China’s Rise and Its Implications to Sino-US Relations

（draft）

Kejin Zhao

Associate Professor, Tsinghua University

Prepared for

Conference on China and the U.S.: New Dynamics for a Cooperative Partnership

China Institute of International Studies

8-9 August 2011, Beijing

Author contact information:
Email: kejinzhaol975@gmail.com

*This is a working draft: Please do not cite without permission of the author. Comments and suggestions are welcome!*
Introduction

In 2010, China’s overall GDP surpassed Japan’s, and China is now racing to catch up with America. As China’s economy grows and its energy demands increase, limited territorial space and natural resources will constrain China’s continued development. Thus, the primary focus of China’s strategic agenda is seeking the space and natural resources necessary for China’s peaceful rise.

Within the international community, China’s rapid rise has generated mass anxiety and even a kind of neurotic Sinophobia. Concerns about “the China threat” and China’s “arrogance” in foreign affairs appear frequently in the international media. America’s adjustment of its Asia strategy in 2010 suggests that the U.S. is seeking an effective way to deal with China’s rise. This seems to confirm balance-of-power theory, which predicts that states will ally together to maintain their security and prevent the dominance of one state in the international system.

Several issues in the Asia-Pacific region, including tensions on the Korean peninsula, discord between China and its neighbors Japan and India, territorial disputes between China and ASEAN countries over the South China Sea, and instability and unrest in Central Asia, indicate that China has little geographical room for development. At the same time, several controversial books have fueled nationalism and populism domestically, limiting the range of options for China’s foreign policy strategy. These books include C-Shaped Encirclement Theory, in which a prominent Chinese Air Force colonel argued that America has created a crescent-shaped ring of missile defense systems around China’s periphery in order to contain China, and China is Unhappy, in which several Chinese scholars asserted China’s right to become the
dominant global power.

China’s policymakers must consider these complex domestic and foreign influences as they try to develop a foreign policy strategy that will enable China to break out of its encirclement by the United States, defend its national sovereignty, and provide room for its security and development. In order to break out of its encirclement, China must take a new approach to the Asia-Pacific region, which already constitutes a kind of geo-strategic chess game. China’s diplomatic efforts in the region have become more proactive since 2003, when the Asia-Pacific region became a primary focus of China’s foreign affairs. China aims to “build friendships and partnerships with neighboring countries” and foster “peaceful, wealthy, and secure neighbors.” With the establishment and expansion of multilateral diplomatic platforms such as the Six Party Talks, the China-ASEAN Free Trade Area, the Shanghai Cooperation Organization, and the China-Japan-South Korea trilateral summits, China has taken significant steps to promote peace, stability, equality, trust, and mutually beneficial cooperation in the region.

The academic debate over the general direction of China’s foreign policy strategy, however, has not yet reached a clear conclusion. A few scholars believe that China intends to become a hegemon, a strategy which they call a “Return to the Middle Kingdom.” Some Asian scholars speculate that China intends to create a “new tribute system,” a term that refers to the system in which Imperial China received tribute from neighboring Confucian states and, in return, acknowledged the autonomy and sovereignty of those states. Some scholars support Sino-American joint governance of Asia and think that managing U.S.-China relations should be China’s top priority in the region. Others, however, oppose Sino-American joint governance of Asia, arguing that multilateral problems cannot be solved bilaterally. These scholars believe that
the Asia-Pacific regional order depends on an “ASEAN plus China, the U.S., and Russia” (also known as “ASEAN plus Three”) governing structure. Still other scholars have been influenced by international regime theory and argue that China’s Asia-Pacific strategy should move in the direction of support for and advancement of multilateral regional institutions. Some scholars advocate the continuation of the diplomatic strategy proposed and adopted by former Chinese leader Deng Xiaoping in the 1980s and 1990s, described as “concealing one’s capabilities and keeping a low profile.” These scholars suggest emphasizing economic cooperation over other goals; they believe that, in order to avoid antagonizing neighboring countries, China should only promote mutual economic prosperity and should not get involved in issues of collective security or shared values. Some scholars, though, propose political and economic integration as a way to increase structural interdependence between China and its neighbors.

