

## **Sino-American Relations: A Work in Progress**

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### **Sino-American Relations: From Competitor to Partner**

In the past two years, U.S. relations with China have undergone a dramatic transformation. The war on terror, the reconstruction effort in Afghanistan, simmering tensions in South Asia, the Iraqi WMD challenge, and, most recently, the North Korea nuclear surprise have provided a compelling strategic dimension to the bilateral US-Chinese relationship, enabling Washington and Beijing to coordinate and cooperate in ways that few thought possible under the presidency of George W. Bush. Not since the Cold War has security issues occupied such a central place in Sino-US ties.

Indeed, although the Bush administration came to power condemning its predecessor's policy of building a constructive, strategic partnership with China, more concrete progress has been made toward that goal under President Bush than under President Clinton. This is remarkable, given that Bush and his advisors termed China a strategic competitor during the presidential campaign and advocated strengthening American alliances in Asia and developing relations with India to counterbalance China and constrain Beijing's ability to pursue policies that would negatively affect U.S. interests.

Since the resolution of the EP-3 incident in April 2001, relations between the US and China have been on a gradual, yet certain, upward trend. The tragedy of the terrorist attacks on the United States that year provided enormous impetus. In the wake of the September 11 attacks, U.S. policymakers recognized that the potential threat to American interests from China was remote by comparison to the immediate dangers posed by Al-Qaeda plots, Iraq's refusal to disarm, and, more recently, North Korea's withdrawal from the NPT and possible nuclear fuel reprocessing. Bush administration officials – most importantly, the president himself – acknowledged the need for Chinese cooperation in the war on terror and related

security matters. By early 2002, National Security Adviser Condoleezza Rice listed China publicly among those “major powers” with which the United States would seek to work to fight the common strategic threat of international terrorism. *The National Security Strategy of the United States of America*, issued in September 2002, listed China among the “potential great powers” where “hope [exists] that a truly global consensus about basic principles is slowly taking shape. The document also expressed U.S. intention to seek “a constructive relationship with a changing China.”<sup>1</sup>

September 11 created a positive set of issues on which US and Chinese officials could consult and coordinate, including: 1) stemming the proliferation of weapons of mass destruction and their means of delivery; 2) sharing information on terrorist networks; 3) thwarting terrorist money laundering; and 4) enhancing protection for shipping through the container security initiative, which Beijing is poised to join in the coming months. Regular official consultations on these matters -- as well as on economics and trade, human rights and strategic concerns such as the Middle East and North Korea -- has become an unexceptional norm in the bilateral relationship.

China, for its part, quickly seized upon the opportunities presented by the reorientation of American strategy precipitated by the September 11 terrorist attacks. Beijing grasped the vital importance of an improved Sino-U.S. relationship to China’s economic and political future and opted to subordinate other policy objectives to that larger purpose, at least for the short to medium term. Good ties with the United States provides a major source of markets, capital investment, technology, and know-how, all of which helps drive the Chinese modernization process forward. Stable U.S.-China relations is also the key to maintaining a secure international environment, which China requires to focus on its pressing domestic challenges -- political succession, mitigation of the dangers arising from the massive burden of non-performing loans and a potential banking crisis, curbing rising unemployment, ameliorating growing social and regional inequality, combating rampant official corruption, and dampening popular unrest.

Just as important, Chinese leaders concluded that a confrontational approach to Washington was more likely to provoke tough responses than conciliatory gestures. Beijing has determinedly sought to avoid friction with the Bush administration. This has been evident in its handling of bilateral issues such as proliferation and human rights, as well as multilateral issues such as Iraq. Even on Taiwan, where U.S.-Chinese differences remain sharp, China has attempted to seek common ground, emphasizing shared interests in a peaceful solution and opposing Taiwan independence. Moreover, Beijing has substantially toned down its anti-hegemony rhetoric, which was irksome to Washington. And as part of a new approach to the United States, China began to take the initiative to address American concerns about proliferation and contribute in meaningful ways to the war on terror. This

was unprecedented and it facilitated the shift to a more cooperative stance in Washington's policy toward China.

A key judgment of China's 16<sup>th</sup> Party Congress held in November 2002 was the need to seize the 'twenty year period of strategic opportunity' presented in the early 21<sup>st</sup> century to promote China's economic development. This conclusion is based on China's assessment that Washington and Beijing share critical and enduring security interests and the United States is willing to accept China into the club of the world's major powers.

