to the PRC since the early 1950s during the Sino-Soviet honeymoon.

There are three rather distinguished phases in the development of military sales: (1) the early stage (1990-92); (2) the institutionalized stage (1993-94); and (3) the expanding stage (1996-2000). In the initial stage, military sales were the result of a reaction on both sides to some rapid developments, which had little to do with their bilateral relations. In particular,

sales were stimulated when the West imposed sanctions on China after the 1989 Beijing crackdown and the disintegration of the Soviet Union. Over time, particularly after 1993, Beijing and Moscow both came to develop a sense of realism. They adopted a cautious approach as they gradually discovered both the potential and limits of military sales. A process of institutionalization in military transactions, therefore, was developed through the mid-1990s which is still in effect today. Last but not least, NATO's war against Kosovo in 1999 simply pushed the military sales to a new height at the turn of the millennium.[144]

4.6.4. Searching for Rules of the Game.

Russia's transfer of military technology to China, at least initially, largely resud fro marriage of convenience. The goals and preferences of the two nations are actually rather different. China is very much interested in technology transfer and would prefer to buy just a few samples of advanced technology equipment. Russia, by contrast, would prefer to sell more equipment and transfer as little technology as possible. In this way, China could be kept from developing or manufacturing this advanced equipment in the foreseeable future. The technological gap between China and Russia would thereby be preserved, guaranteeing Russia's national security interests in the Far East. At the same time, continued Chinese demand for advanced equipment would be in Russian commercial interest.

In 1993, several formal accords were signed relating to military exchanges. Chinese defense official Liu Huaqing's June trip to Russia expanded cooperation in industry, science and technology, and conversion.66 November 1993 also saw the first visit to Beijing by Russian Defense Minister Pavel S. Grachev, who signed a 5-year military cooperation agreement to broaden the transfer of military technology to China. These agreements in 1993 provided the frameworks to institutionalize cooperation in defense areas. Since then, more long-term cooperation agreements in technology transfer have been

[144] Yu Bin, "Historical Ironies, Dividing Ideologies And Accidental "Alliance": Russian-Chinese Relations Into The 21st Century", Carolyn W. Pumphrey Ed., The Rise of China In Asia: Security Implications, (January,2002), p.141

reached. Among them is one which defines Russia's role in developing China's manned space program over the next 10 to 20 years.[145]

Meanwhile, mounting pressures also forced the Russians to become less cautious in their approach to China's initiatives. Toward the end of 1993, Russia became increasingly disappointed with the West in both domestic and foreign affairs. The continuous decline of the Russian economy forced Yeltsin to abandon the "shock therapy." At the same time, Russia had accumulated a large amount of debt ($1.5 billion by 1994) in its trade with China. Russia's arms sales in the world continued to slide; the year 1994 saw its lowest sales in 15 years. Meanwhile, Russian civilian aircraft building was on the verge of "total collapse."[146]

The Chinese market remained one of the few bright spots for Russian military sales around the world in the post-Cold War years. Moscow urgently needed to push for more deals in this traditionally strong area of its economy. Russia reportedly decided to use military hardware, the only competitive advantage it enjoys in economic relations with China, to offset these debts. The Russian Foreign Minister went so far as to say during his February 1994 visit to China that the Russians would set no limits on Russian military sales to China. After this, Russia produced a quite impressive list of some 44 items for China's military, including some very advanced hardware.[147]

In addition to the Gulf War, the strongest push for closer military ties between Beijing and Moscow, which came in the 1990s, ironically resulted from Western, particularly US, policies toward the two continental powers. In the first half of the decade, the Russians and Chinese were still bargaining over peripheral issues with regard to pricing, after-sale service, and payment methods. NATO expansion and the Taiwan Strait Crisis paved the way for progress. In May 1995, Washington announced its decision to invite President Lee Teng-hui of Taiwan to visit the United States. A month later, in June 1995, Premier Li Peng of China visited Russia: at the top of his agenda was Sino-Russian cooperation over military technology. For the first time, both sides publicly indicated that they intended to

[145] Lianhe Bao, March 23, 1995
[146] Viktor Mikhaylov, Director-General of the largest aircraft building enterprise "Aviastar." Itar-Tass, November 1, 1995.
[147] Shijie Ribao, January 1 and April 24, 1994

push their cooperation further in this sensitive area. This represented a notable change from their previous evasive behavior. As a result of these developments, 1995 and 1996 witnessed sales of additional Su-27s, more technology transfers to China and joint-production of Su-27s.[148]

4.6.5. Accidental Bombing and Accidental "Alliance."

Toward the end of the decade, the same cycle of events was repeated when NATO's 1999 war in Kosovo angered both Moscow and Beijing, though for different reasons. While the Russians were frustrated because they were kept out of the conflict, the Chinese were furious because they were "forced back" to a far away conflict by the "accidental" bombing of their embassy in Belgrade on May 8.

June 7-17, 1999, General Zhang Wannian, deputy Chairman of China's Central Military Committee, visited Russia. One of the major developments in Stephashin-Zhang meeting was an agreement for Russia to sell dozens of Su-30s to China. In the past, Russian arms sales had always been hampered by Moscow's reluctance to pass to China sensitive technologies. Moscow had only agreed to sell an older model of the Su-27 while licensing India to produce the Su-30s. During Chinese Premier Zhu Rongji's visit in February 1999, Moscow only agreed in principle to negotiate the details for the sale. The deepening of the Kosovo crisis apparently accelerated pace of the hard bargaining between Moscow and Beijing over the sale of this fighter-bomber, the best in the Russian inventory. The two sides even started talks to discuss the possibility of Russia granting the Chinese a license to produce for itself another 200 Su-30s.[149]

4.7. HOW TO MANAGE "NORMAL" RELATIONS IN THE POST-COLD WAR

From time to time in Sino-Soviet relations, younger men in the Kremlin have challenged older leaders in Beijing. Now, 45 years after Khrushchev's de-Stalinization campaign and 15 years after Gorbachev's romantic and fatal political reforms, Putin is reshaping his own domestic and foreign policies. These may be so innovative as to be unexpected, if not unwelcome, to his older Chinese counterparts. Nonetheless, until September 11, 2001, its

[148] Renmin Ribao (People's Daily), June 28, 1995, p. 1
[149] Hong Kong Tiger, June 21,1999

relationship with China was perhaps one of the few stable and mutually beneficial ties Russia found in the new millennium.[150]

One key feature of the Sino-Russian relationship in the past 20 years is the absence of ideological disputes. Current leaders in the two states have every reason to engage in another round of ideological polemic due to the growing gap in the nature of their political systems. Lessons from history, however, are too vivid to forget. For both, the cost of the past ideological and military confrontations was enormous. Economically, both countries devoted huge amounts of capital and manpower to defense at the expense of the living standards of their peoples. Strategically, Russia and China had to prepare for a possible two-front war and put their national economy on a war footing for many years at the expense of the living standard. For Russia, conflict with China was perhaps the most important indirect and long-term cause for the final downfall of the Soviet Empire. History therefore taught them the limits of both their friendly and adversarial relations. Both countries now seek to find an appropriate balance between their respective interests and values.[151]

The pragmatic approach to bilateral ties, starting from Deng Xiaoping and Gorbachev in the 1980s, however, does not necessarily mean future harmony between the two sides. It is true that current Sino-Russian relations are, perhaps, more equal and stable than they have been at any other time during the past two centuries. But this has partially resulted from those systemic changes such as the collapse of the Soviet superpower and the historical rise of China.

But what if Russia revives and reasserts itself on a more nationalistic basis? The election of Vladimir Putin already suggests that there is some likelihood of this happening. Or conversely, what if China continues to expand both economically and militarily? China is already perceived as something of a threat by some, particularly the Russian nationalists.

If the rise of China remains a protracted process, it is vital that now, and in the future, the Russians and Chinese learn how to manage and sustain a generally normal, or good,

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[150] Available on site www.people.com.cn, July 21, 2000

[151] Stephen G. Brooks and William C. Wohlforth, "Power, Globalization, and the End of the Cold War: Reevaluating a landmark Case for Ideas," International Security, Vol. 25, No. 3, Winter 2000/01, p. 53

relationship. This is definitely more challenging than the task faced by Mao, Khrushchev, Brezhnev, Deng, and Gorbachev. These men knew how to trash good relationships and how to manage bad ones. What they did not learn to do was to manage a normal relationship. As in gender relationships, marriages and divorces are relatively easy, if not all fun. Living with one another, managing daily chores, listening to, and trying to understand each other's complaints, proves to be the hardest thing to do. In the past 10 years Russian and Chinese leaders have been doing just that and they have been reasonably successful.

If the current trends in East Asia continue, the "reluctant" partnership between Russia and China will definitely grow into an "accidental alliance," for better or worse. In 1996, a group of prominent American, Japanese, Korean, and Chinese International Relations(IR) scholars overwhelmingly rejected an "early warning" of this largely unintended and maybe unfortunate development: At the geopolitical and geostrategic level, the current situation in East Asia points to a growing division between maritime powers (Japan and the United States) and their continental counterparts (China and Russia). The division distinguishes more advanced from relatively backward powers and established from emerging ones.... [Although neither Russia nor China intends to renew a 1950s-style alliance at the expense of their respective relations with the United States and Japan, nonetheless both are being driven in that direction in the rather chilly and unsettling post-Cold War Asia-Pacific climate.[152]

At the beginning of the new century, both Russia and China are seriously alienated by the West. This is despite the fact that the two are substantially "Westernized," though each in its own way: the Russians politically, and the Chinese economically. Indeed, one of the reasons why Moscow and Beijing have so far resisted closer strategic coordination is because they would like, eventually, to join and reap the benefits of the Western-led existing international political and economic systems.

The status quo, however, is fast changing for both continental powers. Despite Russia's displeasure and despite the warning of classic realists s NATO expanded in Europe. In East

[152] Bin Yu, "East Asia: Geopolitique Into the 21st Century: A Chinese View," Occasional paper, Stanford: Asia/Pacific Research Center, Stanford University, June 1990, p. 3

Asia, the "no-war-and-no-independence" status quo across the Taiwan Strait, which used to benefit all concerned—China, Taiwan, the United States, and Japan—has been steadily eroded to a "no-war-and-no-independence" (U.S. position) and "no-war-but-independence" (Taiwanese position). This development started in 1995 when Clinton allowed Taiwan President Lee Teng-hui to visit the United States. For Beijing, if the "one-China" is disappearing, so is peace.[153]

At the turn of the millennium, the erosion of the status quo is apparently accelerating at the strategic and systemic level with the Bush administration's determination to deploy missile defense systems. In the eyes of Russia and China, U.S. unilateralism in this regard represents a unique feature of world history. It is the dominant superpower that happens to be the most dissatisfied power, actively departing from and even challenging the very status quo that has benefited itself and the rest of the world. The "mismanagement" of the historical decline of Russia and the historical rise of China, intended or not, will lead to a situation which nobody wants and which is very likely to have serious consequences.

Until the September 11 terrorist attacks, China, Russia, and several other Central Asian states had worked hard for 6 years to build up the Shanghai Cooperative Forum (SCO), with an antiterrorist center set up in 2000 in the Kyrgyzstan capital, Bishkek. Between 1996 and 2001, SCO has been developing an institutional antiterrorist mechanism for three-fifths of the huge Eurasian landscape and a quarter of the world's population (1.5 billion people). It is also the only major regional security organization in the world without direct U.S. participation. Washington had not only been a bystander to that multilateral effort to curb terrorism in the most volatile part of the world, but it also treated destabilizing activities in Chechnya and China's Xinjiang Province as either fighting for freedom or a human rights issue (the U.S. State Department even received the Chechen "foreign minister" in early 2001).[154]

In the short term, the U.S. massive return to Central Asia has already overshadowed, or is displacing, the regional security mechanism (SCO) that Moscow and Beijing have worked hard to develop. For both Moscow and Beijing, current cooperation with Washington to

[153] George Kennan, "No to Expansion," New York Times, February 10, 1997
[154] Francois Heisbourg, "American Hegemony? Perceptions of the US Abroad," Survival, Vol. 41, No. 4, Winter 1999-2000, p. 5

fight terrorism may come at a price in terms of long-term security. Of the two likely outcomes for the current U.S. military actions in Afghanistan, none seems desirable for Moscow and Beijing: first, it is unclear if successful U.S. operations against terrorism will lead to a humble United States, as Bush's campaign rhetoric sounded; or if Washington would go back to the kind of unilateralism as was the case before September 11. Second, a less successful, messier, or even failed, antiterrorist move by the United States could cause more instability and a surge of extremism/terrorism in the region.

Meanwhile, the initial salvo of the military operation against terrorism is being unleashed against Afghanistan, a Central Asian state that has already been devastated by 22 years of war. Perhaps no target there is worth the price of an American missile. However, Afghanistan, together with other central Asian states, is a geo-strategic meeting place of the world's major civilizations: Christianity, Islam, Hinduism, and Confucianism, all of which, unfortunately, were nuclearized at the end of last century. Understanding and managing these issues would be hard enough for Washington, Moscow, and Beijing during times of relative tranquility. It is unclear how the massive American strategic initiative will affect the delicate and dangerous chemistry of this region. The current war against terrorism, with all of its good intentions and noble goals, allows very little margin for error in the age of weapons of mass destruction.[155]

[155] Yu Bin, "Historical Ironies, Dividing Ideologies And Accidental "Alliance": Russian-Chinese Relations Into The 21st Century", Carolyn W. Pumphrey Ed., The Rise of China In Asia: Security Implications, (January,2002), p.150

5. SINO-JAPANESE RELATIONS

Japan has always held a key place in China's foreign policy. In the 1930s Japan subjugated the Chinese people in a humiliating occupation, and it was not China but the United States that ultimately defeated the Japanese military. The U.S. occupation of Japan did not ease Chinese concerns. Chinese leaders watched with apprehension as the United States rehabilitated many Japanese wartime leaders and helped revive Japan's industrial economy. The February 1950 Sino-Soviet treaty focused on the Japanese threat as the cornerstone of security cooperation between Moscow and Beijing. Despite Japan's minimal military capabilities and weak economy for much of the Cold War, U.S.-Japanese cooperation was the linchpin of America's effort to encircle and weaken the People's Republic of China.

Chinese Communist leaders spent the first twenty years of their rule trying to detach Japan from the U.S. alliance system. They persistently attacked the U.S.-Japan security alliance and the revival of Japanese "militarism" and attempted to work with the Japanese Socialist and Communist parties to create political pressure on the ruling Liberal Democratic Party (LDP) to improve diplomatic relations with China. China tried to manipulate Japanese war guilt, hoping that the Japanese people's desire to make restitution for the occupation of China would force the government to open diplomatic and economic relations with Beijing. Following the Korean War and the 1954 Geneva conference that ended the first Vietnam war, Beijing emphasized "peaceful coexistence" in Sino-Japanese relations. Premier Zhou Enlai pushed for the establishment of diplomatic relations, and Japan seemed ready to respond. But the United States compelled Japanese leaders to turn aside China's overtures. In 1957 Prime Minister Nobusuke Kishi of Japan adopted a hard-line China policy and paid the first state visit to Taiwan by a Japanese prime minister. The Japanese military also began training Nationalist soldiers. Sino-Japanese relations deteriorated as Chinese diplomacy hardened.

Beijing dangled before Japan the economic lure of the Chinese market, holding Sino-Japanese trade relations hostage to Japan's opening of diplomatic relations with Beijing. This led to Chinese policy gyrations.[156]

During the mid-1950s, on the basis of a succession of private trade agreements and the support of both governments, trade gradually expanded. China tried to use the accords to develop de facto diplomatic relations. In 1955 Tokyo agreed that Chinese trade representatives would have diplomatic privileges. In 1957 it granted Chinese agencies additional privileges, including the right to fly the PRC flag. But determined opposition from Taiwan and the United States compelled Tokyo to abandon the 1957 agreement. China retaliated by canceling all economic and cultural relations with Japan. Beginning in 1960, faced with the economic dislocations of the Great Leap Forward, China tried to develop unofficial "friendship trade" with Japan. It would trade only with Japanese companies it identified as "friendly"—those that did not oppose Sino-Japanese diplomatic relations and that opposed a two-China policy and the U.S.-Japan security treaty. By 1962 Beijing had identified 162 such enterprises. But friendship trade promoted neither Sino-Japanese trade nor friendship.

In 1962 Chinese leaders once again entered into semi-official trade relations to promote Sino-Japanese economic and political ties. On the basis of annual memorandums between Chinese government officials and leading officials of the LDP, trade expanded. During the mid-1960s Japan replaced the Soviet Union as China's number one trading partner. Tokyo also agreed that the two sides could establish official trade liaison offices in each other's country. But Beijing could not persuade Tokyo to establish diplomatic relations and break relations with Taiwan. In 1967 Prime Minister Eisaku Sato paid a state visit to Taiwan. These setbacks and the ideological fervor of the Cultural Revolution led to a decline in Sino-Japanese memorandum trade, to a renewed PRC emphasis on friendship trade, and to a decline in total trade.[157]

Beijing's economic diplomacy had failed. Japan was too dependent on the United States for its security and economic growth to diverge from U.S. policy on such an important issue as

[156] Chae-Jin Lee, Japan Faces China: Political and Economic Relations in the Postwar Era (Baltimore: Johns Hopkins University Press, 1976), p.99
[157] Andrew J. Nathan, Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997), p.85

China policy. When Japan finally decided to open relations with China, the impetus was not developments in China's Japan policy but in America's China policy. When Richard Nixon announced in July 1971 that Henry Kissinger had just visited Beijing and that the president planned to hold a summit there, Japan suffered "Nixon shock." Tokyo quickly made policy adjustments. In July 1972 Tokyo opened normalization negotiations with Beijing, and in September Prime Minister Kakuei Tanaka traveled to China, where he and Zhou Enlai issued a joint statement establishing diplomatic relations, which included Japan's agreement to sever diplomatic ties with Taiwan. Now Sino-Japanese trade expanded without diplomatic impediments. Total trade tripled between 1972 and 1975; China became Japan's third-largest export market and the eighth-largest exporter to the Japanese market. Only in the final year of Mao's life, when radical ideologues experienced a burst of renewed authority and Chinese managers suspended relations with Japanese firms, did trade suffer a temporary decline.[158]

U.S.-China rapprochement also transformed Sino-Japanese security relations. China now saw the United States and Japan as counterweights to the Soviet Union, and regarded the American defense umbrella over Japan as a guarantee that Japan would not remilitarize in the face of the Soviet threat—above all, that it would not make nuclear weapons. The strategic importance Chinese leaders attached to the relationship was underscored in 1978. In August, as Soviet-Vietnamese cooperation reached new heights, the prospect loomed of a Vietnamese invasion of Cambodia. These Soviet moves also posed a threat to Japan, which depends on the sea-lanes for its energy supplies, much of its food, and most of its other international trade. In these circumstances Beijing and Tokyo finally reached agreement on a peace treaty ending the Sino-Japanese state of war dating back to World War II. The accord included a clause in which the two countries denounced "hegemony," Beijing's code word for Soviet expansionism and "encirclement" of China.