But these strategies fail to fundamentally resolve the problem of China’s growing demand for space and natural resources. Strategic plans that emphasize a “Return to the Middle Kingdom” or the creation of a “new tribute system” not only conflict with the basic objectives of China’s foreign policy, but also lack any practical feasibility. They will only serve to further complicate China’s problems in the region. The so-called “Sino-American joint governance of Asia” and “ASEAN plus Three” strategies are too optimistic about America’s role in Asia and overestimate the positive intentions of America’s Asia policy. These plans do not give China the initiative to promote its own regional policy. Strategies that overemphasize institution building, mutual economic prosperity, or political and economic integration will provide limited results that will fail to meet the demands of China’s current and future growth and development. Ultimately, in formulating its Asia-Pacific strategy, China must decide where it stands along the
continuum between hegemony and mutual economic prosperity.

**China’s Internal Strategic Debates**

In China’s academic community, China’s strategy has been discussed without end. Even though domestic scholars differ in their opinions on China’s Asia strategy, they all agree that the Asia-Pacific region is of primary strategic importance to China. In my discussion of China’s internal strategic debates, I have divided these scholars’ opinions into five schools of thought: one represents the current foreign policy strategy of “keeping a low profile,” and the others differ in their perception of the regional security environment and their opinions on the nature of China’s participation in the region.

“Concealing One’s Capabilities and Keeping a Low Profile”: “Low Profile” School

The “Low Profile” school argues that the strategy of “keeping a low profile” should be maintained for a considerable period of time. Scholars of this school believe that China’s current strategy of restraint and caution in the Asia-Pacific region cannot and should not be drastically adjusted in the short term. “Concealing one’s capabilities and keeping a low profile, but accomplishing some things” has been the basic principle of China’s diplomatic strategy since the late 1980s and has not changed significantly in the past 20 years. Former Chinese Ambassador to France Wu Jianmin insists that China should continue to adhere to this policy. In May 2009, he said, “The path of China’s rise is very long, and our achievements have just begun. Deng Xiaoping’s policy of ‘concealing one’s capabilities and keeping a low profile, but
accomplishing some things’ should continue for at least a hundred years.” Wu Jianmin stresses the need for calm observation and comprehensive consideration of every situation, even when facing thorny problems like the South China Sea territorial disputes. Instead of allowing China’s present-day foreign policy to be influenced by emotions or the revolutionary mentality of the past, Wu Jianmin thinks that “the Chinese government’s restraint shows a kind of self-confidence.” This is the dominant opinion in Chinese policy circles. On October 26, 2004, Zhang Baijia of the Party History Research Center of the CPC Central Committee published an article in the Guangming Daily titled “On the Practice of an Independent and Autonomous Foreign Policy of Peace.” Minister of Culture Cai Wu and former ambassador Wang Yusheng have also voiced their approval of “an independent and autonomous foreign policy of peace” and support for maintaining a low profile in the Asia-Pacific. In a March 2006 article in the Study Times, Cai Wu argued that, no matter how great China’s accomplishments, China should maintain a modest and cautious approach to foreign affairs. In 2001, Qu Xing published a famous article in the Journal of the People’s University of China, arguing that China should not take the lead or antagonize others in the international community, but instead should continue its policy of “keeping a low profile.” Deputy Director of the School of International Relations at People’s University of China Jin Canrong and Director of Peking University’s Department of International Politics Li Yihu insist that China will achieve more if it continues its policy of “keeping a low profile”; thus, China should not be in a hurry to change its foreign policy strategy.

Overall, the premise of the “Low Profile” school is that China’s national power is still insufficient to support a larger presence in the Asia-Pacific. Any change to the strategy of “concealing one’s capabilities and keeping a low profile” could trigger efforts by neighboring
states to contain China, thereby destroying China’s strategic opportunity to modernize and ultimately threatening the resurgence of the Chinese nation. However, this argument has underestimated the rapid rise in China’s international position following the global financial crisis at the same time as it has overestimated the effectiveness of “keeping a low profile” in eliminating Western countries’ doubts about China. Many scholars think that as long as China maintains reserved posture, China’s peaceful development will not encounter any obstacles. Obviously, this perspective fails to fully acknowledge the nature and severity of the challenges and problems that China faces in its foreign affairs. Thus, the strategy of “keeping a low profile” is relatively conservative.

“Expansionist” School

The “Expansionist” school argues that the scope of China’s foreign policy strategy should expand, or become more active and participatory, as China’s relations with Asia change. China’s strategic thinking on the Asia-Pacific should become more innovative in order to adapt to China’s need to participate in regional cooperation and integration.

As China enters the process of Asian regionalization and rises on the international stage, a few scholars have expressed different opinions on the strategy of “keeping a low profile.” In an interview with the 21st Century Economic Report, China Foreign Affairs University Party Secretary Professor Qin Yaqing proposed that China strike a balance between “keeping a low profile” and “accomplishing some things.” Even though “keeping a low profile” is still necessary, the adjustment and reform of today’s international institutions demand China’s participation, which depends to a large extent on China’s willingness to cooperate. Therefore, China must
prepare to respond to this change and adopt a responsible attitude in certain areas. On the question of cooperation in the Asia-Pacific region, Professor Qin emphasizes “pragmatic functionalism,” “cooperative multilateralism,” and “open regionalism”: China should actively promote both bottom-up and top-down regional cooperation and expand its regional strategy. Obviously, this kind of expansionist strategy is based on the strategy of “keeping a low profile.”

In contrast to cautious Professor Qin, Wang Yizhou proposes a transformation in China’s strategic thinking on diplomacy, articulated in *The New Heights of China’s Diplomacy*, “Factor Analysis of the Impact of China’s Diplomacy,” and *Sixty Years of China’s Diplomacy*. Wang thinks that China’s foreign policy should expand to more areas and is now undergoing a quiet revolution or revolutionary transformation. The general trend is to “put people first” and focus on international cooperation, with the understanding that international society can be an important source of support for Chinese foreign policy. Wang Yizhou’s argument is representative of the expansionist strategy, supported to differing degrees by scholars like Peking University professors Wang Jisi and Ye Zicheng, as well as Tsinghua University’s Hu Angang and the Central Party School’s Men Honghua. In *World Politics—Views from Chinese Scholars on China’s Diplomacy* and *China International Strategy Review*, Wang Jisi compiled essays on the adjustment of China’s foreign policy strategy. In these essays, many scholars argue that China should adapt its diplomatic strategy to the global situation and provide strategic support to the concept of a “harmonious worldview.” They also advocate strategic research that focuses more on the question of “what to do” than “what to say.” On the question of China’s strategy in the Asia-Pacific, Wang Jisi argues that regional integration does not necessarily imply deeper regional cooperation.
In *China’s Grand Strategy and The Development of Land Rights and the Rise and Fall of Great Powers*, Professor Ye Zicheng more clearly emphasizes a strategy that puts China’s land rights first. He says that China must own sea, air, space, and network rights that are compatible with and able to protect its land rights, but China should protect its land rights first and then address its sea, air, space, and network rights. In *China’s Grand Strategy and The Second Transition: Constructing the National System*, Hu Angang and Men Honghua put forward the strategic concept of a “wealthy and powerful nation” and propose changing China’s Asia-Pacific strategy to one that emphasizes active planning and taking initiative.

Clearly, scholars of the “Expansionist” school see changes in the nature and structure of China’s participation in Asian regional cooperation and recognize the complex demands of China’s strategic adjustment. These academics emphasize that China’s Asia strategy should expand to the areas of the economy, society, humanities, and environmental protection, and they have suggested new strategies for regional cooperation. These perspectives are very astute, but unfortunately, research on these ideas has only just begun; thus, this school’s conclusions must undergo further research and development.