Throughout the 1980s common Sino-Japanese interests in the face of the Soviet threat provided the basis for frequent summitry, political consultations, and friendly diplomacy. Economic relations flourished. From 1977 to 1981 two-way trade tripled, reaching more than $10 billion. During much of the 1980s Japan was China's number two trade partner,

[158] Chae-Jin Lee, "China and Japan: New Economic Diplomacy", (Stanford: Hoover Institution Press, 1984), p.111

second only to Hong Kong. In 1979 the two sides reached their first agreement on Japanese loans to China. The loans totaled fifty billion yen and assisted in the completion of six major construction projects in China. Altogether, from 1979 to 1989, Japanese low-interest loans to China amounted to over $17 billion.[159]

During the Cold War, Beijing and Tokyo pushed aside secondary conflicts of interest and underlying long-range concerns so that they could jointly counter the Soviet threat. Nonetheless, Chinese leaders did not forget the potential danger of resurgent Japanese militarism. Through the 1970s and 1980s, in the context of U.S.-Japanese security cooperation regarding the Soviet Union, Japan developed its military capabilities. Defense spending increased along with the GNP. Much of the new spending went to the buildup and modernization of the Japanese navy, as Tokyo sought to fulfill its commitment to the United States to undertake the defense of the sea-lanes within 1,000 nautical miles of the home islands.[160]

Japan now boasts the largest surface fleet in the western Pacific. Almost all of its naval vessels have been built within the last fifteen years and are constructed and equipped with highly advanced technology. Japan, unlike China, possesses the technology to build, support, and manage aircraft carriers, the key element in power projection—although it has not so far chosen to do so. Indeed, it deployed aircraft carriers over fifty years ago during World War II. Tokyo has also modernized its air force. In 1976 Japan decided to coproduce with McDonnell-Douglas the American F-15 fighter jet. In the 1980s it agreed to codevelop and manufacture with the United States a cutting-edge military jet, dubbed the F-2. The F-2, based on the U.S. F-16, will be superior to any aircraft China can manufacture. Japan also developed some of the most advanced missile technology in the world, including missile guidance systems that were better than America's, and in the 1990s acquired advanced electronic warfare equipment, such as airborne warning and control system (AWACS) aircraft. Japan has developed all the elements of a nuclear weapons program except the assembly and testing of a nuclear device, so it would take only a matter of months for Tokyo to deploy a nuclear warhead on a long-range missile.

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[159] China's Foreign Economic Statistics, (Beijing: China Statistical Information and Consultancy Center, 1992), p. 333

[160] Richard J. Samuels, "Rich Nation/Strong Army: National Security and the Technological Transformation of Japan", (Ithaca: Cornell University Press, 1994), p.133

Meanwhile, Chinese defense spending continued to stagnate, with the result that by the end of the 1980s Japan had achieved military superiority over China in all forms of weaponry, with the sole exception of nuclear weaponry, an exception Tokyo could rapidly eliminate. These Japanese successes occurred with minimal economic sacrifice. The Japanese defense budget stayed below the politically sensitive threshold of one percent of the GNP for most of this period, so Japanese gains have barely approximated Japanese spending and technological potential. During the 1970s and 1980s Japan also developed its economic presence in Asia. Its aid and investment have been determining factors in the economic growth of Thailand, Malaysia, Indonesia, and South Korea, fostering considerable influence in their decision making.[161]

The growth of Japanese power caused apprehension in the Chinese elite, but the leadership remained largely silent until Beijing began to improve relations with Moscow. In the mid-1980s China initiated a relentless campaign against support for "militarism" in the Japanese leadership. China joined South Korea and other Asian countries in criticizing Japanese politicians' statements and government-approved secondary school textbook revisions that so much as hinted at positive reappraisals of Japanese behavior during World War II. In 1987 Deng Xiaoping told a visiting Japanese delegation, "Frankly, China bears no responsibility for the historic conflicts in the history of Sino-Japanese relations....Relations have developed, but we cannot be very satisfied with them. Japan can and should do more. It should appropriately resolve some unhappy incidents." The party ideologist Hu Qiaomu wrote, "We do not want to bring up the past, but things are going contrary to our wishes. Some people in Japan deliberately try to forget and change these unforgettable and unalterable historical facts. . . . Japan gives China the cold shoulder. China will not accept it quietly. It is Japan that will suffer in the end."[162]

China also carried out campaigns against even the slightest intimations that Japan was developing a "two-China" policy. China's concern about Japan's Taiwan policy is second only to its concern about America's Taiwan policy. Tokyo controlled Taiwan from 1895, when China ceded it to Japan after military defeat, until the end of World War II, and many people on Taiwan have favorable recollections of the Japanese occupation. Chinese leaders

[161] Andrew J. Nathan, Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997), p.87
[162] Renmin ribao, June 29, 1987, p. 1

suspect Japan of having strategic objectives in regard to Taiwan. Just as Taiwan was an "unsinkable aircraft carrier" for the United States during the period of Sino-American confrontation, it could become a Japanese asset if Sino-Japanese relations deteriorate. Chinese leaders also suspect that the Taiwan leadership considers an alignment with Japan as a fallback position if the United States reconsiders its commitment to Taiwan's security.

In the mid-1980s Beijing adopted a belligerent posture following a 1986 Japanese court decision that a student dormitory owned by the Taiwan government remained the property of Taiwan despite the normalization of Sino-Japanese relations in 1972. Deng Xiaoping personally warned Japanese legislators that the court decision created a "very serious" problem for Sino-Japanese relations, the PRC Foreign Ministry threatened retaliation, and a Sino-Japanese media war erupted. The Foreign Ministry also tried to pressure the Japanese government to cancel the plans of private citizens to host an international meeting celebrating the hundredth anniversary of the birth of Chiang Kai-shek, insisting that the event was "tantamount to support for the creation of two Chinas."[163]

Beijing campaigned against increases in the Japanese defense budget. Polemics became especially harsh in 1987, when the defense budget increased to just over one percent of the Japanese GNP. One percent had been a threshold reflecting Japan's post-World War II commitment to abandon the use of force in diplomacy. Before the increase Foreign Minister Wu Xueqian expressed China's concern that once Japan's defense budget crossed the threshold, Tokyo would be on its way to becoming a major military power. *People's Daily* warned that after this break with tradition, "it is unavoidable that the second and third 'breaks' will follow, and that the state of affairs will get out of control."

China's shifting appraisal of the Japanese threat was reflected in PRC policy concerning the Soviet-Japanese dispute over the four islands Japan calls its Northern Territories. The southernmost islands of the Kuriles chain had been taken from Japan by the Soviet Union after World War II and are considered unreclaimed territory by the Japanese. The Northern Territories have natural resources, a predominantly Russian population, and a strategic location near Soviet naval ports. China supported Japan's position during the Cold War, contributing to the cohesiveness of the anti-Soviet coalition. But in early 1991, after the

[163] Allen S. Whiting, "China Eyes Japan", (Berkeley: University of California Press, 1989), p.154

demise of the Soviet Union, it shifted to a neutral stance on the islands. The value of strategic cooperation with Japan had declined, and China was no longer inclined to support Tokyo's effort to recover lost territories. Not only would support for Japan's claim needlessly aggravate relations with Moscow, but Beijing also has no interest in seeing Japan actually recover the islands. On the contrary, in some respects the Russo-Japanese territorial dispute now complements Chinese interests. It focuses the attention of the Russians and the Japanese on each other, inhibits Russian-Japanese economic and political cooperation, and keeps Japan from fully concentrating on its worries about China.

In the aftermath of the 1989 Tiananmen incident, China halted its intense criticism of Japanese policies, despite Japan's participation in UN peacekeeping operations in Cambodia and its contribution to the allied effort in the 1991 Persian Gulf War, both of which represented a weakening of the taboo on deploying Japanese troops abroad. Faced with near global isolation and Western economic sanctions, Beijing was compelled to woo Japan to regain access to Japanese aid and loans and to drive a wedge in the West's isolation of China, Chinese efforts paid off in 1990, when Japan took the lead among Group of Seven (G-7) countries in ending sanctions and reaching new agreements with China on generous loan and aid programs. Japan also rewarded Chinese silence by adopting a low profile on such issues as China's human rights abuses, its nuclear testing program, and its growing defense budget and by avoiding provocations regarding Taiwan. Stable diplomacy, growing economic cooperation, and the beginning of a security dialogue in 1993 suggested that Beijing and Tokyo had developed ways to manage a potentially explosive relationship.[164]

But by 1995 the divisive issues resurfaced in Sino-Japanese relations. With the development of multiparty politics in Japan following the collapse of LDP hegemony in 1994, China policy has become politicized. This is particularly true of the Taiwan issue. Taiwan's economic and political successes and growing Japan-Taiwan economic relations have created Japanese domestic interests opposed to accommodation of the mainland and the diplomatic isolation of Taiwan. After Lee Teng-hui visited Cornell University in March 1995, Japanese opposition politicians urged their government to grant Lee a visa to visit Kyoto University, his undergraduate institution, or to invite him or Taiwan's Vice Premier Hsu Lee-teh to

[164] Allen S. Whiting, "China and Japan: Politics versus Economics," Annals of the American Academy of Political and Social Science, (January 1992): 39

attend the November 1995 APEC summit in Osaka. China warned that any such visits would place the relationship "in the greatest danger," and President Jiang Zemin promised to boycott the summit if either Taiwan leader attended the meeting. Ultimately, Japan succumbed to Chinese pressure, and Taiwan was represented in Osaka by Koo Chen-fu, the head of its Straits Exchange Foundation.[165]

The trend in Japanese politics was nonetheless clear. Throughout 1995, politicians from various parties in Japan called for enhanced Japanese-Taiwanese diplomatic contacts. Beijing criticized "pro-Taiwan forces" and warned the Japanese government to oppose any pro-Taiwan activities in Japan. When it seemed that a Japanese cabinet member might participate in a pro-Taiwan demonstration, Beijing made "solemn representations" with the Japanese Foreign Ministry.[166]

During the 1996 Taiwan Strait crisis, hard-line members of the Liberal Democratic Party, reacting to China's military maneuvers, demanded that the Japanese government freeze its yen loans to China, compelling Japan to defer completion of a new agreement on yen loans. When asked about the prospect that Japan might freeze the loans, China's Foreign Ministry spokesman responded that China "would like to send a very clear and unmistakable message to the Japanese side, which is that the issue of Taiwan is purely an internal matter of China which brooks no foreign intervention or interference of any kind." The "Taiwan lobby" is now embedded in Japanese politics, and the Taiwan issue has added an element of uncertainty in Sino-Japanese relations.[167]

The "China threat" has also emerged as an issue in Sino-Japanese relations, reflecting the changes in Japanese domestic politics as well as in Japan's post-Cold War strategic circumstances. Just as the end of the Cold War freed China to focus on Japanese capabilities, the demise of the Soviet threat has turned Japanese attention toward China's capabilities. There is opposition in Japan to Chinese nuclear tests, and in 1995 Tokyo retaliated against them by suspending its grant program to China. Chinese military exercises during the 1996 Taiwan Strait crisis heightened Japanese apprehension. The annual Japanese defense white paper now expresses direct concern about the modernization of China's nuclear, air,

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[165] FBIS/China,June26,1995, p. 1
[166] FBIS/China, September 21,1995, p. 1
[167] FBIS/EAS, March 15, 1996, p,.7

and naval forces, and treats China as a greater threat than Russia. The change in Japan's China policy is further reflected in the issue of human rights. Beginning in the mid-1990s Chinese violations undermined support for Japan's economic assistance program for China. Should China again use force against democracy activists, Japan's reaction might be more hostile than it was in 1989.

Shifts in Japanese policy since 1994 have brought on renewed counterattacks in China. Chinese media gave prominent coverage to the fiftieth anniversary of the end of World War II, featuring the atrocities of the Japanese occupation and warnings of the potential for revived militarism. For the first time since the 1970s, the Chinese media criticized Japan's military capabilities, including its nuclear program. It charged that Tokyo's defense buildup makes clear that Japan "harbors a strong desire to play a bigger military role in the world" and that it will "produce new instability" and "expand its sphere of influence through military means." One Chinese observer warned that the "situation in Japan is somewhat similar to that in pre-war Japan. What road will Japan take?—this question definitely cannot be ignored."[168]

Compounding Chinese concern about Japan's military program is the improvement in U.S.-Japan security cooperation. China has long accommodated itself to the U.S.-Japan alliance because of its role in inhibiting Japanese "militarism" and helping maintain stability in East Asia. But at the April 1996 U.S.-Japan summit, Washington and Tokyo adopted a joint action plan calling for greater Japanese military responsibility in the alliance, including for the first time responsibility in joint defense operations throughout Asia. This suggested to Chinese leaders that the alliance could promote rather than inhibit a Japanese defense buildup. Beijing floated the view that the agreement was a "dangerous signal" that Japan has been "brought into U.S. global strategy" and that it will "strengthen coordination with the actions of U.S. troops" in Asia. It "gives the feeling" that the two countries "work hand-in-hand to dominate the Asia-Pacific region." The Chinese were especially disconcerted by U.S.-Japan discussions of deploying a theater missile defense (TMD) system in Japan. China has argued that an East Asian TMD would be "clearly aimed at China" and would "render ineffective" China's limited second-strike nuclear capability, enhancing Chinese

[168] Chen Lineng, "The Japanese Self-defense Forces Are Marching toward the 21st Century," Guoji zhanwang, no. 2,1996, in FBIS/China, May 1,1996, p. 12

vulnerability to U.S. military power and to a potential Japanese nuclear capability. It warned that it would reconsider its commitment to participating in a comprehensive test-ban treaty if such a system was deployed.[169]

China's hardened Japan policy reflects Beijing's concern about a renewed threat from its East Asian rival. Still, China's policymakers are mindful of Japan's economic importance. In the first six months of 1995, Japanese capital invested in China increased nearly 48 percent over the same period in 1994. Large Japanese firms, including Matsushita, NEC, and Toyota, began investing in large-scale manufacturing projects involving high-technology industries. In early 1996 Japan agreed to provide China with 580 billion yen in new loans for the period 1996-98, although it postponed formalization of the agreement in reaction to Chinese nuclear tests and tension in the Taiwan Strait.

Beijing is also aware of the potential costs of heightened Sino-Japanese conflict. If Japan were fully to mobilize it's economic and technological potential, China would have to divert considerably more of its scarce resources from economic development to military modernization, impeding its modernization and its ability to catch up with its great-power rivals. Sino-Japanese tension would destabilize Asian security and encourage the United States and Japan to enhance their cooperation in opposing China and to mobilize other Asian countries to distance themselves from Beijing.

Sino-Japanese relations continue highly sensitive and mutable. Chinese leaders often warmly welcome Japanese leaders and praise the two sides' success in developing economic and political ties. But Beijing is quick to criticize public Japanese statements suggesting support for a more activist defense policy or for a friendlier diplomatic posture toward Taiwan. It attacks Japan's nuclear weapons program and enhanced U.S.-Japan security cooperation. Most important, China continues to modernize its military capabilities, despite Japanese apprehensions and the pressure this places on Tokyo to adopt countervailing military measures. But the alternative would be for China to accept permanent military and technological inferiority vis-a-vis Japan and the other great powers.

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[169] Liu Huaqing, "Evaluation and Analysis of China's Nuclear Arms Control Policy," Xiandai junshi, November 11, 1995

And additonal contentious issues loom on the horizon. One is the territorial dispute over the Diaoyutai/Senkaku Islands. The dispute has quietly existed since 1949, but in 1996 pressure from the Japanese legislature led Tokyo to reaffirm its claim publicly. Beijing responded by dispatching an oil-drilling vessel to the disputed waters and by warning Japan to avoid provocative actions. Later that year right-wing groups tried to reassert Japan's claim by building a lighthouse on the islands, further inflaming relations. Another source of friction is Japan's effort to obtain a permanent seat, with attendant veto power, on the UN Security Council. Chinese leaders worry that permanent Security Council membership would encourage Japanese military and political assertiveness. Beijing cannot look forward to the prospect of U.S.-Japanese cooperation on the Security Council. One Chinese report went so far as to assert, "It is absolutely impermissible to grant the veto to newly admitted permanent members."

But there are encouraging signs as well. In 1996 the annual Sino-Japanese security dialogue broadened to include diplomats and defense officials. That same year the Japanese and Chinese foreign ministers agreed to hold talks on the economic development of the waters surrounding the disputed Diaoyutai/Senkaku Islands. Such low-profile meetings may provide constructive ways to defuse mutual concerns about defense and foreign policies and minimize the risk of inadvertent conflict.[170]

5.1. WHY CHINA WOULD FEAR A STRONGER JAPAN

Chinese security analysts, particularly military officers, fear that Japan could again become a great military great power in the first quarter of the twenty-first century. Such a Japan, they believe, would likely be more independent of U.S. control and generally more assertive in international affairs. If one considers threats posed only by military power and not who is wielding that power, one might expect Beijing to welcome the reduction or even elimination of U.S. influence in Japan, even if this meant China would have a more powerful neighbor. After all, the United States is still by far the most powerful military actor in the Western Pacific. However, given China's historically rooted and visceral distrust of Japan, Beijing would fear either a breakdown of the U.S.-Japan alliance or a significant upgrading of Japan's role within that alliance. This sentiment is shared outside

[170] Andrew J. Nathan, Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997), p.93

China as well, particularly in Korea. Although Chinese analysts presently fear U.S. power much more than Japanese power, in terms of national intentions, Chinese analysts view Japan with much less trust and, in many cases, with a loathing rarely found in their attitudes about the United States.[171]

5.2. THE HISTORICAL LEGACY

The natural aversion to Japan that sprang from its brutal occupation of China has been preserved in part by Tokyo's refusal to respond satisfactorily to Chinese requests that Tokyo recognize and apologize for its imperial past—for example, by revising history textbooks in the public schools. Chinese sensibilities are also rankled by specific incidents—for example, Prime Minister Ryutaro Hashimoto's 1996 visit to the Yasukuni Shrine, which commemorates Japan's war dead, including war criminals like Tojo. Although some fear that Japan's apparent amnesia or lack of contrition about the past means that Japan could return to the "militarism" (junguozhuyi) of the 1930s, such simple historical analogies are relatively rare, at least in Chinese elite foreign policy circles.[172]

Chinese analysts' concerns regarding Japanese historical legacies, although not entirely devoid of emotion, are usually more subtle. Many argue that, by downplaying atrocities like the Nanjing massacre and underscoring events like the atomic bombing of Hiroshima and Nagasaki, Japanese elites portray Japan falsely as the victim, rather than the victimizer, in World War II. Because of this, some Chinese analysts fear that younger generations of Japanese citizens may not understand Japan's history and will therefore be insensitive to the intense fears of other regional actors regarding Japanese military power. This lack of understanding will make them less resistant to relatively hawkish elites' plans to increase Japanese military power than their older compatriots, who, because they remember World War II, resisted military buildups during the Cold War.[173]

Chinese analysts often compare Japan's failure to accept responsibility for World War II to the more liberal postwar record of Germany, which has franker discussions of the war in its

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[171] Allen S. Whiting, "China Eyes Japan", (Berkeley: University of California Press, 1989)
[172] Yinan He, "The Effect of Historical Memory on China's Strategic Perception of Japan", (Boston, Massachusetts, 1998)
[173] Zhang Dalin, "Past experience, if not forgotten, is a guide for the future", (International studies, No. 3, 1995), p. 6

textbooks, has apologized for its wartime aggression, and has even offered financial payments to Israel. Now a new unflattering comparison is sure to arise. During their November 1998 summit in Tokyo, Prime Minister Keizo Obuchi refused to offer an apology to China's President Jiang Zemin that used the same contrite wording as the rather forthright apology Japan offered to South Korea earlier in the year. This divergence in apologies will probably only complicate the history issue between Tokyo and Beijing.[174]

It may seem odd to the outside observer, but the intensity of anti-Japanese sentiment in China has not decreased markedly as World War II becomes a more distant memory. Nationalism has always been a strong element of the legitimacy of the Chinese Communist Party (CCP), and opposing Japanese imperialism is at the core of this nationalist story. As a result, Chinese citizens have been fed a steady diet of patriotic, anti-Japanese media programming designed to glorify the CCP's role in World War II. Although far removed from that era, most Chinese young people hold an intense and unapologetically negative view of both Japan and, in many cases, its people. As economic competition has replaced military concerns in the minds of many Chinese, China's basic distrust of Japan has been transferred to the economic realm. Japanese businesspeople are often described as unreliable, selfish, and slimy (youhua}. As a result, despite five decades of peace and a great deal of economic interaction, chances are small that new Japanese military development will be viewed with anything but the utmost suspicion in China.[175]

Elite analysts are certainly not immune to these intense anti-Japanese feelings in Chinese society. These emotions, however, have not yet affected the practical, day-to-day management of Sino-Japanese relations. On the contrary, since the 1980s the Chinese government has acted to contain anti-Japanese sentiment in the society at large to avoid damaging bilateral relations and to prevent protestors from using anti-Japanese sentiment as a pretext for criticizing the Chinese government, as occurred several times in Chinese history. But Chinese analysts' statements about the dangers that increased Japanese military power would pose in the future suggest that anti-Japanese sentiment does color their long-term threat assessments, even if it does not always alter their immediate policy

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[174] Nicholas D. Kristof, "Burying the Past: War Guilt Haunts Japan," (New York Times, November 30,1998), p. Al

[175] Thomas J. Christensen, "China, The U.S.-Japan Alliance, and Security Dilemma in East Asia", in Michael E. Brown et al. ed., The Rise of China, (London: The Mit Press, 2000), p.140

prescriptions. Because they can influence procurement and strategy, such longer-term assessments may be more important in fueling the security dilemma than particular diplomatic policies in the present.[176]

5.3. CHINESE ASSESSMENTS OF JAPANESE MILITARY POWER AND POTENTIAL

In assessing Japan's current military strength, Chinese analysts emphasize the advanced equipment that Japan has acquired, particularly since the late 1970s, when it began developing a navy and air force designed to help the United States contain the Soviet Union's growing Pacific Fleet. Chinese military writings highlight Japanese antisubmarine capabilities (such as the P-3C aircraft), advanced fighters (such as the F-15), the E-2 advanced warning aircraft, Patriot air defense batteries, and Aegis technology on surface ships.[177]

Chinese analysts correctly point out that, excluding U.S. deployments in the region, these weapons systems constitute the most technologically advanced arsenal of any East Asian power. They also cite the Japanese defense budget, which, although small as a percentage of gross national product (GNP), is second only to U.S. military spending in absolute size.

Despite their highlighting of Japan's current defense budget and high levels of military sophistication, Chinese analysts understand that Japan can easily do much more militarily than it does. While they generally do not believe that Japan has the requisite combination of material capabilities, political will, and ideological mission to become a Soviet-style superpower, they do believe that Japan could easily become a great military power (such as France or Great Britain) in the next twenty-five years. For example, although these analysts often argue that it is in Japan's economic interest to continue to rely on U.S. military protection in the near future, they do not think that significantly increased military spending would strongly damage the Japanese economy. They have also been quite suspicious about the massive stockpiles of high-grade nuclear fuel that was reprocessed in France and shipped back to Japan in the early 1990s. Many in China view Japan's

[176] Hafumi Arai, "Angry at China? Slam Japan," (Far Eastern Economic Review, October 3, 1996), p. 21
[177] Pan Sifeng, ed., "Research on Japanese military thought" (Beijing; Academy of Military Sciences Press, October 1992), p. 388

acquisition of this plutonium as part of a strategy for the eventual development of nuclear weapons, something, they point out, Japanese scientists would have little difficulty producing. Chinese security analysts also have stated that Japan can become a great military power even if it forgoes the domestically sensitive nuclear option. Chinese military and civilian experts emphasize that nuclear weapons may not be as useful in the future as high-tech conventional weapons, and that Japan is already a leader in dual-use high technology.

In particular, Chinese experts recognize that Japan has practiced a great deal of self-restraint in eschewing weapons designed to project power far from the home islands. For example, in 1996 one military officer stated that despite the long list of current Japanese capabilities mentioned above, Japan certainly is not yet a normal great power because it lacks the required trappings of such a power (e.g., aircraft carriers, nuclear submarines, nuclear weapons, and long-range missile systems). For this officer and many of his compatriots, the question is simply if and when Japan will decide to adopt these systems. For this reason, Chinese analysts often view Japan's adoption of even new defensive military roles as dangerous because it may begin to erode the constitutional and nonconstitutional norms of self-restraint (e.g., 1,000-nautical-mile limit on power-projection capability, prohibitions on the military use of space, and tight arms export controls) that have prevented Japan from realizing its military potential.

Interestingly, many Chinese analysts do not consider economic hard times in Japan to be particularly reassuring. On the contrary, in terms of intentions, some fear that economic recession and financial crises could improve the fortunes of relatively hawkish Japanese elites by creating a general sense of uncertainty and threat in Japanese society, by fueling Japanese nationalism more generally, and by harming relations with the United States (Japan's main provider of security). In terms of capabilities, some Chinese analysts argue that Japan's technological infrastructure, which would be critical to a modern military buildup, does not seem affected by Japan's recent economic woes. [178]

[178] Thomas J. Christensen, "China, The U.S.-Japan Alliance, and Security Dilemma in East Asia", in Michael E. Brown et al. ed., The Rise of China, (London: The Mit Press, 2000), p.143

5.4. FACTORS THAT WOULD ENCOURAGE OR PREVENT JAPANESE MILITARY BUILDUPS

Although almost all Chinese analysts would fear the result, they have differed in their assessment of the likelihood that Japan will attempt to realize its military potential in the next few decades. The more pessimistic analysts have argued that this outcome is extremely likely or even inevitable. Their views are consistent with the predictions of balance-of-power theories, but they do not agree with the analysis of some Western experts on Japan who believe that cultural pacifism after World War II, domestic political constraints, and economic interests will steer Japan away from pursuing such a strategy.[179] Even the more pessimistic Chinese analysts are aware of these arguments about Japanese restraint and do not dismiss them out of hand, but some view such obstacles to Japanese military buildups merely as delaying factors in a long-term and inevitable process. Other more conditionally pessimistic and cautiously optimistic analysts place greater faith in the hypothetical possibility of preventing significant Japanese buildups over the longer run, but have expressed concern over the hardiness of the delaying factors that could theoretically prevent such buildups. The most optimistic analysts have argued that these factors should remain sturdy and will prevent Japan from injuring its regional relations by pursuing a more assertive military role.

The vast majority of these optimists and pessimists believe that, along with the domestic political and economic stability of Japan, the most important factor that might delay or prevent Japanese military buildups is the status of the U.S.-Japan relationship, particularly the security alliance. The common belief in Beijing security circles is that, by reassuring Japan and providing for Japanese security on the cheap, the United States fosters a political climate in which the Japanese public remains opposed to military buildups and the more hawkish elements of the Japanese elite are kept at bay. If, however, the U.S.-Japan security alliance either becomes strained or undergoes a transformation that gives Japan a much

[179] Christopher Layne, "The Unipolar Illusion: Why New Great Powers Will Rise," (International Security, Vol. 17, No. 4, Spring 1993), p. 5

more prominent military role, Chinese experts believe that those ever-present hawks might find a more fertile field in which to plant the seeds of militarization.[180]

5.5. THE CHINA-JAPAN SECURITY DILEMMA AND U.S. POLICY CHALLENGES

For the reasons offered above, most Chinese analysts fear almost any change in the U.S.-Japan alliance. A breakdown of U.S.-Japan ties would worry pessimists and optimists alike. On the other hand, Chinese analysts of all stripes also worry to varying degrees when Japan adopts greater defense burden-sharing roles as part of a bilateral effort to revitalize the alliance. These dual and almost contradictory fears pose major problems for U.S. elites who are concerned that the alliance is dangerously vague and out of date and is therefore unsustainable, but who still want the United States to maintain the reassurance role outlined in documents such as the 1998 East Asia-Pacific Strategy Report. Especially before the recent guidelines review, the U.S.-Japan alliance had often been viewed in the United States as lopsided and unfair because the United States guarantees Japanese security without clear guarantees of even rudimentary assistance from Japan if U.S. forces were to become embroiled in a regional armed conflict.[181]

Before 1995 some U.S. elites argued that the alliance was overrated and that it had prevented the United States from pursuing its economic interests in the U.S.-Japan relationship. Some even argued that the United States should use the security relationship as leverage against Japan in an attempt to open Japanese trade and financial markets to American firms. In this view Japan had been able to ride free for too long on the U.S. economy because of Washington's concern over preserving an apparently unfair alliance relationship.

Since the publication of the critically important February 1995 East Asia Strategy Report (also known as the Nye report), U.S. leaders have been expressing very different concerns about the U.S.-Japan relationship. The Nye report, and the broader Nye initiative of which it is a part, placed new emphasis on maintaining and strengthening the security alliance and

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[180] Cai Zuming, ed., "Studies of American military strategy", (Beijing: Academy of Military Sciences Press, 1993), p. 218

[181] Michael O'Hanlon, "Restructuring U.S. Forces and Bases in Japan," in Mike M. Mochizuki, ed., Toward a True Alliance: Restructuring U.S.-Japan Security Relations (Washington, D.C.: Brookings, 1997), p. 149

on keeping economic disputes from poisoning it. The report reaffirms the centrality of U.S. security alliances in Asia, places a floor on U.S. troop strength in East Asia at 100,000, and calls for increased security cooperation between Japan and the United States, including greater Japanese logistics support for U.S. forces operating in the region and consideration of joint research on TMD.

Despite the Clinton administration's decision to insulate the U.S.-Japan security relationship from economic disputes, there has been a widely held concern that, purely on security grounds, the alliance could be dangerously weakened if Japanese roles are not clarified and expanded and if the two militaries are not better integrated in preparation for joint operations. Japan's checkbook diplomacy in the Gulf War was considered insufficient support for U.S.-led efforts to protect a region that supplies Japan, not the United States, with the bulk of its oil. It also became clear during the 1994 crisis with Pyongyang over North Korea's nuclear weapons development that, under the existing defense guidelines, in a Korean conflict scenario Japan was not even obliged to allow the U.S. military use of its civilian airstrips or ports. In fact, if the crisis had escalated, Japan might not have provided overt, tangible support of any kind. Even U.S. access to its bases in Japan for combat operations not directly tied to the defense of the Japanese home islands was questionable. Aside from the obvious military dangers inherent in such Japanese passivity, Japanese obstructionism and foot-dragging could undermine elite and popular support in the United States for the most important security relationship in East Asia. It appeared to many American elites that the Cold War version of the U.S.-Japan alliance could be one regional crisis away from its demise. Such concerns were a major driver behind the Nye initiative, which was designed to clarify and strengthen Japan's commitment to support U.S.-led military operations. Fearing instability in Japanese elite and popular attitudes on defense issues, Washington also wanted to increase the number of functional links between the two militaries to tie Japan more firmly into the U.S. defense network for the long run.

Chinese security analysts followed these trends in U.S.-Japan relations with great interest and concern. Before 1995 most pessimistic Chinese analysts predicted and feared Japanese military buildups largely because they sensed the potential for trouble, not strengthening, in the post-Cold War U.S.-Japan alliance. Those analysts posited that, given the lack of a common enemy and the natural clash of economic interests between Japan and the United

States, political conflict between the two allies was very likely. This conflict could eventually infect and destroy the U.S.-Japan security relationship, which in turn could lead to the withdrawal of U.S. forces and eventually Japanese military buildups. In this period some Chinese analysts also discussed how domestic factors such as U.S. neo-isolationism, rising Japanese nationalism, the inexperience and lack of security focus in the newly elected Clinton administration, and domestic instability in Japan could combine with worsening U.S.-Japan trade conflicts to speed the alliance's demise.

By mid-1995 it seemed to an increasingly large group of Chinese analysts that U.S.-Japan trade conflict was being contained and that the Clinton administration was paying more attention to international security affairs and to Asia in particular. Key contributors to this growing confidence in U.S. staying power were the Nye report and the failure of the automobile parts dispute between Tokyo and Washington to escalate.[182]

The news for China was not all good, however. By spring 1996 the Nye initiative had led to harsh reactions in China, exposing the subtle challenges facing the United States in managing the U.S.-China-Japan triangle. China's cautious optimism about trends in the U.S.-Japan alliance turned to pessimism, as concerns about future Japanese military assertiveness grew rapidly. But the new reasons for pessimism were quite different than in the period before 1995. The fear was no longer potential discord in the U.S.-Japan relationship, but concern that the United States would encourage Japan to adopt new military roles and develop new military capabilities as part of a revitalized alliance in which Japan carried a greater share of the burden and risk.[183]

On April 17, 1996, President Clinton and Prime Minister Hashimoto issued a joint communiqué that called for revitalization of the alliance to better guarantee the "Asia-Pacific region." In the communiqué and in the guarantees reached in the days preceding it, Japan guaranteed base access for U.S. forces and committed itself to increased logistics and rear-area support roles. The two sides also agreed to cooperate in the "ongoing study" of ballistic missile defense.

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[182] Thomas J. Christensen, "China, The U.S.-Japan Alliance, and Security Dilemma in East Asia", in Michael E. Brown et al. ed., The Rise of China, (London: The Mit Press, 2000), p.147

[183] Thomas J. Christensen, "Chinese Realpolitik," Foreign Affairs, Vol. 75, No. 5 (September/October 1996), p. 37

The joint communiqué was issued one month after the most intense phase of the 1995-96 Taiwan Strait crisis, during which the United States deployed two aircraft carrier battle groups, including one based in Japan, off of Taiwan. The crisis and the joint communiqué triggered fears among Chinese experts about U.S. use of Japanese bases in future Taiwan scenarios. It also suggested that Japan might soon begin scrapping various norms of self-restraint and begin expanding its military operations into the Taiwan area and the South China Sea. In addition to focusing on new logistics roles for Japan and the potential for future joint development of missile defenses, Chinese observers believed that the joint communiqué expanded the geographic scope of the alliance from the area immediately around Japan to a vaguely defined, but clearly much larger, "Asia Pacific." As one leading Chinese expert on Japan recently argued, the U.S. presence in Japan can be seen either as a "bottle cap," keeping the Japanese military genie in the bottle, or as an "egg shell," fostering the growth of Japanese military power under U.S. protection until it one day hatches onto the regional scene. Since 1996, this analyst argues, fears about the "egg shell" function of the U.S.-Japan alliance have increased markedly, while faith in the "bottle cap" function has declined.[184]

In September 1997 Chinese analysts' concerns turned to the announcement of revised defense guidelines for the U.S.-Japan alliance. These guidelines put in writing many of the changes suggested in the joint communiqué. New and clarified Japanese roles in the alliance included those logistics and rear-area support roles mentioned in the joint communiqué and added "operational cooperation" missions for Japan's Self-Defense Forces in time of regional conflict, including intelligence gathering, surveillance, and minesweeping missions. Although Washington and Tokyo quickly abandoned the provocative term "Asia Pacific" following the issuance of the joint communiqué, the 1997 guidelines are not entirely reassuring on this score either. They state that the scope of the alliance covers "situations in the areas surrounding Japan," but that the definition of those areas would be determined by "situational" rather than "geographic" imperatives. This only confirmed conspiracy theories among Beijing elites regarding the potential inclusion of Taiwan and the South China Sea in the alliance's scope. Following the issuance of the

[184] Liu Jiangyong, "New Trends in Sino-U.S.-Japan Relations," Contemporary Internationa! Relations, Vol. 8, No. 7 (July 1998), p. 1

revised guidelines, Jiang Zemin announced that China is on "high alert" about changes in the alliance.[185]

Chinese analysts view aspects of both the joint communiqué and the revised guidelines as troubling in the near term, mainly because they can facilitate U.S. intervention in a Taiwan contingency. They believe that the United States is currently largely in control of the U.S.-Japan alliance's military policy. But they view Japan as having both stronger emotional and practical reasons than the United States for opposing Taiwan's reintegration with the mainland and a greater stake than the United States in issues such as sea-lane protection far from the Japanese home islands. More pessimistic Chinese analysts often state that Japan's material interests have not changed much from the 1930s to the present. They believe that, because Japan is still heavily dependent on foreign trade and investment, it could again choose to develop power-projection capabilities designed to protect its economic interests in the distant abroad. Vigilant about this possibility, Chinese analysts have reacted negatively to even mild new Japanese initiatives away from the home islands (such as sending peacekeepers to Cambodia or minesweepers to the Persian Gulf after the Gulf War).

In 1998 Chinese concerns focused on Japan's September agreement to research theater missile defense jointly with the United States. The initial proposal for joint development of TMD was made by Washington in 1993, long before the Nye initiative had been launched. It was later folded into the initiative, but Japan still seemed reluctant to commit itself to the project. After five years of U.S. coaxing and Japanese foot-dragging, Tokyo finally agreed to joint TMD research after the launch of a North Korean rocket across Japanese territory on August 31,1998. Although Chinese analysts do recognize the threat to Japan from North Korea, they still believe that development of U.S.-Japan TMD is also designed to counter China's missile capabilities, which the People's Liberation Army (PLA) and civilian

[185] Kurt M. Campbell, "The Official U.S. View," in Michael J. Green and Mike M. Mochizuki, The U.S.-Japan Security Alliance in the Twenty-first Century (New York: Council on Foreign Relations Study Group Papers, 1998), p.65

analysts recognize as China's most effective military asset, especially in relations with Taiwan.[186]

5.6. CHINESE ATTITUDES AND THE PROSPECTS FOR REGIONAL CONFIDENCE BUILDING

An important prerequisite for resolving a security dilemma is for the actors involved to recognize that one exists. A core factor that underpins the security dilemma is the general lack of empathy among the actors participating in a security competition. Beijing elites may be no better or worse than their counterparts in most other nations on this score. Although they may not use the technical term "security dilemma," Chinese analysts recognize the potential for arms racing and spirals of tension in the region. They even recognize that Japan might build its military out of fear, rather than aggression. China actually supported Japanese buildups in the 1970s and early 1980s in response to the development of the Soviet navy. In 1994 several analysts argued that China did not want North Korea to have nuclear weapons because this might cause Japan to develop them.

Beijing also has demonstrated an ability to understand that others might see China as a threat. But, while many Chinese analysts can imagine some states as legitimately worried about China and can picture Japan legitimately worried about other states, it is harder to find those who believe that Japan's military security policy could be driven by fears about specific security policies in China. Chinese analysts, especially in the past two years, seem to agree that China's overall rise (jueqi) is a general source of concern for Japan. They tend not to recognize, however, that particular Chinese actions or weapons developments might be reason for Japan to reconsider aspects of its defense policy. For example, when asked about concerns expressed by Japanese officials about Chinese weapons developments (such as the increased numbers and improved accuracy of Chinese missiles) or provocative Chinese international behavior (such as missile firings near Taiwan or bullying of the Philippines over the Mischief Reef), Chinese analysts generally dismiss these expressions as "excuses" (jiekou) designed to facilitate Japanese hawks' predetermined plans for military buildups. As the work of Western experts on Japanese security policy

[186] Thomas J. Christensen, "China, The U.S.-Japan Alliance, and Security Dilemma in East Asia", in Michael E. Brown et al. ed., The Rise of China, (London: The Mit Press, 2000), p.150

demonstrates, these Chinese analysts are very wrong to hold this belief. If such views continue to prevail in Beijing, China is unlikely to take actions to reassure Japan in either bilateral or multilateral agreements.[187]

A different and even more troubling Chinese perspective on China's potential influence on Japanese defense policy has also gained frequency in the past two years. Perhaps because of the relatively high economic growth rates in China compared to Japan in the 1990s, some Chinese experts have expressed more confidence that China would be able to defend its security interests against Japan, even in the absence of a U.S. presence in the region. Although they hardly dismiss the potential threat of a Japan made more assertive by a U.S. withdrawal, they seem relatively confident that China's strength and deterrent capabilities could influence Japan's strategy by dissuading Tokyo from significant Japanese buildups or, at least, later military adventurism. From the security dilemma perspective this attitude may be even more dangerous than the view that China can pose little threat to Japan. If increasing Chinese coercive capacity is seen as the best way to prevent or manage anticipated Japanese buildups, then the danger of China taking the critical first step in an action-reaction cycle seems very high.