“Integrationist” School

Members of the “Integrationist” school believe that China should take the initiative to integrate itself into Asia, since both China’s rise and Asia’s rise are inevitable. China should create an Asia strategy that will encourage existing powers to accept China and will allow China to achieve its peaceful rise.

Since the 1990s, Professors Shi Yinhong and Cai Tuo have actively promoted China’s
integration into Asia and the world. People’s University of China professor Shi Yinhong argues that, in the context of globalization, China must adhere to the strategies of “hitchhiking” and “surpassing” in its pursuit of security and development. The so-called “hitchhiking” strategy takes into consideration the West’s domination of world affairs for the foreseeable future and suggests that China must make compromises in order to take advantage of the many opportunities in its environment. The so-called “surpassing” strategy demands that China participates or fights for participation in all of the international security organizations for which the expected benefits of participation are greater than the expected costs, especially if it takes on the identity of a strong Asian power in participating in, setting up, and playing a leading role in Asian regional multilateral security organizations. China University of Political Science and Law professor Cai Tuo argues that China must rationally, accurately, and comprehensively understand globalization in order to find a way to address China’s regional and global rise. Zhang Yunling, Director of International Studies at the Chinese Academy of Social Sciences, stresses that China does not want its larger regional interests and global outlook to be shackled or constrained by regional cooperation. Therefore, for the time being, China should not give too much thought to the form of its participation in the region, but should instead focus on enriching the content of regional interactions. In other words, China should “talk less about doctrines and do more practical things” by playing a greater role in proposing, organizing, and promoting interactions.

Recently, the “Integrationist” school has been very popular with a group of young scholars. One of these scholars, Shanghai Foreign Languages University professor Su Changhe, argues that China’s primary strategy should be developing regional systems to accommodate China’s

Obviously, the “Integrationist” school has a comparatively optimistic assessment of the future prospects for China’s global participation. In their strategic design, “Integrationist” scholars are more daring than “Expansionist” scholars and have suggested numerous new perspectives and new areas of emphasis; they have been especially innovative in exploring new and creative ways for China to get involved in Asia economically, socially, and institutionally. These new areas of focus, however, are more conceptual evolutions; they lack evidence obtained from academic studies and close observation. Although new points of view are constantly emerging, many suspect that they are all talk and no action—many conclusions, therefore, require further demonstration and refinement.

“Isolationist” School

The “Isolationist” school believes that, security threats are becoming more serious and external pressure on China is increasing as China participates in Asia-Pacific regional cooperation efforts. In the face of these challenges, China must remain clear-headed and continue to consolidate its regional security defense strategy.

In the post-Cold War era, some scholars think that China faces a relatively grim
international strategic environment. They stress that the strategy of keeping a low profile is insufficient to protect national security and guide China’s diplomacy; instead, they argue that China should be actively involved in shaping its own diplomatic and security strategy. After analyzing the West’s—mainly America’s—strategy toward China, Tsinghua University’s Chu Shulong argues that China does not have the interest, need, or ability to compete for a seat as the world power in the foreseeable future. China should maintain Deng Xiaoping’s foreign policy strategy of “not taking the lead.” The emphasis should be on increasing national defense capabilities, especially in the Asia-Pacific. Zhou Jianming, Director of the Institute of Asia-Pacific Studies at the Shanghai Academy of Social Sciences, thinks that China can only rely on itself in seeking national security. It must abandon its wishful thinking and face reality—as China considers its national security situation and strategy, it should proceed from the worst possible scenarios and increase its ability to handle complex strategic pressures. Nankai University professor Zhang Ruizhuang argues that peace and development are not the main concerns of the present era. In the post-Cold War era, nuclear weapons have made the threat of war more serious; China cannot let its guard down or lose morale in the face of America’s unipolar dominance. We should only speak of compromise, not of struggle; we should make concessions to achieve our aims, not give tit for tat. China must abandon its idealism and work for survival and development in the international environment; China must grasp reality and strengthen its awareness of international suffering. In China’s National Security Interests in World Geopolitics and On China’s Maritime Rights, Zhang Wenmu of the China Institute of Contemporary International Relations closely analyzes the grave international geopolitical environment that China faces and emphasizes the theory that “Great powers grow out of the barrel of a gun”—he
thinks that China will only be able to reach a certain status in the world if it relies on itself to develop strategic power, and it should be especially resolute in disputes over maritime rights.