There are some more hopeful signs, however. Some Chinese analysts, usually younger experts (appearing to be in their forties or younger) with extensive experience abroad, do recognize that Chinese military strengthening and provocative actions could be seen as legitimate reasons for Japan to launch a military buildup of its own. Given the age of these analysts and the increasing number of Chinese elites with considerable experience abroad, the trends seem to be heading in a positive direction on this score. On a sober note, more than one of these empathetic experts has pointed out that Chinese experts who take Japanese concerns about China seriously are often viewed with suspicion in government circles and sometimes have difficulty when presenting their views to their older and more influential colleagues, particularly in the military.[188]

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[187] Michael J. Green and Benjamin L. Self, "Japan's Changing China Policy: From Commercial Liberalism to Reluctant Realism," Survival, Vol. 38, No. 2 (Summer 1996), p. 34

[188] Thomas J. Christensen, "China, The U.S.-Japan Alliance, and Security Dilemma in East Asia", in Michael E. Brown et al. ed., The Rise of China, (London: The Mit Press, 2000), p.157

5.7. CHINA'S VIEWS ON MULTILATERAL SECURITY REGIMES

One possible way to ameliorate the security dilemma is through multilateral regimes and forums designed to increase transparency and build confidence. For various reasons, Beijing has viewed multilateral confidence building with some suspicion. Many Chinese analysts emphasize that the increased transparency called for by such institutions can make China's enemies more confident and thereby reduce China's deterrent capabilities, particularly its ability to deter Taiwan independence or foreign intervention in cross-strait relations. Especially in the early 1990s they worried that multilateral forums and organizations might be fronts for great powers, and that confidence-building measures might be aspects of a containment strategy designed to keep China from achieving great power status in the military sector.[189]

That said, China has not shunned multilateral forums. China has participated in the ASEAN Regional Forum (ARF) since its first meeting in 1994, and in 1997 Beijing hosted an ARF intercessional conference on confidence-building measures. Although Beijing has prevented any dramatic accomplishments at ARF meetings on important questions such as the territorial disputes in the South China Sea, the precedent of such Chinese participation seems potentially important. These developments should not be dismissed as mere rhetoric or showmanship. China is capable of participating in meaningful multilateral accords, as is demonstrated by its recent agreements on border demarcation and confidence-building measures struck with Russia and the former Soviet republics in Turkish Central Asia. Moreover, there is a small but growing community of true believers in Beijing in the benefits of arms control, confidence-building measures, and multilateralism more generally.

The reduced fear of U.S. domination of the Association of Southeast Asian Nations (ASEAN) and of ASEAN collusion against China, combined with the increased fear of developments in U.S. bilateral diplomacy in the Asia Pacific since 1996, have convinced many formerly skeptical analysts that some form of multilateralism may be the best alternative for China given the risks posed by U.S. bilateral business as usual. Given that

[189] Jianwei Wang, "Chinese Views of Multilateralism," in Yong Deng and Felling Wang, In the Eyes of the Dragon: China Views the World and Sino-American Relations (Boulder, Colo.: Rowman and Littlefield)

China both fears and has little influence over various aspects of current U.S. bilateral diplomacy (such as strengthening the U.S.-Japan alliance or the U.S.-Australia alliance), accepting a bigger role for multilateral dialogue, if not the creation of formal multilateral security institutions, may be the least unpleasant method of reducing the threat that U.S. bilateralism poses. So, in this one sense, the revitalization of the U.S.-Japan alliance may have had some unintended positive results by encouraging China to consider more seriously the benefits of multilateral forums that might reduce mutual mistrust in the region. This phenomenon runs counter to psychological and social constructivist theories on the security dilemma that emphasize how accommodation, not pressure, is the best way to make states adopt more cooperative postures.

The acceptance of formal multilateral dialogue has not spread from Southeast Asia to Northeast Asia because of mistrust between China and Japan, and between the two Koreas. But there are some fledgling signs of hope. In January 1998 Beijing agreed to trilateral track-II security talks with the United States and Japan. However, Chinese analysts have argued that the time is not yet right for a formal trilateral security forum given the tensions over the revised U.S.-Japan defense guidelines and the TMD issue, the lack of basic trust between China and Japan, and the fear that China would be isolated in a two-against-one format in which it engaged the U.S.-Japan alliance as a corporate entity.[75] One should not rule out the possibility of official trilateral talks over the longer term, however. If Beijing is sufficiently concerned about U.S. transfer or codevelopment of TMD with regional actors, it might agree to official trilateral dialogue with the United States and Japan to try to head off such an outcome. [190]

[190] Thomas J. Christensen, "China, The U.S.-Japan Alliance, and Security Dilemma in East Asia", in Michael E. Brown et al. ed., The Rise of China, (London: The Mit Press, 2000), p.160

6. SINO-AMERICAN RELATIONS

American foreign policy is as puzzling to Chinese as Chinese foreign policy is to Americans. In the Chinese view, when the United States was a minor presence in Asia before World War II, it boasted of its missionary and educational good works while availing itself of the treaty privileges won by other imperialist powers. When it became a global power after World War II, the United States sided with the PRC's rival regime on Taiwan, rearmed China's erstwhile enemy Japan, created military alliances to check China, and fought wars in Korea and Vietnam partly to contain Chinese influence.[191]

China and the United States forged a partnership in the early 1970s, as Sino-Soviet hostilities escalated and the Vietnam War moved toward its bloody conclusion. Their anti-Soviet entente endured for nearly two decades. Formal diplomatic relations were established in 1979. Economic and cultural ties expanded, and Deng Xiaoping's reforms seemed to bring China toward convergence with American values. But the June 4, 1989, Beijing massacre of a thousand or more unarmed workers and students demonstrating for democracy crushed American optimism about China. When the U.S. government imposed sanctions, even Chinese who disapproved of their government's actions felt confirmed in their view of the United States as a temporary friend and permanent adversary.

Today the two countries cooperate quietly on many issues. But they are at odds over Taiwan, arms proliferation, trade, and human rights, among other issues.[192]

6.1 STRATEGIC ROOTS OF CONTAINMENT

According to the theory of the "lost chance in China," the Chinese Communist leaders in the 1940s were open to better relations with the United States, but doctrinaire anticommunism prevented American leaders from responding to CCP cues. The result was over twenty years of containment from 1949 to 1972.[193]

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[191] Michael H. Hunt, "The Making of a Special Relationship-.The United States and China to 1913", (New York: Columbia University Press, 1983)
[192] Andrew J. Nathan, Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997), p56
[193] Nancy Bernkopf Tucker, "Patterns in the Dust: Chinese-American Relations and the Recognition Controversy, 1949-1950", (New York: Columbia University Press, 1983).

But U.S.-Chinese hostility during the Cold War was not a historical misstep that could have been avoided with defter diplomatic footwork. America's alignment in the Chinese civil war would have made it hard enough for two such different governments to work together. America supported the Communist Party's adversary, resisting the spread of communism in China and around the world. In addition, China's size and strategic location made its alignment a matter of intense concern to both sides in the emerging Cold War. Had the PRC been tempted to remain neutral, it would have been subjected to intense pressure from both superpowers and would have been denied access to economic assistance from either side. However troubled the Sino-Soviet relationship, Chinese Communists had long been inspired by the Soviet vision of revolutionary development, and only the Soviet Union would provide economic and security assistance to the PRC. That the Chinese Communists would lean to the Soviet side was never in doubt.

It was inevitable as well that the Americans would view the Chinese tilt toward the USSR as a threat to their interests. American hostility to ward China was partly ideological, to be sure, but it was rooted in the reality of competition for power between the two strongest countries to emerge from World War II. The addition of China to the Soviet bloc represented a major shift in the balance of power in Asia, a region of great significance to U.S. security. In the sense that containment grew from both the character and the circumstances of the protagonists, it was not a mistake but a tragedy.

It is true that Mao wooed the United States during and just after World War II. China had been fighting Japan for more than four years before the United States entered the war on December 8,1941. The Nationalists and the Communists viewed the United States as a patron that could bestow great benefits, and they competed for its attention. Mao Zedong and Zhou Enlai persuaded some American diplomats, military officers, and reporters visiting their wartime headquarters at Yan'an that they were reformers whose rise to power would not harm American interests. But Washington preferred Chiang Kai-shek, firmly pro-American and apparently in a good position to keep power after the war. The United States denied the Communists the recognition and aid they sought. By the spring of 1945 the CCP had reverted to its long-standing public view of the United States as a bastion of capitalist reaction, and looked to Moscow for assistance as it prepared to resume the civil war following Japan's impending defeat.

In December 1945 President Truman, worried that the Soviet Union was gaining ground in China, dispatched General George C. Marshall to China to effect a political settlement between the Nationalists and the Communists. The cease-fire Marshall negotiated in January 1946 provided a respite to the Communist armies, which at that point were still inferior to the Nationalist forces. But the American dream that the two enemies would transfer their military struggle to the arena of parliamentary politics was naive.

In the summer of 1946 full-scale civil war erupted. The Truman administration provided open military and financial assistance to the Nationalists, and the Soviet Union covertly aided the Communists. In June 1949 the Communists invited U.S. Ambassador J. Leighton Stuart to visit Beijing. Mao did not intend to seek alignment with the West, but he may have been trying to keep communications open in preparation for a postrevolutionary relationship with the United States. Washington viewed the invitation with suspicion, perceiving Mao as committed to social revolution at home and to Soviet leadership in international affairs, and denied Stuart permission to go to Beijing.[194]

There was no lost chance for a Chinese Communist tilt toward the West. But until early 1950 there was still the possibility of formal diplomatic ties that might have put Chinese and American embassies in each other's capital and helped avoid future miscommunication. Not long after Mao proclaimed the establishment of the People's Republic of China, on October 1, 1949, the United States began to prepare for recognition of the new Communist government, believing that its hold on power was irreversible. But pressure from congressional conservatives deterred the White House from immediately recognizing the PRC. Mao wanted to develop a working relationship with the United States, but under pressure from Stalin to prove his loyalty to the Soviet Union, he told his countrymen that China needed "to clean the courtyard before inviting guests." He meant that China would have to eliminate the American presence and eradicate pro-American sentiments before it could deal successfully with its most dangerous enemy. Beginning in the fall of 1948 and culminating in the anti-American campaigns of the Korean War, Beijing applied pressure on U.S. diplomats, businesspersons, missionaries, and educators

[194] Andrew J. Nathan, Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997), p59

to force them out of China. The party compelled American-trained intellectuals to engage in self-criticism.[195]

Mao reluctantly followed Stalin's lead in giving the North Korean leader Kim Il-sung the go-ahead to reunify the Korean peninsula by force. When Washington decided to respond by defending South Korea under a UN mandate, Mao was surprised, as he was by President Harry S. Truman's order to interpose the Seventh Fleet in the Taiwan Strait to prevent China from invading Taiwan. Zhou Enlai immediately denounced the United States for interfering in Chinese domestic affairs.

Mao's priority had been to occupy Taiwan, not to encourage a war between North Korea and the United States. Now he faced American forces on the Korean peninsula. After General Douglas MacArthur's forces landed at Inchon on September 15, 1950, the U.S. Army rapidly approached the Chinese border. Mao would have accepted a cease-fire at the thirty-eighth parallel, the North-South division before the start of the war, but he was prepared to fight if the United States crossed that line. Because of miscommunication, Chinese efforts to maintain the secrecy of their deployments, and General MacArthur's confidence that China would back down before a display of strength, U.S. forces crossed the thirty-eighth parallel and moved toward the Chinese border. When the U.S. forces were most vulnerable, China attacked. The Chinese People's Volunteers failed to drive American forces into the sea as Mao hoped, but they reversed the northward momentum of UN forces and pushed the Americans back 200 miles, to what became the armistice line. China had avoided the positioning of U.S. forces on its border and even a possible U.S. invasion, and it had established itself as a significant military power. But the confrontation in Korea eliminated any chance for diplomatic relations between Beijing and Washington.[196]

In China and the United States images of the other as implacable enemies hardened. McCarthyism in the United States—a hunt for communists and their sympathizers in government, academia, and the media—destroyed the careers of many China specialists. In

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[195] Sergei N. Goncharov, John Lewis, and Xue Litai, "Uncertain Partners: Stalin, Mao, and the Korean War", (Stanford: Stanford University Press, 1993)

[196] Chen Jian, "China's Road to the Korean War: The Making of the Sino-Atnerican Confrontation", (New York: Columbia University Press, 1994)

the 1952 presidential election Republicans charged that the Truman administration had "lost" China to the Communists. The rigid international alignments of the early Cold War seemed to leave little room for rapprochement with China in any case. The Eisenhower administration held to a hard-line foreign policy designed to split Beijing from Moscow. The strategy aimed to maintain a quarantine that would force Beijing to make demands on the Soviet Union that Moscow could not satisfy.[197]

U.S. containment of China employed military, diplomatic, and economic instruments. Militarily, the United States constructed an offshore line of alliances, like a floating chain-link fence along China's eastern and southern borders. Its central section was the U.S.-Japan security treaty of 1951. During World War II, President Roosevelt had envisioned the United States and China as postwar partners that would cooperate to prevent the resurgence of Japanese militarism. Now, under Truman and his successors, the roles were reversed: the United States and Japan became partners in containing China. The security treaty afforded the United States military bases throughout Japan, particularly on Okinawa, which remained under U.S. control until 1969. Japan followed the American lead in treating Chiang Kai-shek's Republic of China (ROC) on Taiwan as the legitimate government of China. With U.S. encouragement Japan gradually rebuilt its armed forces.

After signing the Korean armistice agreement in July 1953, the United States maintained substantial forces in South Korea. Equipped with theater and battlefield nuclear weapons, these forces held North Korea in check as part of a regionwide effort to contain Chinese influence in Asia. The ANZUS Treaty (1951), linking Australia, New Zealand, and the United States, refashioned World War II-era fears of Japan into an instrument of Cold War containment of China. In 1954 the United States assumed France's role as the supporter of anticommunist forces in Indochina after the Geneva conference temporarily divided Vietnam. Secretary of State John Foster Dulles brought Thailand, the Philippines, and Pakistan into the semicircle of containment via the Southeast Asia Treaty Organization (SEATO), which soon extended its protection to the U.S. client state in South Vietnam.

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[197] Gordon H. Chang, Friends and Enemies: The United States, China, and the Soviet Union, 1948-1972 (Stanford: Stanford University Press, 1990)

Containment was supplemented by isolation. The United States blocked China's entry into the United Nations and other international organizations, enabling Chiang Kai-shek's ROC to represent China. Washington avoided diplomatic contact with Beijing apart from intermittent, unproductive, partly secret ambassadorial meetings in Geneva and, later, in Warsaw. The European allies followed suit, except for Britain, which recognized the PRC in early 1950 because it needed the diplomatic tie to protect its colony in Hong Kong, and France, which established relations with China in 1964 in a Gaullist assertion of foreign policy independence.

A key component of Washington's strategy was to tighten the economic screws, denying China the opportunity to conduct normal trade, and saddling the USSR with the burden of assisting its ally's economic development. The United States cut off all trade during the Korean War and orchestrated an international embargo by way of a UN resolution. Washington stamped U.S. passports "not valid for travel to China." Goods imported to the United States from Hong Kong had to bear a "certificate of origin" to prove they had not come from China. Economic isolation was enforced partly through the Coordinating Committee for Multilateral Export Control (COCOM), a group of advanced industrial countries (NATO minus Iceland plus Japan), which had to approve exports of strategic goods to communist countries. The U.S.-led economic embargo of China imposed even tougher restrictions on trade with China than on that with other target countries, including the Soviet Union.

China developed a number of responses to U.S. containment. Most important, it consolidated cooperation with the Soviet Union. During the 1950s the Sino-Soviet treaty and Soviet military and economic assistance to China made vital contributions to Chinese security and economic construction. Beijing also formulated diplomatic counter strategies toward Third World countries. In the aftermath of the Korean War, it first pursued "peaceful coexistence" with American allies in Asia. With the "spirit of Bandung," as this moderate policy was called, China tried to foster a more peaceful international environment in which to modernize its economy and weaken American encirclement. When this policy failed to ease its isolation, China adopted a more radical posture toward American power. It voiced diplomatic support for revolution in the Third World and

aligned with anti-American Third World governments, including those of Indonesia and North Vietnam.[198]

6.2. THE TAIWAN STRAIT CRISES, 1954 AND 1958, AND THE VIETNAM WAR

An enduring legacy of the Korean War was the Taiwan problem. In the late 1940s the United States briefly considered supporting an independent Taiwan in order to deny the strategic island to the Communists, but backed off when it failed to locate an indigenous force that could stand up to Chiang Kai-shek. Once Korea spotlighted Taiwan's strategic importance to the defense of American interests in Asia, the United States resumed military and economic assistance to the Nationalist regime. In doing so, it stepped into the Chinese civil war as the guarantor of Taiwan's de facto independence, a position from which it has yet to extricate itself.[199]

It was here that containment hurt China most. The Seventh Fleet patrolled the Taiwan Strait. The U.S. Military Assistance Advisory Group (USMAAG) helped Chiang Kai-shek rebuild his demoralized army. From the offshore islands of Jinmen and Mazu (Quemoy and Matsu), U.S.-trained Nationalist commandos raided mainland coastal targets and collected intelligence. Remnant Nationalist troops that had taken refuge in northern Burma after the civil war carried out raids into Yunnan province. In December 1954 the United States and the ROC signed a mutual defense treaty. U.S. military support was matched by programs of economic and political assistance that revived Taiwan's economy and shored up the government. And the United States considered organizing a "Northeast Asia treaty organization," which would bring Taiwan into the U.S. treaty system and consolidate Taiwan's separation from the mainland.

Mao saw Taiwan drifting out of reach. To awaken the Americans and the Kuomintang (KMT) to the risk of their course, in 1954 China began to shell the smaller Nationalist-held islands closest to the mainland. In January 1955 Mao ordered Chinese forces to invade the Dazhen Islands. Chiang Kai-shek was compelled to evacuate the islands, and the PRC took them. In response to Chinese belligerence the U.S. Senate passed the Formosa resolution,

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[198] Andrew J. Nathan, Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997), p.62
[199] Nancy Bernkopf Tucker, "Taiwan, Hong Kong, and the United States, 1945-1992: Uncertain Friendships", (New York: Twayne, 1994)

giving the president permission to defend Jinmen and Mazu if he deemed an attack on them to be a prelude to an attack on Taiwan. Faced with a dangerous rise in U.S.-China tension, including an American threat to use nuclear weapons, China agreed to consultations with U.S. diplomats in Geneva. Chiang Kai-shek strengthened his garrisons on Jinmen and Mazu, but Washington did not conclude a regional security framework for Northeast Asia and left mention of Taiwan out of its security agreements with other countries.