The “Isolationist” school emphasizes the serious dangers and challenges that China faces as it rises. History and theory have taught these scholars that China cannot depend solely on America’s guidance and the cooperation and compromises of Asia-Pacific security system to protect its security and developmental interests. This opinion is common in the security field, and it has pushed scholars to reassess the security environment in designing China’s strategy in the region. By overemphasizing China’s diplomatic tendency toward isolationism and the possible negative effects of regionalism, however, this perspective suffers from the problem of overgeneralization. This school fails to consider the importance of both the foreign and domestic situations and fails to define China’s strategic options based on considerations of changes in the international system and in China’s international position. Therefore, many of its strategic conclusions deserve further discussion.

“The Prestige” School

The “Prestige” school believes that, as China's national strength grows and its international status increases, China’s diplomatic strategy must focus on enhancing China’s prestige and encouraging innovation in order to secure China’s strategic interests. In particular, scholars of the “Prestige” school propose that China should abandon its non-alignment strategy, cultivate a positive reputation in the Asia-Pacific, promote alliances with some countries, and provide military protection for its neighbors. Beginning in the early 1990s, Tsinghua University professor Yan Xuetong devoted himself to the study of China's national interests and China's rise. In his
book *China’s Rise: An Assessment of the International Environment*, he argues that China’s rise is a long historical process that can be divided into three stages—preparation, take-off, and sprint—and that a different strategy should be adopted in each stage. During the sprint stage of China’s rise, the Chinese economy will become an important global engine of production, China’s political influence will be extended worldwide, and China will assume responsibility for security beyond the Asia-Pacific region. China's foreign strategy in this period should be adjusted accordingly. In *China’s Rise and Its Strategy, The Core of Soft Power is Political Power*, and *World Leadership*, Yan stresses that the rise of China is not just a process of growth in overall national strength—China must develop a system to protect the opportunity for its rise in the long-term by, for example, nurturing domestic innovation rather than relying on ideas and products introduced from abroad. China must be prepared to take on greater international responsibility, make its foreign policy more transparent, focus more on relations with neighboring countries and European countries, and create strategies to enhance national prestige. When national prestige and economic interests come into conflict, economic interests should submit to national prestige. As China becomes increasingly powerful, it will have two choices: one option is to become a part of the West’s hegemonic regime, but that implies that China would need to change its political system and become a democracy; another option is to establish its own system, which is China’s current strategic direction.

In recent studies conducted at the Shanghai Institute of International Studies, Institute Director Yang Jiemian emphasizes the problems of strategic prestige and global support of China's international participation, and he proposes a series of new strategies to enhance China's international status. Shanghai Academy of Social Sciences Deputy Director Huang
Renwei thinks that China must actively participate in the world economy and globalization and develop a foreign strategy based on Chinese leadership in order to achieve a win-win situation for China and the world.

The “Prestige” school emphasizes the change in the overall relationship between China and the world and insists on a national strategy that will enhance China's credibility and reputation. This is a relatively safe approach to China’s strategic transition in the Asia-Pacific. If scholars can propose a road map for China’s new Asia-Pacific strategy that is based on a timely and accurate grasp of changes in the strategic environment, they are bound to have a positive and far-reaching impact on China's diplomacy.