Despite Chinese militancy the United States continued to develop relations with Taiwan. In 1957 Washington deployed on Taiwan Matador surface-to-surface missiles capable of carrying nuclear weapons and began construction of a major air base near Taichung, on central Taiwan, capable of handling B-52 strategic bombers. It suspended the talks at Geneva, having failed to secure a PRC renunciation of use of force against Taiwan. Developments in U.S.-Taiwan relations were making unification less likely, and Mao tried again to weaken the U.S.-Taiwan tie. In 1957 the Soviet Union had demonstrated that it was ahead of the Americans in missile technology by launching the first space satellite, called *Sputnik.* Mao believed that the Communist bloc had taken the strategic initiative over the West and should press its advantage. The domestic atmosphere in China was supercharged with the exuberant fantasies of the Great Leap Forward that promised the conquest of nature and a shortcut to the communist Utopia. An international crisis might help mobilize the masses to work harder and longer.[200]

In summer 1958 Beijing initiated the second Taiwan Strait crisis. The People's Liberation Army (PLA) renewed its shelling of the offshore islands. The United States provided naval escort for KMT shipping to Jinmen and warned Beijing that it might use nuclear weapons if the conflict escalated. Eight years earlier Mao had characterized atomic bombs as paper tigers, but now Zhou Enlai announced China's willingness to negotiate with the United States to reduce tensions in the Taiwan area, and the United States agreed to reopen ambassadorial-level talks with China, this time in Warsaw. The PLA reduced its shelling

[200] Thomas J. Christensen, Useful Adversaries: Grand Strategy, Domestic Mobilization, and Sino-American Conflict, 1947-58 (Princeton: Princeton University Press, 1996)

of the offshore islands to a symbolic peppering every other day, a pattern that continued until the normalization of U.S.-China relations in 1979.[201]

While defending Taiwan from Chinese attack, the Americans also vetoed Nationalist plans to invade the mainland. One such occasion came in 1962, when China was embroiled in its border crisis with India and Chiang Kai-shek believed the Communist regime was ready to collapse in the aftermath of the 1959-61 famine on the mainland. For the Americans the goal of the security treaty with Taiwan was not a "rollback" of Chinese communism, a strategy that had been considered and rejected. It was to use Taiwan in its effort to contain China. Through the Warsaw talks Washington informed Beijing that it would not support a KMT invasion of the mainland. In fact, once the second Taiwan Strait crisis had subsided, Washington urged Chiang Kai-shek to redeploy most of his offshore forces to Taiwan and accept the possible loss of the islands to the mainland. To Mao's relief, Chiang refused. For both men the offshore islands formed an issue separate from that of Taiwan because they had never been part of the Japanese empire and belonged administratively to Fujian province. In Chinese eyes they symbolized the connection between Taiwan and the mainland and the inevitability of China's eventual unification.

Although the Kennedy administration considered relaxing relations with China, a suitable opportunity never arose. China's denunciation of U.S.-Soviet detente, its 1962 border war with India, and its revolutionary rhetoric increased U.S. apprehension. The Kennedy administration supported India in the border war and in 1963 considered carrying out a preemptive attack on China's nuclear weapons facilities. Most important, it decided to prop up the teetering South Vietnamese government, which it deemed at risk of becoming the first "domino" to fall to communism in Cold War Asia. The Kennedy administration sent advisers to aid South Vietnam's army. By 1965 the Johnson administration had all but taken over the war from South Vietnam, and soon over half a million U.S. troops were there.[202]

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[201] "Talk with the American Correspondent Anna Louise Strong," Selected Works of Mao Tse-tung, vol. 4 (Peking: Foreign Languages Press, 1961), p. 100

[202] Gordon H. Chang, Friends and Enemies: The United States, China, and the Soviet Union, 1948-1972 (Stanford: Stanford University Press, 1990), p.241

Chinese leaders had been content with a divided Vietnam since the 1954 Geneva settlement so long as China's "strategic backyard" was free from foreign military influence. But once the U.S. military occupied South Vietnam and reinforced its encirclement of China, the PRC dedicated itself to assisting North Vietnam's war against the United States. America's war in Vietnam had joined the Taiwan issue as an obstacle to improved U.S.-China relations.

6.3. CONSTRUCTING THE "COMMUNIQUE FRAMEWORK"

Sino-American rapprochement reflected changing security circumstances. For China the escalation of Sino-Soviet conflict in 1969 and the prospect of a Soviet nuclear attack raised the costs of its dual adversary policy and strategic isolation. At the same time it was becoming clear to Chairman Mao, Premier Zhou Enlai, and other Chinese leaders that the United States was losing the war in Vietnam and would have to withdraw its forces from Indochina, that it was on the retreat in Asia and on the defensive in the superpower balance of power. This created the opportunity for Beijing to align with the United States against the Soviet Union.

At the same time, the growing opposition in America to the war in Vietnam, and more broadly to high levels of defense spending and an activist foreign policy, undermined Washington's ability to maintain its two-and-a-half war strategy, which called for the capability simultaneously to fight a war with China and the Soviet Union. Washington had to prevent the Soviet Union from taking advantage of its defeat in Vietnam to expand throughout Asia. Moreover, by the end of the Johnson administration the United States had developed a more realistic assessment of China's limited economic and military capabilities. The Sino-Soviet border crisis revealed China's strategic vulnerability to Soviet power and suggested that Chinese leaders might be interested in reducing U.S.-China friction. By 1969 the Nixon administration had perceived an opportunity to improve relations with China to contain the spread of Soviet power.[203]

The result of these calculations on both sides was Richard M. Nixon's spectacular February 1972 visit to China, viewed in the United States on network television. After meeting Mao

[203] Robert S. Ross, "Negotiating Cooperation: U.S.-China Relations, 1969-1989", (New York: Columbia University Press, 1995)

Zedong in his book-lined study, touring scenic spots with Zhou Enlai, and completing negotiations begun by National Security Adviser Henry Kissinger, Nixon exulted, "This was the week that changed the world." It was true. Just as Mao's 1950 trip to Moscow symbolized the addition of China to the Soviet bloc and a fundamental transformation of the strategic balance, Nixon's visit to China reflected China's alignment with the West against Moscow and an equally important transformation of the global balance of power. While the United States no longer had to prepare for war against China and could devote its resources to contending with Soviet power, the Soviet Union faced the coordinated actions of its two largest enemies.

China's cooperation with the United States would frustrate Moscow's effort to capitalize on America's defeat in Vietnam.

Common strategic interests did not make cooperation easy. China and the United States had to find a way to work together without relinquishing their respective interests in Taiwan. The United States, satisfied with the status quo, sought strategic cooperation with China without sacrificing diplomatic, strategic, and economic relations with Taiwan. But the PRC had not abandoned its objective to end the civil war by defeating the KMT and unifying Taiwan with the mainland. Constantly hanging over the relationship was the danger that if the United States did not make the minimal compromises necessary to accommodate PRC interests, strategic cooperation would stagnate and perhaps even deteriorate, leaving each side exposed to Soviet power without the benefit of the other's assistance. China's size and its history of challenging the superpowers made credible its threat to allow U.S.-China relations to deteriorate.

Beijing demanded that the United States break relations with Taiwan, withdraw its troops from Taiwan, and abrogate the U.S.-ROC defense treaty. These issues were at the center of the secret negotiations that Henry Kissinger conducted with Zhou Enlai beginning in 1970. The negotiations culminated in the U.S.-China joint communiqué, signed by President Nixon and Premier Zhou Enlai in Shanghai on February 27, 1972. Despite Chinese efforts to pressure the United States to agree that Taiwan was part of China, in the Shanghai communiqué the United States made the ambiguous statement that it "acknowledge[d] that all Chinese on either side of the Taiwan Strait maintain that there is but one China and that

Taiwan is a part of China." It did not state its own position on Taiwan's status. Despite Chinese opposition the United States also asserted its "interest in a peaceful settlement of the Taiwan question by the Chinese themselves," suggesting that there was a linkage between U.S. compromises and the mainland's not using force against Taiwan.

The Shanghai communiqué established the basis for U.S.-China strategic cooperation. But Beijing refused to establish formal U.S.-China diplomatic relations so long as Washington recognized the ROC. Concerned about Soviet missile deployments and expansion in the Third World, the Carter administration in 1978 met China's conditions for normalization. It agreed to recognize the PRC as "the sole legal government of China," to remove all U.S. troops from Taiwan, and to abrogate the U.S.-ROC defense treaty. But in the normalization communiqué, issued on December 15,1978, the United States maintained its formal ambiguity on the international status of Taiwan. Rather than state its own policy, it merely "acknowledge(d) the Chinese position that there is but one China and Taiwan is part of China." In keeping with the American position in the Shanghai communiqué, it also asserted, "The United States continues to have an interest in the peaceful resolution of the Taiwan issue and expects that the Taiwan issue will be settled peacefully by the Chinese themselves." Despite vehement opposition from Deng Xiaoping, Washington maintained its right to sell defensive weapons to Taiwan.[204]

Despite the euphoria surrounding the normalization of U.S.-China relations, Congress was alarmed by the Carter administration's treatment of Taiwan. Many members of Congress worried that Taiwan would not be adequately protected now that the United States had severed diplomatic and security relations. Congressional leaders were also irritated that the administration had negotiated the normalization agreement in secret. Congress asserted its authority by reworking a weaker administration proposal for relations with Taiwan into the Taiwan Relations Act (TRA) of April 1979. The TRA expressed U.S. determination to "consider any effort to determine the future of Taiwan by other than peaceful means ... a threat to the peace and security of the Western Pacific area." It further required the United States to provide Taiwan such "defense articles and defense services ... as may be necessary to enable Taiwan to maintain a sufficient self-defense capability," codifying in law the commitment to continued U.S. arms sales to Taiwan. The TRA affirmed that U.S.

[204] Andrew J. Nathan, Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997), p.67

law would apply to Taiwan as it would to any sovereign state, even though the United States had withdrawn diplomatic recognition.

In order to minimize PRC suspicions of U.S. duplicity and build trust in a fragile relationship, Washington stopped treating Taiwan's representatives as official diplomats. White House officials were not allowed to meet in their offices representatives from Taiwan, senior Taiwan leaders were not allowed to visit the United States, and senior U.S. officials stopped visiting Taiwan. Rather than have an embassy in Taiwan, the TRA established the American Institute in Taiwan (AIT) as a nominally private but actually quasi-governmental institution to manage U.S. "non-official" relations with "the people of Taiwan," including economic and cultural matters. The staff of the AIT stepped down from the U.S. foreign service while holding their posts. Taiwan's office in the United States was called the Coordination Council for North American Affairs; it was not allowed to use the name Taiwan.

Chinese leaders had gone a long way toward achieving their objectives. They had normalized relation with the United States largely on their terms and had isolated Taiwan in international affairs. But Beijing regarded U.S. arms sales to Taiwan and defense commitments in the TRA as challenges to Chinese sovereignty and as symbols of an ongoing U.S. commitment to Taiwan's security that would embolden the KMT to resist unification proposals. It tolerated these conditions in order to achieve its immediate objective of establishing diplomatic relations with the United States in preparation for its February 1979 invasion of Vietnam.

In 1981-82, however, China resumed the diplomatic offensive against U.S. arms sales to Taiwan, taking advantage of the Reagan administration's preoccupation with the Soviet threat and its interest in strengthening U.S.-China strategic cooperation. Beijing threatened to downgrade relations if the United States did not agree to end all arms sales to Taiwan within a specified period. The United States made many compromises, but resisted meeting all of China's demands. Once again Beijing achieved partial success. In the August 17, 1982, arms sales communiqué, Washington promised gradually to reduce the quantity, and not to improve the quality, of arms sold to Taiwan. These were important concessions, but the Reagan administration explicitly linked them to China's "fundamental policy" to strive

for "peaceful resolution" of the Taiwan issue. It then maintained a high level of transfers to Taiwan while abiding by the letter of the agreement. Despite continued grumbling, by the end of 1983 China finally accommodated itself to high levels of U.S. arms sales to Taiwan, and relations stabilized. In January 1984 Premier Zhao Ziyang visited Washington. In April, President Reagan traveled to Beijing, making the first visit to China by an American president since President Gerald Ford's visit in 1975.

Normalization of diplomatic relations opened the way to the expansion of contacts in other fields. The United States granted China most-favored-nation trade status, and economic relations soon blossomed. The United States quickly became China's largest export market and a major source of investment for the Chinese economy. Cultural ties also grew. Tens of thousands of Chinese scholars came to study in the United States, constituting two-thirds of the Chinese studying abroad.[205]

China and the United States enlarged their strategic relationship. During the Maoist era strategic cooperation was confined to onetime imports of dual-use items, such as jet engines from Great Britain, with U.S. encouragement, and an advanced computer from the United States. After normalization, extensive security relations developed. In December 1980 the director of the Central Intelligence Agency, Stansfield Turner, secretly traveled to China to conclude an agreement for the United States to set up electronic intelligence facilities on Chinese territory to monitor Soviet missile tests. Despite the Reagan administration's interest in expanding strategic cooperation, in 1981 China suspended military ties in response to U.S. arms sales to Taiwan. Following the August 17, 1982, communiqué the two sides reopened earlier discussions of an arms transfer program. Washington agreed to sell Beijing artillery equipment, antisubmarine torpedoes, artillery-locating radar, and advanced avionics packages. Following Premier Zhao Ziyang's 1984 visit to the United States, CIA Director William Casey secretly visited China to discuss cooperation in opposing the Soviet occupation of Afghanistan. Complementing arms transfers and intelligence cooperation were broad exchanges between the two militaries

[205] Andrew J. Nathan, Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997),p.68

that contributed to a greater understanding of each other's institutions and operating procedures.[206]

From 1972 to 1989 the United States and China cooperated in opposing the Soviet Union, while developing cultural, economic, and strategic relations. They continually negotiated their conflict of interest over Taiwan. Despite Chinese pressure, Washington maintained an informal security commitment and arms sales to Taiwan. Taiwan's continued ambiguous status in U.S.-China relations ensured that it would again disrupt these relations once the strategic basis for compromise eroded.

6.4. THE END OF THE COLD WAR, THE TIANANMEN INCIDENT, AND THE POLITICIZATION OF CHINA POLICY

American policy toward China during the 1980s was not subjected to struggle between the executive and the legislative branches because of the broad consensus on the contribution U.S.-China cooperation made to the containment of the Soviet Union. Most Americans overlooked aspects of China that offended their values. Maoist totalitarianism created one of the most brutal governments in history, yet Americans rejoiced at the warm reception that Chairman Mao offered Richard Nixon. Deng Xiaoping's regime, although a great improvement over Mao's, remained a repressive government. Americans focused on positive trends in Chinese politics and economics, believing that the Chinese were moving toward American values.

The nearly simultaneous June 1989 Tiananmen incident and the end of the Cold War transformed the policy-making environment in the United States. The PRC's violent repression of the Chinese democracy movement, witnessed on television sets around the country, transformed Americans' understanding of the Chinese human rights situation. The ensuing collapse of the Warsaw Pact and of communist governments in Eastern Europe eliminated the strategic imperative for cooperation with China. Americans' perspective on China became more critical. What had been a liberalizing Chinese regime had overnight turned into an atavistic Communist dictatorship imprisoning the Chinese people. The broad

[206] Robert M. Gates, "From the Shadows: The Ultimate Insiders' Story of Five Presidents and How They Won the Cold War", (New York: Simon & Schuster, 1996), p. 122

national consensus on the importance of U.S.-China cooperation evaporated, and China policy suddenly became one of the most divisive issues in American foreign policy.

In these circumstances interest group politics assumed an increased importance in U.S. China policy. China's political system elicits opposition from human rights organizations, including Human Rights Watch/Asia and Amnesty International; its population policies have outraged the Right to Life movement; its inexpensive consumer goods exports lead to demands for protection from organized labor; its reliance on coal and megadams for energy worries environmental groups; its arms and technology exports anger arms control activists; its sovereignty over Tibet arouses protests from Tibetan expatriates and their American supporters; the film and software industries demand protection of their copyrights in the Chinese market. Indeed, China seems to attract the attention of more American interest groups than does any other country.

China's foreign policy-making environment also changed in 1989. Just as the United States no longer required strategic cooperation with China, with the end of the Sino-Soviet dispute China no longer needed to cooperate with the United States. The June 1989 democracy demonstrations and the fate of communism in Eastern Europe in 1989 convinced Chinese leaders that their political survival depended more on suppressing dissent than on maintaining good ties with the United States. Any Chinese leader who showed weakness in dealing with dissent became vulnerable to political attack. While the Tiananmen incident transformed American perceptions of China, it also transformed Chinese perceptions of the United States. American support for the Chinese democracy movement was now seen as part of a long-standing U.S. effort to overthrow the Chinese regime. China no longer viewed the United States as a strategic partner but as an ideological adversary. Even pro-reform leaders found it increasingly difficult to make concessions to the United States, particularly on human rights issues.

The more domestic politics replaced common interests as the basis for policy in both countries, the more difficult it became for the two sides to maintain cooperation. During the 1992 presidential campaign, Bill Clinton criticized George Bush for "coddling dictators" and promised to use trade relations to compel China to improve its human rights performance. Once in the White House, Clinton demanded that China improve its behavior

or the United States would withdraw its MFN status. The policy failed because Chinese leaders cared more about political stability than MFN and because American business and employment interests would have been hurt by U.S. sanctions and Chinese retaliation. In 1994 the president abandoned linkage rather than apply sanctions. But throughout his first term, high-level meetings with Chinese leaders remained controversial, so Clinton was unable to arrange an exchange of formal state visits and bring President Jiang Zemin to the White House.[207]

China's economic system is increasingly more attuned to capitalism than Communism, and there is a higher degree of social and cultural interchange between the US and China than there was between the US and the USSR. That China cannot readily be demonized as the Communist 'other' is evident in the unwavering support it receives from American business. It is to the business lobby that annual renewal of China's Normal Trade Relations (NTR), formerly known as Most Favoured Nation (MFN) status, owes its strongest advocacy. In the decade 1989 to 1999, investment by US companies in China rose from US$1.7 billion to US$21 billion, with large commercial agreements including the US$3 billion Boeing contract.[208]

The American business lobby would not easily let China fall out of their reach into the forbidden fruit basket. China, too, would not readily subscribe to a new Cold War for the same rationale of economic priorities. As Peter Grier and James N. Thurnman point out: "From its desire to enter the World Trade Organization to its need for American products and export markets, China has at least some incentives to deal positively with the world's only superpower."[209]

Another commentary remarks:

> . . . extensive economic and social ties . . . have created powerful lobbies for good relations in both the U.S. and China. . . . Both sides rank the other among their top trade partners. Tens of thousands of Chinese engineers . . . help keep the U.S. hi-

[207] Andrew J. Nathan, Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997), p.72
[208] Bruce Gilley, Trish Saywell and Lorien Holland, 'Uneasy Together', Far Eastern Economic Review, 17 June 1999
[209] Peter Grier and James N. Thurnman, 'US-China Spy Spat: Why It's Not Cold War', The Christian Science Monitor, 26 May 1999

tech sector humming, while hundreds of American non-governmental organizations work in China on projects ranging from legal reform to wetlands preservation.[210]

Indeed, the Chinese Diaspora is long renowned for its ease of adapting to foreign environments, especially the United States, and for regarding this as a natural and unremarkable development. The great Chinese patriarch, Deng Xiaoping, who cheerfully wore a cowboy hat during his historic visit to the United States, thought nothing of even being related to an American - his grandchild being an American citizen. The same could not have been said of the Soviets, despite sharing with the Americans a common European cultural heritage.

The politicization of relations has often compelled Chinese leaders to adopt positions that aggravate the PRC's poor reputation in the United States. For example, China did not allow Fang Lizhi, a dissident who sought political protection at the U.S. embassy in June 1989, to leave China until 1990, even though President Bush needed well-timed Chinese concessions to win domestic support for his efforts to maintain U.S.-China cooperation. Chinese diplomats tend to blame every U.S.-China conflict on American "hegemonism." Stating that "he who tied the knot should untie it," they have supplied fewer and fewer "stepping-down stools" *(xiataijie)* to ease the political problems of American presidents. Such diplomacy fuels domestic opposition in the United States toward the Chinese leadership and undermines the ability of U.S. policymakers to reach compromise solutions with China.

6.5. THE BILATERAL AGENDA

In response to domestic political pressures, the Bush and Clinton administrations altered U.S. Taiwan policy. During the 1992 presidential election, in order to appeal to the voters of Texas, where F-16 military jets are manufactured, President Bush agreed to sell 150 of the jets to Taiwan, in violation of the 1982 U.S.-China communiqué. In 1994, under congressional pressure, the Clinton White House conducted a Taiwan policy review and decided to upgrade the protocol status accorded to Taiwan's officials and to receive Taiwan cabinet-level officials in U.S. government offices. In the face of additional congressional

[210] Bruce Gilley, Trish Saywell and Lorien Holland, 'Uneasy Together', Far Eastern Economic Review, 17 June 1999

pressure, the State Department in 1995 issued a visa for President Lee Teng-hui of Taiwan to visit his alma mater, Cornell University.

These changes in U.S. policy were important to China because the United States has enormous influence over Taiwan's policy toward the mainland. Backsliding in the American position on Taiwan could create momentum in Taiwan for support for a formal declaration of Taiwan independence. China has stated that such a declaration would lead to war. But it made only limited protests against the F-16 decision and the 1994 Taiwan policy review. Chinese leaders believed that the U.S. policy shifts were minimal concessions to political pressures by administrations committed to honoring the historical understandings on Taiwan. But the visa for Lee Teng-hui suggested that the United States was ignoring Chinese interests. Coming just as Taiwan's presidential election was entering its final stage, it had the potential to encourage Taiwan's candidates to declare support for a sovereign Taiwan.

The 1996 Taiwan Strait crisis was the result of these events. By conducting military exercises near Taiwan, including live-fire missile tests less than fifteen miles from Taiwan's major ports, Beijing hoped to put a stop to one-sided American amendments of the ground rules for U.S.-Taiwan relations. It also aimed to reinforce its warning to the people of Taiwan that they would pay a high price for declaring independence. The immediate outcome of Chinese maneuvers was greater American sensitivity to the risks of mismanaging U.S.-Taiwan relations and greater attention on the part of the White House to managing U.S.-China relations. Over the long run Taiwan's reaction will also be important. Although the proindependence Democratic Progressive Party lost support during the election, after the election Lee Teng-hui showed little interest in restraining his pragmatic diplomacy. China could initiate a new crisis if either Taiwan or the United States attempts to alter the status quo in the U.S.-Taiwan-China triangle.

A second prominent issue on the U.S.-China agenda is arms proliferation. From the perspective of the United States, the concern is not with all Chinese arms sales but with certain transfers that Washington believes either upset regional power balances or contributes to the spread of technologies of mass destruction. U.S. officials fear that the sale of Chinese intermediate-range missiles to Pakistan, and the transfer of nuclear reactors

giving the president permission to defend Jinmen and Mazu if he deemed an attack on them to be a prelude to an attack on Taiwan. Faced with a dangerous rise in U.S.-China tension, including an American threat to use nuclear weapons, China agreed to consultations with U.S. diplomats in Geneva. Chiang Kai-shek strengthened his garrisons on Jinmen and Mazu, but Washington did not conclude a regional security framework for Northeast Asia and left mention of Taiwan out of its security agreements with other countries.

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[200] Thomas J. Christensen, Useful Adversaries: Grand Strategy, Domestic Mobilization, and Sino-American Conflict, 1947-58 (Princeton: Princeton University Press, 1996)

of the offshore islands to a symbolic peppering every other day, a pattern that continued until the normalization of U.S.-China relations in 1979.[201]

While defending Taiwan from Chinese attack, the Americans also vetoed Nationalist plans to invade the mainland. One such occasion came in 1962, when China was embroiled in its border crisis with India and Chiang Kai-shek believed the Communist regime was ready to collapse in the aftermath of the 1959-61 famine on the mainland. For the Americans the goal of the security treaty with Taiwan was not a "rollback" of Chinese communism, a strategy that had been considered and rejected. It was to use Taiwan in its effort to contain China. Through the Warsaw talks Washington informed Beijing that it would not support a KMT invasion of the mainland. In fact, once the second Taiwan Strait crisis had subsided, Washington urged Chiang Kai-shek to redeploy most of his offshore forces to Taiwan and accept the possible loss of the islands to the mainland. To Mao's relief, Chiang refused. For both men the offshore islands formed an issue separate from that of Taiwan because they had never been part of the Japanese empire and belonged administratively to Fujian province. In Chinese eyes they symbolized the connection between Taiwan and the mainland and the inevitability of China's eventual unification.

Although the Kennedy administration considered relaxing relations with China, a suitable opportunity never arose. China's denunciation of U.S.-Soviet detente, its 1962 border war with India, and its revolutionary rhetoric increased U.S. apprehension. The Kennedy administration supported India in the border war and in 1963 considered carrying out a preemptive attack on China's nuclear weapons facilities. Most important, it decided to prop up the teetering South Vietnamese government, which it deemed at risk of becoming the first "domino" to fall to communism in Cold War Asia. The Kennedy administration sent advisers to aid South Vietnam's army. By 1965 the Johnson administration had all but taken over the war from South Vietnam, and soon over half a million U.S. troops were there.[202]

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[201] "Talk with the American Correspondent Anna Louise Strong," Selected Works of Mao Tse-tung, vol. 4 (Peking: Foreign Languages Press, 1961), p. 100

[202] Gordon H. Chang, Friends and Enemies: The United States, China, and the Soviet Union, 1948-1972 (Stanford: Stanford University Press, 1990), p.241

Chinese leaders had been content with a divided Vietnam since the 1954 Geneva settlement so long as China's "strategic backyard" was free from foreign military influence. But once the U.S. military occupied South Vietnam and reinforced its encirclement of China, the PRC dedicated itself to assisting North Vietnam's war against the United States. America's war in Vietnam had joined the Taiwan issue as an obstacle to improved U.S.-China relations.

6.3. CONSTRUCTING THE "COMMUNIQUE FRAMEWORK"

Sino-American rapprochement reflected changing security circumstances. For China the escalation of Sino-Soviet conflict in 1969 and the prospect of a Soviet nuclear attack raised the costs of its dual adversary policy and strategic isolation. At the same time it was becoming clear to Chairman Mao, Premier Zhou Enlai, and other Chinese leaders that the United States was losing the war in Vietnam and would have to withdraw its forces from Indochina, that it was on the retreat in Asia and on the defensive in the superpower balance of power. This created the opportunity for Beijing to align with the United States against the Soviet Union.

At the same time, the growing opposition in America to the war in Vietnam, and more broadly to high levels of defense spending and an activist foreign policy, undermined Washington's ability to maintain its two-and-a-half war strategy, which called for the capability simultaneously to fight a war with China and the Soviet Union. Washington had to prevent the Soviet Union from taking advantage of its defeat in Vietnam to expand throughout Asia. Moreover, by the end of the Johnson administration the United States had developed a more realistic assessment of China's limited economic and military capabilities. The Sino-Soviet border crisis revealed China's strategic vulnerability to Soviet power and suggested that Chinese leaders might be interested in reducing U.S.-China friction. By 1969 the Nixon administration had perceived an opportunity to improve relations with China to contain the spread of Soviet power.[203]

The result of these calculations on both sides was Richard M. Nixon's spectacular February 1972 visit to China, viewed in the United States on network television. After meeting Mao

[203] Robert S. Ross, "Negotiating Cooperation: U.S.-China Relations, 1969-1989", (New York: Columbia University Press, 1995)

Zedong in his book-lined study, touring scenic spots with Zhou Enlai, and completing negotiations begun by National Security Adviser Henry Kissinger, Nixon exulted, "This was the week that changed the world." It was true. Just as Mao's 1950 trip to Moscow symbolized the addition of China to the Soviet bloc and a fundamental transformation of the strategic balance, Nixon's visit to China reflected China's alignment with the West against Moscow and an equally important transformation of the global balance of power. While the United States no longer had to prepare for war against China and could devote its resources to contending with Soviet power, the Soviet Union faced the coordinated actions of its two largest enemies.

China's cooperation with the United States would frustrate Moscow's effort to capitalize on America's defeat in Vietnam.

Common strategic interests did not make cooperation easy. China and the United States had to find a way to work together without relinquishing their respective interests in Taiwan. The United States, satisfied with the status quo, sought strategic cooperation with China without sacrificing diplomatic, strategic, and economic relations with Taiwan. But the PRC had not abandoned its objective to end the civil war by defeating the KMT and unifying Taiwan with the mainland. Constantly hanging over the relationship was the danger that if the United States did not make the minimal compromises necessary to accommodate PRC interests, strategic cooperation would stagnate and perhaps even deteriorate, leaving each side exposed to Soviet power without the benefit of the other's assistance. China's size and its history of challenging the superpowers made credible its threat to allow U.S.-China relations to deteriorate.

Beijing demanded that the United States break relations with Taiwan, withdraw its troops from Taiwan, and abrogate the U.S.-ROC defense treaty. These issues were at the center of the secret negotiations that Henry Kissinger conducted with Zhou Enlai beginning in 1970. The negotiations culminated in the U.S.-China joint communiqué, signed by President Nixon and Premier Zhou Enlai in Shanghai on February 27, 1972. Despite Chinese efforts to pressure the United States to agree that Taiwan was part of China, in the Shanghai communiqué the United States made the ambiguous statement that it "acknowledge[d] that all Chinese on either side of the Taiwan Strait maintain that there is but one China and that

Taiwan is a part of China." It did not state its own position on Taiwan's status. Despite Chinese opposition the United States also asserted its "interest in a peaceful settlement of the Taiwan question by the Chinese themselves," suggesting that there was a linkage between U.S. compromises and the mainland's not using force against Taiwan.

The Shanghai communiqué established the basis for U.S.-China strategic cooperation. But Beijing refused to establish formal U.S.-China diplomatic relations so long as Washington recognized the ROC. Concerned about Soviet missile deployments and expansion in the Third World, the Carter administration in 1978 met China's conditions for normalization. It agreed to recognize the PRC as "the sole legal government of China," to remove all U.S. troops from Taiwan, and to abrogate the U.S.-ROC defense treaty. But in the normalization communiqué, issued on December 15,1978, the United States maintained its formal ambiguity on the international status of Taiwan. Rather than state its own policy, it merely "acknowledge(d) the Chinese position that there is but one China and Taiwan is part of China." In keeping with the American position in the Shanghai communiqué, it also asserted, "The United States continues to have an interest in the peaceful resolution of the Taiwan issue and expects that the Taiwan issue will be settled peacefully by the Chinese themselves." Despite vehement opposition from Deng Xiaoping, Washington maintained its right to sell defensive weapons to Taiwan.[204]

Despite the euphoria surrounding the normalization of U.S.-China relations, Congress was alarmed by the Carter administration's treatment of Taiwan. Many members of Congress worried that Taiwan would not be adequately protected now that the United States had severed diplomatic and security relations. Congressional leaders were also irritated that the administration had negotiated the normalization agreement in secret. Congress asserted its authority by reworking a weaker administration proposal for relations with Taiwan into the Taiwan Relations Act (TRA) of April 1979. The TRA expressed U.S. determination to "consider any effort to determine the future of Taiwan by other than peaceful means ... a threat to the peace and security of the Western Pacific area." It further required the United States to provide Taiwan such "defense articles and defense services ... as may be necessary to enable Taiwan to maintain a sufficient self-defense capability," codifying in law the commitment to continued U.S. arms sales to Taiwan. The TRA affirmed that U.S.

[204] Andrew J. Nathan, Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997), p.67

law would apply to Taiwan as it would to any sovereign state, even though the United States had withdrawn diplomatic recognition.

In order to minimize PRC suspicions of U.S. duplicity and build trust in a fragile relationship, Washington stopped treating Taiwan's representatives as official diplomats. White House officials were not allowed to meet in their offices representatives from Taiwan, senior Taiwan leaders were not allowed to visit the United States, and senior U.S. officials stopped visiting Taiwan. Rather than have an embassy in Taiwan, the TRA established the American Institute in Taiwan (AIT) as a nominally private but actually quasi-governmental institution to manage U.S. "non-official" relations with "the people of Taiwan," including economic and cultural matters. The staff of the AIT stepped down from the U.S. foreign service while holding their posts. Taiwan's office in the United States was called the Coordination Council for North American Affairs; it was not allowed to use the name Taiwan.

Chinese leaders had gone a long way toward achieving their objectives. They had normalized relation with the United States largely on their terms and had isolated Taiwan in international affairs. But Beijing regarded U.S. arms sales to Taiwan and defense commitments in the TRA as challenges to Chinese sovereignty and as symbols of an ongoing U.S. commitment to Taiwan's security that would embolden the KMT to resist unification proposals. It tolerated these conditions in order to achieve its immediate objective of establishing diplomatic relations with the United States in preparation for its February 1979 invasion of Vietnam.

In 1981-82, however, China resumed the diplomatic offensive against U.S. arms sales to Taiwan, taking advantage of the Reagan administration's preoccupation with the Soviet threat and its interest in strengthening U.S.-China strategic cooperation. Beijing threatened to downgrade relations if the United States did not agree to end all arms sales to Taiwan within a specified period. The United States made many compromises, but resisted meeting all of China's demands. Once again Beijing achieved partial success. In the August 17, 1982, arms sales communiqué, Washington promised gradually to reduce the quantity, and not to improve the quality, of arms sold to Taiwan. These were important concessions, but the Reagan administration explicitly linked them to China's "fundamental policy" to strive

for "peaceful resolution" of the Taiwan issue. It then maintained a high level of transfers to Taiwan while abiding by the letter of the agreement. Despite continued grumbling, by the end of 1983 China finally accommodated itself to high levels of U.S. arms sales to Taiwan, and relations stabilized. In January 1984 Premier Zhao Ziyang visited Washington. In April, President Reagan traveled to Beijing, making the first visit to China by an American president since President Gerald Ford's visit in 1975.

Normalization of diplomatic relations opened the way to the expansion of contacts in other fields. The United States granted China most-favored-nation trade status, and economic relations soon blossomed. The United States quickly became China's largest export market and a major source of investment for the Chinese economy. Cultural ties also grew. Tens of thousands of Chinese scholars came to study in the United States, constituting two-thirds of the Chinese studying abroad.[205]

China and the United States enlarged their strategic relationship. During the Maoist era strategic cooperation was confined to onetime imports of dual-use items, such as jet engines from Great Britain, with U.S. encouragement, and an advanced computer from the United States. After normalization, extensive security relations developed. In December 1980 the director of the Central Intelligence Agency, Stansfield Turner, secretly traveled to China to conclude an agreement for the United States to set up electronic intelligence facilities on Chinese territory to monitor Soviet missile tests. Despite the Reagan administration's interest in expanding strategic cooperation, in 1981 China suspended military ties in response to U.S. arms sales to Taiwan. Following the August 17, 1982, communiqué the two sides reopened earlier discussions of an arms transfer program. Washington agreed to sell Beijing artillery equipment, antisubmarine torpedoes, artillery-locating radar, and advanced avionics packages. Following Premier Zhao Ziyang's 1984 visit to the United States, CIA Director William Casey secretly visited China to discuss cooperation in opposing the Soviet occupation of Afghanistan. Complementing arms transfers and intelligence cooperation were broad exchanges between the two militaries

[205] Andrew J. Nathan, Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997),p.68

that contributed to a greater understanding of each other's institutions and operating procedures.[206]

From 1972 to 1989 the United States and China cooperated in opposing the Soviet Union, while developing cultural, economic, and strategic relations. They continually negotiated their conflict of interest over Taiwan. Despite Chinese pressure, Washington maintained an informal security commitment and arms sales to Taiwan. Taiwan's continued ambiguous status in U.S.-China relations ensured that it would again disrupt these relations once the strategic basis for compromise eroded.

6.4. THE END OF THE COLD WAR, THE TIANANMEN INCIDENT, AND THE POLITICIZATION OF CHINA POLICY

American policy toward China during the 1980s was not subjected to struggle between the executive and the legislative branches because of the broad consensus on the contribution U.S.-China cooperation made to the containment of the Soviet Union. Most Americans overlooked aspects of China that offended their values. Maoist totalitarianism created one of the most brutal governments in history, yet Americans rejoiced at the warm reception that Chairman Mao offered Richard Nixon. Deng Xiaoping's regime, although a great improvement over Mao's, remained a repressive government. Americans focused on positive trends in Chinese politics and economics, believing that the Chinese were moving toward American values.

The nearly simultaneous June 1989 Tiananmen incident and the end of the Cold War transformed the policy-making environment in the United States. The PRC's violent repression of the Chinese democracy movement, witnessed on television sets around the country, transformed Americans' understanding of the Chinese human rights situation. The ensuing collapse of the Warsaw Pact and of communist governments in Eastern Europe eliminated the strategic imperative for cooperation with China. Americans' perspective on China became more critical. What had been a liberalizing Chinese regime had overnight turned into an atavistic Communist dictatorship imprisoning the Chinese people. The broad

[206] Robert M. Gates, "From the Shadows: The Ultimate Insiders' Story of Five Presidents and How They Won the Cold War", (New York: Simon & Schuster, 1996), p. 122

national consensus on the importance of U.S.-China cooperation evaporated, and China policy suddenly became one of the most divisive issues in American foreign policy.

In these circumstances interest group politics assumed an increased importance in U.S. China policy. China's political system elicits opposition from human rights organizations, including Human Rights Watch/Asia and Amnesty International; its population policies have outraged the Right to Life movement; its inexpensive consumer goods exports lead to demands for protection from organized labor; its reliance on coal and megadams for energy worries environmental groups; its arms and technology exports anger arms control activists; its sovereignty over Tibet arouses protests from Tibetan expatriates and their American supporters; the film and software industries demand protection of their copyrights in the Chinese market. Indeed, China seems to attract the attention of more American interest groups than does any other country.

China's foreign policy-making environment also changed in 1989. Just as the United States no longer required strategic cooperation with China, with the end of the Sino-Soviet dispute China no longer needed to cooperate with the United States. The June 1989 democracy demonstrations and the fate of communism in Eastern Europe in 1989 convinced Chinese leaders that their political survival depended more on suppressing dissent than on maintaining good ties with the United States. Any Chinese leader who showed weakness in dealing with dissent became vulnerable to political attack. While the Tiananmen incident transformed American perceptions of China, it also transformed Chinese perceptions of the United States. American support for the Chinese democracy movement was now seen as part of a long-standing U.S. effort to overthrow the Chinese regime. China no longer viewed the United States as a strategic partner but as an ideological adversary. Even pro-reform leaders found it increasingly difficult to make concessions to the United States, particularly on human rights issues.

The more domestic politics replaced common interests as the basis for policy in both countries, the more difficult it became for the two sides to maintain cooperation. During the 1992 presidential campaign, Bill Clinton criticized George Bush for "coddling dictators" and promised to use trade relations to compel China to improve its human rights performance. Once in the White House, Clinton demanded that China improve its behavior

or the United States would withdraw its MFN status. The policy failed because Chinese leaders cared more about political stability than MFN and because American business and employment interests would have been hurt by U.S. sanctions and Chinese retaliation. In 1994 the president abandoned linkage rather than apply sanctions. But throughout his first term, high-level meetings with Chinese leaders remained controversial, so Clinton was unable to arrange an exchange of formal state visits and bring President Jiang Zemin to the White House.[207]

China's economic system is increasingly more attuned to capitalism than Communism, and there is a higher degree of social and cultural interchange between the US and China than there was between the US and the USSR. That China cannot readily be demonized as the Communist 'other' is evident in the unwavering support it receives from American business. It is to the business lobby that annual renewal of China's Normal Trade Relations (NTR), formerly known as Most Favoured Nation (MFN) status, owes its strongest advocacy. In the decade 1989 to 1999, investment by US companies in China rose from US$1.7 billion to US$21 billion, with large commercial agreements including the US$3 billion Boeing contract.[208]

The American business lobby would not easily let China fall out of their reach into the forbidden fruit basket. China, too, would not readily subscribe to a new Cold War for the same rationale of economic priorities. As Peter Grier and James N. Thurnman point out: "From its desire to enter the World Trade Organization to its need for American products and export markets, China has at least some incentives to deal positively with the world's only superpower."[209]

Another commentary remarks:

> . . . extensive economic and social ties . . . have created powerful lobbies for good relations in both the U.S. and China. . . . Both sides rank the other among their top trade partners. Tens of thousands of Chinese engineers . . . help keep the U.S. hi-

[207] Andrew J. Nathan, Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997), p.72
[208] Bruce Gilley, Trish Saywell and Lorien Holland, 'Uneasy Together', Far Eastern Economic Review, 17 June 1999
[209] Peter Grier and James N. Thurnman, 'US-China Spy Spat: Why It's Not Cold War', The Christian Science Monitor, 26 May 1999

tech sector humming, while hundreds of American non-governmental organizations work in China on projects ranging from legal reform to wetlands preservation.[210]

Indeed, the Chinese Diaspora is long renowned for its ease of adapting to foreign environments, especially the United States, and for regarding this as a natural and unremarkable development. The great Chinese patriarch, Deng Xiaoping, who cheerfully wore a cowboy hat during his historic visit to the United States, thought nothing of even being related to an American - his grandchild being an American citizen. The same could not have been said of the Soviets, despite sharing with the Americans a common European cultural heritage.