In fact, the core issue that China’s foreign strategy faces is how to respond to the international community’s anxiety toward China. Today, the international community is most worried that once China has risen, it will become a hegemon just like, or even worse than, the United States. In the final sprint stage of its rise, China must reduce external pressure, so the acceptance and support of the mainstream international community are essential to China’s success. When the mainstream international community supports China’s replacement of the U.S. as the world's leading country, no external force will be able to prevent the ultimate success of China’s rise. Therefore, for China, the struggle is to find and adopt a diplomatic strategy that will convince the international community that the international system after China’s rise will be in their favor, at least in comparison to the present international system. Ultimately, the mainstream international community’s acceptance of China’s rise does not depend on China’s publicity, but on the design of China's foreign strategy.
Rival for Discourse Power

The idea of attaching less importance to the Sino-US relationship has been gained in traction in China recently. Some believe China’s foreign agenda should focus on China’s neighboring areas, others believe that Beijing could take advantage of the difference between the Europe and the US in dealing with the global and regional policies. These ideas may vary, but at their core, both sides believe that China can bypass the US and strengthen its strategic strongholds through diplomatic means.

I would like to say that these views, to one degree or another, are based on incorrect readings of trends around the world. These views were also the result of a superficial understanding of the US and the US’ status in the world.

My view is that over the long haul, the US is still a crucial factor that China cannot ignore or bypass in its diplomatic agenda. The Sino-US relationship plays a direct and even decisive role in China’s future.

As the world embraces globalization and the great revolution of technological innovation, both China and the US benefit a lot from these two trends. With its technological advantages, the US once has been the only superpower in the world. Although the Iraqi war and the global financial crisis have weakened it, the US’ status as the world’s No 1 nation remains and can hardly be challenged fundamentally.

As a large emerging and developing country, China boasts some advantages at the low- and-medium end of the global industrial chain. Thanks to globalization and advancing levels of technology, China’s exports and economy have grown rapidly. Its comprehensive strength is
increasing. The US needs China’s support on lots of global issues and this trend cannot be reversed in the long run. On the other hand, what China need the US on many issues is still more than what the US need China in the coming years. For the sake of pushing forward modernization, the most important priority of China’s strategic agenda, China can’t just ignore the US on international issues such as anti-terrorism, the financial crisis and climate change as well as regional issues such as Iran and the Democratic People’s Republic of Korea.

Meanwhile, as a historical wisdom by the US, taking strict precautions against potential challenger around the world is the existing grand strategy of the United States. Once China becomes the second economic entity in the world in 2010, nearly every administration of the US will definitely make every endeavor to confine China’s rising. Indeed, where China’s power is seen, there will also be the US’ touch of influence. When China strengthens its diplomatic efforts, the US is unavoidable.

As a result, taking the globalization and the strategic interaction between China and the US in consideration, the essence of the Sino-US relationship is a healthy competition and at its core is strength. The basis and precondition of the relationship are a series of regulations and rules; the only way for this relationship to thrive is through cooperation. In the future, the Sino-US relationship could expand by extensively cooperating with each other and adhering to the rules of the game.

But there are also two precarious tendencies. One is that the two nations hold the inappropriate strategic thought of adversaries. In both China and the US, there are some restless souls. In the US, saying good things about China will be scolded as kowtowing to Beijing. In China, those who exaggerate the threat from the US are lauded as patriots but those who do
not point their fingers at the US are scolded as traitors. Put quite simply, it is easy to accuse each other but difficult to understand each other. If this tendency accelerates, a war between China and the US looks inevitable.

The other thought neglects competition between the two countries. Some people, who have pinned high hopes on the Sino-US relationship, hold overly optimistic views and underestimate Washington’s ability to make changes quickly. These are unrealistic diplomatic goals. In simple, the US’ diplomatic ties with China is, at best, a tradeoff of interests. Competition will be a long-lasting theme between the two nations that have different cultures and values. Neglecting competition between the two is a naive thought.

All in all, Relations between China and the US will proceed on a sound and positive track so long as the two nations are not worried about healthy competition between each other, work toward cooperation and properly handle diplomatic strategies toward each other. Relations with the US will for a long time play a determinative role in China’s development.