The politicization of relations has often compelled Chinese leaders to adopt positions that aggravate the PRC's poor reputation in the United States. For example, China did not allow Fang Lizhi, a dissident who sought political protection at the U.S. embassy in June 1989, to leave China until 1990, even though President Bush needed well-timed Chinese concessions to win domestic support for his efforts to maintain U.S.-China cooperation. Chinese diplomats tend to blame every U.S.-China conflict on American "hegemonism." Stating that "he who tied the knot should untie it," they have supplied fewer and fewer "stepping-down stools" *(xiataijie)* to ease the political problems of American presidents. Such diplomacy fuels domestic opposition in the United States toward the Chinese leadership and undermines the ability of U.S. policymakers to reach compromise solutions with China.

6.5. THE BILATERAL AGENDA

In response to domestic political pressures, the Bush and Clinton administrations altered U.S. Taiwan policy. During the 1992 presidential election, in order to appeal to the voters of Texas, where F-16 military jets are manufactured, President Bush agreed to sell 150 of the jets to Taiwan, in violation of the 1982 U.S.-China communiqué. In 1994, under congressional pressure, the Clinton White House conducted a Taiwan policy review and decided to upgrade the protocol status accorded to Taiwan's officials and to receive Taiwan cabinet-level officials in U.S. government offices. In the face of additional congressional

[210] Bruce Gilley, Trish Saywell and Lorien Holland, 'Uneasy Together', Far Eastern Economic Review, 17 June 1999

pressure, the State Department in 1995 issued a visa for President Lee Teng-hui of Taiwan to visit his alma mater, Cornell University.

These changes in U.S. policy were important to China because the United States has enormous influence over Taiwan's policy toward the mainland. Backsliding in the American position on Taiwan could create momentum in Taiwan for support for a formal declaration of Taiwan independence. China has stated that such a declaration would lead to war. But it made only limited protests against the F-16 decision and the 1994 Taiwan policy review. Chinese leaders believed that the U.S. policy shifts were minimal concessions to political pressures by administrations committed to honoring the historical understandings on Taiwan. But the visa for Lee Teng-hui suggested that the United States was ignoring Chinese interests. Coming just as Taiwan's presidential election was entering its final stage, it had the potential to encourage Taiwan's candidates to declare support for a sovereign Taiwan.

The 1996 Taiwan Strait crisis was the result of these events. By conducting military exercises near Taiwan, including live-fire missile tests less than fifteen miles from Taiwan's major ports, Beijing hoped to put a stop to one-sided American amendments of the ground rules for U.S.-Taiwan relations. It also aimed to reinforce its warning to the people of Taiwan that they would pay a high price for declaring independence. The immediate outcome of Chinese maneuvers was greater American sensitivity to the risks of mismanaging U.S.-Taiwan relations and greater attention on the part of the White House to managing U.S.-China relations. Over the long run Taiwan's reaction will also be important. Although the proindependence Democratic Progressive Party lost support during the election, after the election Lee Teng-hui showed little interest in restraining his pragmatic diplomacy. China could initiate a new crisis if either Taiwan or the United States attempts to alter the status quo in the U.S.-Taiwan-China triangle.

A second prominent issue on the U.S.-China agenda is arms proliferation. From the perspective of the United States, the concern is not with all Chinese arms sales but with certain transfers that Washington believes either upset regional power balances or contributes to the spread of technologies of mass destruction. U.S. officials fear that the sale of Chinese intermediate-range missiles to Pakistan, and the transfer of nuclear reactors

and nuclear technology to Pakistan, Algeria, and Iran, may destabilize favorable regional power balances in the Middle East or undermine the fragile global nuclear nonproliferation regime. Washington also worries about China's alleged sale to Iran of the precursor chemical agents required to manufacture chemical weapons. From Reagan through Clinton presidents have pressured China to desist from such sales.

Chinese leaders consider the American position disingenuous. They point out that the United States is itself the world's largest arms exporter and that U.S. proliferation sometimes directly harms Chinese interests, as did the sale of F-16 fighter planes and other military hardware to Taiwan and the transfer of nuclear reprocessing technology to Japan. The Chinese argue that if U.S. weapons sales are a legitimate hard-currency export, so are their own. Nonetheless, in response to U.S. pressure, China has accommodated many U.S. demands. The PRC stopped supplying Silkworm missiles to Iran, broke its commitment to provide Syria with M-9 missiles, and suspended its nuclear energy cooperation agreement with Iran. China's nuclear energy program with Algeria complies with the inspection requirements of the International Atomic Energy Agency (IAEA).[211]

The major exception to the record of Chinese cooperation has to do with Pakistan. China has a vital strategic interest in Pakistan, which confronts in India a power many times its size. Should India, which has its own nuclear weapons capability, succeed in dominating Pakistan, it will have established hegemony throughout Southern Asia and could challenge Chinese border security. Moreover, China's transfer to Pakistan of the M-ll missile occurred on the heels of the U.S. decision to sell F-16s to Taiwan, suggesting that China is unwilling to exercise restraint in deference to U.S. requests when the United States refuses to exercise symmetrical restraint to honor Chinese interests. In 1996 a Chinese enterprise transferred to Pakistan magnetic rings that could be used in nuclear reprocessing. Despite U.S. charges, it was not clear that the sale formally violated any international arms control agreements or that the Chinese government was aware of the transfer. Washington decided not to impose sanctions, in return for a Chinese commitment to cease assistance to any nuclear reactors not under IAEA safeguards.

[211] Andrew J. Nathan, Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997), p.75

In February 1992 China told the United States that it would abide by Missile Technology Control Regime (MTCR) restrictions on missile exports. After the United States sold F-16s to Taiwan and China transferred M-ll missiles to Pakistan later that year, Washington and Beijing negotiated a new agreement. In 1994 Beijing agreed to abide by those aspects of the MTCR that govern the export of missiles. (It did not agree to abide by the regime's guidelines on the export of missile technologies.) While pressing China to honor these commitments, the United States has not invited Beijing to sign the agreement, because it wants to restrict Chinese access to the sophisticated dialogue on missile systems among the signatories. Complicating the management of the proliferation issue are laws enacted over White House opposition that require the president to impose sanctions on any country that violates the MTCR or the Nuclear Non-Proliferation Treaty (NPT), whether it is a signatory or not, or that sells "destabilizing" weaponry to Iran. This minimizes the White House's flexibility to negotiate compromise solutions to conflicts of interest, such as those concerning Pakistan.

Trade relations have created a third set of U.S.-China problems. The arenas of conflict are diverse—negotiations on opening markets, on intellectual property rights protection, and on China's accession to the World Trade Organization. The United States is not the only government pressing China on these issues, which have become entangled with other concerns, including human rights and weapons proliferation. But the political engine of trade conflicts is the U.S. trade deficit with China. It has grown from $68 million in 1983 to $33.8 billion in 1995.

The rising deficit is caused largely by forces that elude American or Chinese government control. Economists argue that the low savings rate in the United States rather than other countries' protectionism is the main cause of America's overall trade imbalance. Unlike Japan, which runs a trade deficit with all the industrialized countries and enjoys an overall trade surplus every year, China has a trade deficit with many countries, and its overall balance changes from year to year. Its surplus with the United States in large part reflects a decision by entrepreneurs in Hong Kong, Taiwan, Japan, and South Korea to shift the production of consumer products to mainland China, where labor costs are lower. In doing this, the entrepreneurs also shifted to China much of their nations' trade surpluses with the United States. Adjusted for inflation, the size of the combined U.S. deficit with China,

Taiwan, South Korea, Japan, Singapore, and Hong Kong was approximately the same in 1995 as it was in the late 1980s, suggesting that the growth of the bilateral deficit with China has had a small marginal impact on the U.S. trade balance and employment situation. Chinese exports to the United States have taken jobs directly from workers in other exporting countries, whose exports to the United States long ago eliminated most employment opportunities for Americans in such sectors as textiles, shoes, and low-cost electronics. U.S. products that compete well in international markets have done well in China. America is the largest exporter to China of civilian aircraft (Boeing), personal computers (AST, Compaq, and IBM), cellular telephones (Motorola), and other high-technology consumer goods, as well as of agricultural goods and fertilizer, and it is one of China's largest providers of industrial equipment.[212]

Nonetheless, as China's trade surplus with the United States moved into second place in 1991, ahead of Taiwan's and behind Japan's (and sometimes into first place on a monthly basis in 1996), it drew increasing political attention. Constituencies hurt by Chinese competition— labor unions, textile and toy manufacturers—criticized China and asked for protection. Producers of intellectual property pressed the White House to adopt tough policies in negotiations over copyright protection. Beneficiaries of trade with China—including aircraft manufacturers, wheat and cotton producers, and fertilizer companies, on the export side, and consumer goods retailers, on the import side—pressed their viewpoints quietly in Washington without drawing public attention to themselves. As with proliferation and human rights, some members of Congress used the trade issue to challenge the president, increasing pressure on the White House to adopt a tough posture toward China.

U.S.-China trade cooperation is a central element of China's modernization strategy. For much of the post-Mao era, the United States has been China's largest market. Exports to the United States of low-technology, inexpensive consumer goods earn China the hard currency its needs to import the high technology necessary to modernize its economy and upgrade its defense capabilities. By contrast, trade with China represents a small portion of U.S. foreign trade, and the benefits are concentrated in certain sectors of the economy. A

[212] Nicholas R. Lardy, "China in the World Economy", (Washington, D.C.: Institute for International Economics, 1994)

disruption of trade would affect some companies and regions severely, but would have only a small, temporary impact on the size and growth of the U.S. economy. America's economic bargaining power with China is high.

Beijing has made many compromises on trade issues. It has lowered trade barriers and taken steps to curtail piracy of intellectual property. Still, neither the trade imbalance nor the intellectual property rights conflict is susceptible to quick resolution; the trade deficit has continued to grow and Chinese copyright pirates have found new ways to evade the rules. U.S.-China trade crises reemerge periodically to threaten cooperative relations.

Finally, a broad sector of American opinion shows concern about the problem of human rights in China. The problem encompasses such specific issues as political and religious prisoners, torture, repression in Tibet, the export of prison labor products, and the use of coercion in China's population-planning program. The Chinese government takes the position that these are internal affairs that brook no interference from foreign governments, organizations, or individuals. The American position, supported by most government officials as well as private citizens, is that there exist universal human rights norms and that their violation is a matter of international concern.

Since the Tiananmen incident Americans have given more attention to human rights in China than in any other country. This reflects China's size, its importance in world politics, the long history of Americans' contact with the Chinese people, and the enduring impact of the Tiananmen crackdown. Since 1994 the debate over linking MFN trade status to China's human rights violations has receded in importance. The widespread belief that the threat of sanctions had failed to change China's human rights policies but undermined U.S.-China economic and political cooperation led growing numbers of members of Congress to support the White House policy rather than conditionally legislation. But human rights remains on the agenda of U.S.-China discussions. The Jackson-Vanik amendment remains U.S. law, so Congress still has the authority to influence U.S.-China trade relations on human rights grounds.[213]

[213] Andrew J. Nathan, Robert S. Ross, "The Great Wall and Empty Fortress", (New York:Norton,1997), p.78

The rhetoric of 'strategic partnership' was notable again in Sino-American summitry in October 1997 (Jiang in the US)(See Figure 7.1), June 1998 (Clinton in China) and was reinforced by Premier Zhu Rongji's visit to the United States in April 1999. But Washington was not interested in a 'strategic partnership' with China, real or symbolic, only in its rhetorical value in American-Chinese relations and as a parallel to China's 'strategic partnership' with Russia. Indeed, the American offer in 1994 of another type of partnership - a 'partnership for peace' - in an effort to mollify Russia which objected to NATO's expansion was also of limited value: 'window-dressing', as appraised by one critic. As the Russians argued at the time: '. . . if "partnership" is to mean anything it must include cooperation, consultation and the banning of unilateral actions.' Five years later in Kosovo, Russia matched its words with unscheduled independence of action in the NATO-led peacekeeping operation. It also engaged in a military readiness exercise of unprecedented proportions since the Cold War. The object of these July 1999 'war games' appeared to be defence against an invasion of Russia by NATO. Thus in the Kosovo theatre, Russia was determined not to be seen as a junior partner of the reinvigorated pax Americana. In the broader European theatre of air-land combat readiness, it was baring its defensive teeth.[214]

Figure 6. 1: Jiang Zemin in U.S.

[214] P. J. Keating, "A Prospect for Europe", Robert Schuman Lecture, University of New South Wales, 4 September 1997

China's 'strategic partnership' concept also sought to evade American collusive structures. Evasion from superpower dominance through a strategy of cooperative and equal relations in a multipolar setting was soon to turn to antagonism. [215]Nonetheless, there was merit in the partnership idea while it lasted. This was because a 'partnership', as China saw it, was not as formal as an alliance with its Cold War connotations; and hence it was 'not aimed at third parties' but encouraged 'a new world'. To quote a recent commentary on China's concept of security:

> China's growing collection of "strategic partnerships" with key nations and political-economic organizations such as the European Union and ASEAN . . . apparently are China's alternative to bilateral alliances. According to Chinese spokesmen these partnerships are not formal alliances and are "not aimed at third parties." While some are more symbolic than real, they are the bilateral vehicles the Chinese use to settle disagreements or reach agreement on common interests. The Chinese claim their "strategic partnership" with Russia is the model.[216]

The demise of the American 'strategic partnership', however, was clearly seen in the much remarked upon incident of Premier Zhu failing to gain US backing for China's admission to the WTO despite concessions for 'US priority products'. The final straw for China came the following month with the US bombing of the Chinese embassy in Belgrade.

6.6. BOMBING OF CHINESE EMBASSY IN BELGRADE

The US government explained the destruction of the Chinese embassy in Belgrade on 7 May 1999 (which was 8 May, Beijing time) during a NATO bombing sortie as an accident. The intended target was said to be not the Chinese embassy but the headquarters of the Yugoslav Federal Supply and Procurement Directorate. The resultant error, in which three Chinese journalists were killed and 20 Chinese nationals injured, was blamed on an out-of-date map used for target selection. Coming from the country with the world's most sophisticated spy organisation the mistake is difficult to comprehend. It may well have been an accident, but its demands on credibility are enormous. So much so that China did

[215] David Shambaugh, "Sino-American Relations", in Thomas W. Robinson and David Shambaugh (eds), Chinese Foreign Policy: Theory and Practice, (Clarendon Press, Oxford, 1994), p. 205
[216] Avaible on http://www.csis.org

not accept this explanation. Nor did it appreciate Washington's mealy-mouthed acknowledgement of wrong-doing. As a Shanghai source put it, President Bill Clinton's written apology comprised 'five paragraphs on how great America is and two paragraphs to say sorry to the Chinese people'.[217] Emotionally-charged demonstrations occurred in China, with the American embassy in Beijing being stoned and besieged by the demonstrators. Sino-US relations suffered a suspension of trade negotiations (including China's potential entry into WTO). Also suspended were military linkages including landing rights for US military aircraft in Hong Kong and port calls by US warships. The conditions set by China for restoring relations were fourfold: an apology for the bombing; a thorough investigation of the bombing incident; publication of the investigation's findings; and punishment of those responsible.

Washington was not prepared to engage in a full 'kowtow', but did select a delegation to travel to Beijing under the leadership of Undersecretary of State Thomas Pickering, the third highest official in the State Department. China did not agree to receive the Pickering delegation immediately but imposed a three-week delay. An apology and an explanation based on a 14-page public report were proffered.

> Backed by officials from the Pentagon, the CIA and the National Security Council, Pickering tried to explain the bombing as a "tragic accident." Using slides and diagrams, they outlined the mistakes that led an American B-2 bomber to drop five 2,000-pound bombs on the Chinese Embassy. First outdated maps failed to show the new address of the Chinese Embassy, or the intended target, the Yugoslav military procurement agency. Then a U.S. intelligence officer located the agency address, incorrectly, by extrapolating from the numbering system on parallel streets. Faulty U.S. databases and NATO's normal targeting review failed to catch the mistake, and the bomber crew, flying at night, did not see telltale markings on the Chinese Embassy.[218]

China rejected the explanation as 'illogical' and 'unacceptable', complained that those responsible for the bombing were not identified and punished, and added a fifth demand to

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[217] Quoted in Lynne O'Donnell, "China Demands an Apology in Person", The Australian, 31 May 1999, p. 11
[218] Melinda Liu and Leslie Pappas, 'How Low Would He Bow?', Newsweek International, 28 June 1999

its list of requirements for resumption of normal working relations: compensation for the loss of lives, injuries and damage to the embassy.

In analyzing the Chinese response has observed:

> Chinese officials seem particularly frustrated by two points: the old map explanation and the fact that the unorthodox field method, which was used to select the target that turned out to be the Chinese embassy, was apparently not used to select any other target. Chinese contrast the relative vagueness of Pickering's report with the excruciating detail in the Starr investigation of President Clinton's relationship with Monica Lewinsky. If such an unimportant thing as a sexual affair could be revealed in such detail, it is asked, why couldn't there be an equal level of detail in dealing with such a serious matter as the embassy bombing?[219]

Even non-Chinese commentary regarded the bombing as 'bizarre and still unexplained'. If it was an accident, it was an extremely meaningful one. Like Russia, China suspects the US of hegemonic designs. Hence it was opposed to the NATO intervention in Yugoslavia. As the *China Daily* puts it, the US wants to become 'Lord of the Earth'. In its position of sole superpower, it has the capacity to hegemonise as it pleases, particularly given 'just cause'. The embassy and associated loss of life was the casualty of NATO's military awakening after half a century of dormant readiness. It was deployed in Europe, a theatre for which it was originally intended, though not against a superpower. Despite the absence of a military superpower as opponent, American power - not European - was dominant in the alliance. Of the nearly 1100 aircraft deployed for the airwar, 769 were American, while the entire Chinese embassy bombing fiasco was an American affair - from target selection to the B-2 bomber used.

Thus the lesson here is that a separate European military response was not brought to bear on an opponent whose capability was well within Europe's capabilities. The purpose of the airwar was also within European sensibilities of response. After all, the EU took exception to dealing with the ruling military regime of Burma on the basis of its human rights violations and anti-democratic orientation. This stance against Burma impacted on

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[219] Available on site http://www.nbr.org/publications/briefing/fewsmith99/index.html

relations with the Association of Southeast Asian Nations (ASEAN) which had accepted Burma as a member in 1997, the Asia-Europe Summit (ASEM) meeting and attendance of an anti-narcotics conference in Burma. Presumably action closer to home would be in order, particularly in terms of degree of moral outrage it might be expected to invoke. The brutality exhibited by the regime of the Yugoslav President, Slobodan Milosevic, against ethnic Albanians in Kosovo, should be within the EU's moral response range. It is well within geostrategic range. American help, military and moral, was theoretically superfluous. In practice, however, NATO - like the UN endorsement of the Gulf War eight years earlier - functioned perhaps most strategically as a fig-leaf for American military action abroad.

Accidental or not, the US attack on China's embassy was the incident which captured for a tragic moment in history the enormous rift of incomprehension between the two sides, American and Chinese. It occurred in Europe, in the midst of a medieval war of atrocities forced to a close by modern interventionary weapons. The target selection was clearly not sophisticated enough to avoid human error in the 11-week airwar. Targeting errors, assuming for the moment that they were genuine errors, were not confined to the Chinese embassy. The Albanian side of the border was bombed, for example, as were fleeing refugees within Kosovo. These errors rested uneasily not only with the most advanced military technology at humankind's disposal but also with the sense of omnipotence that accompanied the strikes. To quote British commentator Beatrix Campbell: 'NATO bombed Serbia from 15,000 feet as if we were God, and it created an interregnum between the sky and earth.'

It is in the nature of things omnipotent, when viewed at close range, to refract doubt and suspicion. Did the US have other than humanitarian motives in going to war in Europe? Was the embassy bombing accidental? Why the fuss? The *Washington Post* in a trite response typifying many American commentaries seized on Beijing's 'cynical manipulation' of events. The *Turkish Daily News* takes a more global view: 'China is on the

way to becoming the next pillar of power and is trying to end America's unipolar global supremacy.' If so, can China succeed? [220]

6.7. THE COX REPORT

Here the second notable incident in May 1999 bears relevance: allegations of nuclear espionage by China. Though the leaked findings of the congressional committee, comprising both Democrats and Republicans and headed by Representative Christopher Cox (California Republican), had been the subject of controversy for three months, it was on 25 May that the three-volume document was officially released. The entire report was not released, as a third of it remains classified. Entitled 'U.S. Security and Military/Commercial Concerns with the People's Republic of China', it painted a worst-case scenario of Chinese theft of US nuclear secrets. Its key assertions are that the alleged theft of nuclear secrets is said to have been happening for at least two decades, that China has information on the entire American arsenal plus knowledge of the neutron bomb, and China's nuclear weapons modernisation will benefit from this information - all of which the Chinese government has denied exhaustively.[221]

The Cox Report does not stop at drawing up an inventory of theft based on circumstantial evidence, nor at the assumption that these secrets will be used to upgrade China's nuclear forces. It speculates beyond the more straightforward confines of capability into the evaluative domain of intentions. It warns that China's long-term intentions are not honourable and could result in 'confrontation' between the US and China. It is here that the Cox Report betrays its threat perceptions of China as a future adversary. It states:

> The PRC seeks foreign military technology as part of its efforts to place the PRC at the forefront of nations and to enable the PRC to fulfill its international agenda. The PRC's long-run geopolitical goals include incorporating Taiwan into the PRC and becoming the primary power in Asia.
>
> The PRC has not ruled out using force against Taiwan, and its thefts of U.S. technology have enhanced its military capabilities for such a force.

[220] Rosita Dellios, "China-United States Relations: The New Superpower Politics", The Culture Mandala, Vol. 3 no. 2, August 1999

[221] Available on http://www.house.gov/hunter/CoxReport.htm

> The PRC has also asserted territorial claims against other Southeast Asian nations and Japan, and has used its military forces as leverage in asserting these claims.
>
> The PRC goals conflict with current U.S. interests in Asia and the Pacific, and the possibility of a U.S.-PRC confrontation cannot be dismissed.

By comparison, a report by the CIA was less alarmist. Its assessment of 21 April 1999 concluded:

> China's technical advances have been made on the basis of classified and unclassified information derived from espionage, contact with U.S. and other countries' scientists, conferences and publications, unauthored media disclosures, declassified weapons information and Chinese indigenous development. The relative contribution of each cannot be determined.

Clearly, the acquisition of scientific knowledge is not dependent on espionage alone, particularly in this information-rich society. Moreover, there is an element of arrogance in denying others their own capabilities in advanced nuclear research. The Chinese have already claimed credit for their own scientific research, including mastery of the neutron bomb.(52) Finally, is nuclear research an American monopoly? After all, scientific research secrets are 'neither absolute nor one nation's property'.[222]

6.8. THE STRATEGIC CONTEXT

The starting point of the discussion must be a consideration of the political environment in China and the United States. This environment obviously has important implications for U.S.-Chinese relations. For China four points should be stressed.

First, the Chinese currently are engaged in something of a succession struggle. This may be too strong a word, but certainly there is a tussle for control as power shifts from third to fourth generation leaders.

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[222] Rosita Dellios, "China-United States Relations: The New Superpower Politics", The Culture Mandala, Vol. 3 no. 2, August 1999

China's Leaders: The New Generation. This domestic struggle has implications for American foreign policy. First, it is not quite clear at the moment who the Chinese leaders of the future will be. Second, Hu Jintao is not well known to Americans. In fact, Hu Jintao has never been to the United States. Americans, ironically, knew the Third Generation of Chinese leaders rather better than they do the Fourth Generation. This is because many of the Third Generation leaders came from Shanghai, and Deng Xiaoping made an attempt to expose his juniors to the West in a way that Jiang either hesitates to permit or thinks is not in his best interest. (See Figure 7.2)

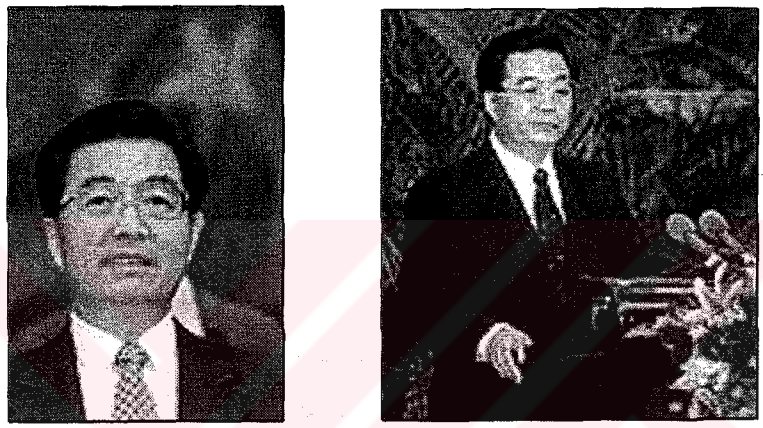

Figure 6. 2: Hu Jintao

Source: www.corbis.com

Second, the current regime in China is insecure. While it is an exaggeration to see the ruling elite as hanging on by its fingernails, it is clear that it faces extensive problems. Among these are stagnating rural incomes, urban-rural inequality, unemployment, and corruption.

Third, the Chinese are worried by what they fear may be a dangerous drift toward independence on the part of Taiwan.

Fourth, the Chinese leaders are challenged greatly by the demands of the international community. They are waking up very rapidly to the implications of world trade in the era of globalization. They are aware of how the development of the global economy may affect internal Chinese affairs and even governance. They have some genuine concerns.

What, for example, are they going to do about the call for labor unions? How will such calls affect domestic affairs?[223]

At this point, the specific areas of friction between China and the United States are formed three categories: security, economics-trade, and human rights.[224]

6.8.1. Security

Security issues are likely to be highest on the agenda of most Americans and certainly of the Bush administration, so we will consider these first.

• At a macro-level, the revolution in military affairs (RMA) is creating a problem for Beijing. China is now further behind the United States in military power than it was in 1990. This is not just the Chinese perception of reality; American political and military leaders also accept this. Indeed, some serious military analysts in the United States believe that China does not have a secure second-strike nuclear capability. China is reacting to this comparative decline in military power. It is trying to modernize its nuclear forces, improve its air force, and even increase its naval assets, particularly in light of China's need to acquiesce to the American show of force in the Taiwan Strait area in 1996.

• Another security issue, again related to the RMA, is strategic missile defense. It is understandable that the United States should want to protect its assets, troops abroad, and its homeland. Even-handed analysis, however, should make it clear that missile defense poses some problems for China. At the current time, China has some 20 to 24 missiles capable of hitting the United States. Even a "thin" national missile defense is probably going to call into substantial question the capacity of the Chinese to have an assured second-strike capability.

• Theater Missile Defense (TMD) would affect China in a rather different way than strategic, national missile defense. The Chinese are worried that Americans will sell such a system to Taiwan. Beijing is not troubled by the possibility that Taiwan would be so well protected that it rationally could act without fear of PRC retaliation. Rather, China fears

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[223] David M. Lampton, "Bush And China: Thinking Strategically About Upcoming Choices", Carolyn W. Pumphrey Ed., The Rise of China In Asia: Security Implications, (January,2002), p.288
[224] Ibid., p.294-300

that Washington would then feel obligated to integrate Taiwan into its command and control and intelligence systems in a way that looks a great deal like an alliance. One of the preconditions for "normalization" of diplomatic relations in 1978-79 was that the United States would end its military alliance with Taipei.

• The "Taiwan question" is one of the most sensitive of all issues. The nature of the problem has already been alluded to. It is linked to the macro-military problem, for much of China's military modernization is aimed at deterring Taiwan from drifting toward independence.

6.8.2. Trade Issues

Trade is a second major issue/concern. A newspaper article (March 2, 2001) by Nicholas R. Lardy provides the final figures on the Year 2000 trade deficit between the United States and China. The figure was about $84 billion. This means that last year was the first year in which the American trade deficit with China was bigger than its deficit with Japan.

6.8.3. Human Rights

The third point of friction is over human rights. Concern over the Chinese record in this area has been a continual feature of our relations with China for over a decade. Human rights problems in China are undeniably ongoing and serious, affecting both individuals and groups. This troubles Americans. They expect—and will continue to expect—their political leadership to express its dissatisfactions to the Chinese.

7. CONCLUSION

China is stronger today and its borders are more secure than at any other time in the last 150 years.

But in its relations with the great powers the PRC remains vulnerable to challenge. Relations with Japan have the potential to deteriorate. Japanese trade, direct investment, and low-interest loans contribute to Chinese development, and Japanese diplomats value stable relations with China. But China sees cause for concern in Japan's military potential, its improving strategic relationship with the United States, its deepening economic ties with Taiwan, and its growing criticism of Chinese human rights abuses. Japan's public opinion increasingly focuses on a potential threat in the rise of China, and China policy, including the Taiwan issue, is more and more politicized in Japan's multiparty political system.

U.S.-China relations are difficult. Trade relations improved after the Clinton administration delinked China's MFN status from its human rights record and after a bipartisan consensus emerged in the 1996 presidential campaign on maintaining China's MFN status. The U.S. market continues to play a vital role in Chinese modernization, and U.S.-China educational, cultural, and scientific exchanges are expanding. But the Taiwan issue has become more difficult to manage. Washington's reappraisal of U.S.-China agreements on Taiwan, its sympathy for Taiwan's economic and political successes, and the growing assertiveness of Taiwan's democratically elected leadership have the potential to undermine cooperation between China and the United States. Frequent clashes between the two countries over economic and arms proliferation issues, even when successfully resolved, fuel American antagonism and talk of a new containment policy.

Chinese leaders remain wary of Russia's military capabilities. Despite growing Sino-Russian economic and political cooperation and Russian domestic instability and economic difficulties, the Russian military still possesses a massive nuclear arsenal that could threaten Chinese security. When Russia eventually stabilizes its political system, it will be

able to mobilize vast economic and human resources and reassert itself as a power in Asia. The long Sino-Russian border could once again become a source of insecurity.

There is also uncertainty in China's strategic environment in maritime Southeast Asia. Its states have been the least susceptible to Chinese influence of China's smaller neighbors. They have close economic relations with Japan and the United States, but they have minimal economic ties with China and experience little immediate pressure from the PLA. They are able to challenge Chinese territorial claims in the South China Sea, confident that China lacks the capability to retaliate. For now this situation poses no major threat to the PRC. The region is distant from China's borders, and the South China Sea serves as a natural buffer. Japan and the United States have not used their economic influence to turn the ASEAN countries against China, nor has the United States used its naval supremacy in the South China Sea to deny China commercial or naval access to the sea-lanes. But if Beijing's relations with Washington or Tokyo worsen, maritime Southeast Asia could be used in a regional effort to isolate and contain China.

7.1. CALCULATIVE STRATEGY

In recent decades, a hybrid "weak-strong" state security strategy—that combined traditional "strong-state" efforts to control the strategic periphery with elements of a "weak-state" approach employing a relatively unsophisticated, territorial defense-oriented force structure and an extensive level of involvement in diplomatic balance and maneuver—has undergone further changes, resulting in a modification and extension of the existing "weak-strong" state security approach of the modern era toward a highly "calculative" security strategy. The term "calculative," in this context, does not refer to the mere presence of instrumental rationality, understood as the ability to relate means to ends in a systematic and logical fashion and which is presumably common to all entities in international politics, whether weak or strong. Rather, the notion of "calculative" strategy is defined in substantive terms as a pragmatic approach that emphasizes the primacy of internal economic growth and stability, the nurturing of amicable international relations, the relative restraint in the use of force combined with increasing efforts to create a more modern military, and the continued search for asymmetric gains internationally. The reasons for this new strategy are ultimately rooted in the fact that China today requires high levels of undistracted growth in economic and technological terms, and hence

significant geopolitical quiescence, to both ensure domestic order and well-being and to effectively protect its security interests along the periphery and beyond.

The challenges facing China's calculative strategy, even in the near term, should not be underestimated. As indicated in the previous chapter, a variety of external and internal factors could coalesce to undermine both China's efforts at pragmatism and its desire to economize on the use of force. This could result in serious crises in a variety of issue-areas—such as Taiwan, the Spratlys, Tibet, Korea, and trade—which could compel Beijing to adopt more muscular policies toward both the United States and its regional neighbors. Assuming for the moment, however, that no catastrophic revisions of the calculative strategy are forced in the near to mid term, the "natural" longevity of this strategy then becomes an interesting question. That is, the issue of how long China's calculative posture would survive assuming rapid and continuing economic growth becomes a question of great relevance for policy because the answer to this question enables both China's regional neighbors and the United States to anticipate future changes in Beijing's attitudes and prudently prepare accordingly, Unfortunately, this question cannot be answered with any certitude, but it is possible to identify the conditions under which the calculative strategy would naturally evolve over the long term, thereby providing a basis for understanding those circumstances that portend a consequential change in China's future strategic direction.

7.2. BEYOND THE CALCULATIVE STRATEGY

If it is assumed that China's calculative strategy continues uninterrupted and without mishap for the next two—perhaps several— decades, the question of what replaces it over the long term becomes an issue of great relevance. This question becomes particularly interesting because the initial premises that underlay the strategy— China's relative weakness and its general dependence on the external environment for continued economic growth—may not continue to remain salient during this time period. Thus, if it is assumed (a) that China's economic growth continues more or less uninterrupted, (b) that this growth becomes largely self-sustaining because it has successfully shifted to an internal strategy of exploiting its domestic markets, and (c) that China's rate of growth generally remains higher than the rates of growth experienced by its competitors, the need for continued reliance on a calculative strategy would becomes less pressing because the constraints

imposed by external dependence would gradually diminish at about the time when Beijing was continuing to experience a substantial accretion of relative national power. The assumption that China's economic growth both continues uninterrupted and is higher than that enjoyed by its competitors is crucial because the issue of what replaces the calculative strategy becomes interesting only if China acquires those comprehensive national capabilities that signal a systemic disequilibrium arising from a differential growth of power among the key entities in the international system.

If China acquires this level of national capabilities—such that a power transition at the core of the global system becomes possible— what would Beijing's grand strategy turn out to be? Clearly, it is unlikely to persist with the calculative strategy because this strategy, being born primarily of weakness and dependence, will have transformed the circumstances that generated it and, thus, will have outlived its necessity and usefulness. At this point, the calculative strategy will slowly atrophy and be transmuted into another strategy that better comports with China's new power and capabilities. What would this successor strategy be? At least three alternative strategies are possible: a chaotic China, a cooperative China, or an assertive China.

7.2.1. A Chaotic China?

At least one distinguished observer has, in effect, argued that the international system will never be confronted with the challenges of such a power transition because China's emerging success will only lead to "a terminal crisis within the next 10 to 15 years." The making of this crisis, which has been described as nothing less than the "coming Chinese collapse," is seen by such observers as having multidimensional causes that span the economic, social, and political realms. At the economic level, for example, the high Chinese growth rates that could lead to a global power transition are seen to be absolutely unsustainable over time because they rely on an "extensive" strategy involving increasingly larger injections of factor inputs rather than an "intensive" strategy that exploits rapid improvements in factor productivity. Moreover, China's pace of growth is seen to incur diminishing returns over time primarily because of capital rather than labor shortages. These capital shortages would only be exacerbated because the current approach of relying on export-led growth for capital accumulation would require that the United States incur a

trade deficit of about $6,000 billion by the year 2020—almost 48 percent of its GDP—simply to sustain the present trend in China.

The dilemmas at the social level are seen to exacerbate the economic difficulties alluded to above.

The political challenges are also perceived to be both daunting and unmanageable. Despite the clear success of the Chinese economy in the past 20 years, the pessimists note that the central government has been increasingly unable to siphon off the growing wealth proportionately through taxation, thereby resulting in the new elites being able to progressively undercut the regime's own power and preferences. This problem, caused by the rise of new power centers in China with all the threats they embody for cohesion and unity, is exacerbated by fundamental disputes within the ruling regime itself.

7.2.2. A cooperative China?

A cooperative China is essentially one that became, and behaved like a Kantian entity in world politics, i.e., a liberal, democratic, polity. As any other such state, it would consider itself bound by, and obligated to pursue, standards of behavior that are conceived and defended in terms of a transcendentally grounded conception of universal human rights and mutual obligations. The core of the liberal regime is centered fundamentally on a "respect for persons," that is, a belief in the proposition that individuals are to be always treated as the subjects rather than as the objects of action. In international relations, the principle of "respect for persons" translates itself into the right of states to be "free from foreign intervention."

A cooperative China would display several distinguishing characteristics as far as international politics is concerned. To begin with, it would be generally acceptant of the prevailing international order into which it entered. This acceptance would be centered principally on the recognition that an international order that respected the rights of persons—even if initially U.S. dominated—would be in China's interests so long as it allowed for the cultivation of profitable personal and social relations that contributed to enhancing the utility and welfare of both Chinese citizens and the Chinese state.

Further, a cooperative China would strongly emphasize interdependence and collective security. These twin emphases would naturally grow—in terms of liberal logic—from both ideological and pragmatic considerations.

Finally, a cooperative China would display a conspicuous willingness to seek joint gains rather than unilateral advantage. This disavowal of the traditional strategy of seeking unilateral advantage derives simply from the recognition that no benefits accrue to such a strategy in the zone of peace.

A cooperative China in practice would be generally a status quo as opposed to a revisionist power; it would value highly continued economic interdependence and would place greater faith in institutional as opposed to unilateral solutions for security; it would abjure the use of force whenever possible, relying on it only when its physical security is clearly and presently threatened; and, it would, in all its international affairs, place a premium on the attainment of joint gains to cement the underlying interests of all the major states as opposed to merely enhancing its own. If such a cooperative China, or some version of it, is at all possible, the critical question consists of explaining how and why such an outcome would be sustained in the face of the fact that Beijing has—by now—grown in power capabilities and could well choose to behave in a far more unilateral manner, as have past great powers in world politics.

7.2.3. An Assertive China?

Although China could emerge from its calculative strategy as a cooperative power because it is steadily transformed into a liberal polity over time, it is equally possible that it could emerge as an assertive state fully cognizant of, and demanding, its prerogatives in international politics. Such a turn toward assertiveness could arise because of factors peculiar to the Chinese experience: its historical memory of past greatness and the desire to restore previous eminence; its determination to erase the painful legacy of a century of national humiliation; its desire to recreate the traditional sinocentric world order as a means of regulating the political and economic structures of super- and subordination; its belief that China's external security in the past was primarily assured by a strong state able to dominate or at the very least neutralize the strategic periphery; and so on. But, it could also arise as a result of the normal competition in world politics that compels every state to

continually seek increases in national power in an effort to preserve security. Since this competition takes place against the backdrop of "the uneven growth of power among states," it should not be surprising to find that rising powers often adopt assertive political postures as they struggle to restructure the existing international system to better support their own interests and claims.

The expectation that China eventually would pursue an assertive grand strategic policy—in the aftermath of successfully attaining comprehensive national strength—will not be surprising to most players of international politics, since such behavior would be fairly consistent with the conduct of previous great powers historically.

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