The improvement in Sino-American relations arguably brought greater benefits to the United States than to China in the latter half of 2001 and the beginning of 2002, as Beijing contributed to the war on terrorism by sharing intelligence and working closely with U.S. law enforcement officials to halt terrorist financing operations. Cooperation has since been more balanced and mutually advantageous, however. In August 2002, the Bush administration endorsed China's claim that at least one separatist group in Xinjiang has links to the al-Qaida terrorist network and froze its assets in the United States. The group, called the East Turkestan Islamic Movement (ETIM), was subsequently officially accorded the designation of a foreign terrorist organization.

In October 2002, President Bush hosted then Chinese President Jiang Zemin at his Texas ranch, a privilege that had been granted to only a handful of world leaders such as Russian President Putin and Britain's Prime Minister Tony Blair. During their discussion, Bush provided firm assurances to Jiang that his administration would adhere to a "one China policy" and twice stated his opposition to Taiwan independence. This was correctly interpreted by Beijing as a signal that Washington valued closer strategic cooperation with China and hoped to avoid new tensions over Taiwan, especially as it prepared to launch a military operation against Iraq. In March 2003, the Bush administration decided to not sponsor a UN resolution condemning China for its human rights abuses. The State Department spokesman indicated that the U.S. decision "was based on what we believe will best advance the cause of human rights in China with a new government in Beijing," but there is no doubt that the Bush administration was influenced by Beijing's cooperation in the war on terrorism and its relatively muted opposition to the war in Iraq.

### **America's New Security Concept and China's Response**

In the wake of the September 11, 2001 terrorist attacks, the United States' concept of security changed dramatically, centering on the need to counter threats to the U.S. homeland from terrorism and weapons of mass destruction. Although China proclaimed its long-standing opposition to terrorism and firmly placed itself on the U.S. side in the war on

terror, Beijing's view of its security environment was not fundamentally altered by the events of 9-11. Rather, it was the Bush administration's response to the terrorist attacks, including the shift in U.S. global strategy and the reaction of other nations, that greatly affected China's assessment of regional and global security.

Initially, China was worried by the stationing of U.S. troops in Central Asia, the sharp improvement in U.S.-Russian relations, the war in Afghanistan, the deployment of U.S. forces to the Philippines for a unique training mission aimed at supporting Manila's efforts to combat terrorism, and the dispatch by Japan of a destroyer to protect replenishment ships in support of U.S. troops in Afghanistan. China's concerns abated during 2002, however. Sustained high-level contact between U.S. and Chinese officials and enhanced cooperation between the two countries balanced Chinese worries about the increased deployment of U.S. forces on China's periphery and other attendant negative consequences of the war on terrorism. In addition, the release by the White House of *The National Security Strategy of the United States of America* in September 2002 reassured the Chinese that the Bush administration would not pursue a policy of unrestrained unilateralism. The document's emphasis on the importance of major power cooperation, specifically citing Russia, China and India along with NATO and U.S. allies in Asia, restored China's hope that even if a multipolar world could not be created in the near future, a unipolar world would not necessarily be damaging to Chinese interests.

At the same time, China viewed with concern the NSS declaration that the U.S. "will not hesitate to act alone, if necessary, to exercise our right of self-defense by acting preemptively against such terrorists, to prevent them from doing harm against our people and our country."<sup>2</sup> The war in Iraq exacerbated Chinese apprehension about the new U.S. strategy of preemption and continued unilateralist tendencies in Bush administration foreign policy. Officially, Beijing largely muted its criticism of the U.S. conduct of the war in accordance with its overall policy guideline of seeking to expand cooperation and avoid confrontation with the United States. Nevertheless, Chinese institute experts remain worried about the future direction of U.S. foreign policy and military strategy and their impact on Chinese security interests. To cite an example, my co-presenter on today's panel, Yang Jiemian, vice president of the Shanghai Institute of International Studies, recently wrote in Shanghai's *Jiefang Ribao* that the U.S. attack on Iraq was an "assault on the existing international order" that marginalized the United Nations and NATO. Yang warned that "the positive trend of the benign complementary relations among major powers that was established by the United States after the 11 September incident is now facing possible reversal."<sup>3</sup> His opinions reflect growing uncertainty among Chinese military strategists and international relations experts about the post-Iraq world order, and rising concern about the prevailing imbalance of power and the limited ability of other countries to effectively restrain the United States from pursuing unilateralism and taking preemptive measures.

Washington and Beijing have come closer in their views on the dangers posed by proliferation of weapons and mass destruction and ballistic missiles, although Beijing still does not attach as high a priority to these threats as Washington does. In August and October 2002 China signed into law new regulations controlling the export of missile technology, chemical weapons precursors and technology, and biological agents. The formulation and promulgation of these new export controls demonstrates Beijing's resolve to cooperate with Washington in the war on terror to bolster bilateral China-U.S. ties. The U.S. remains skeptical, however, that the Chinese government will follow through and develop the capacity to implement and enforce the new regulations. Thus, while there is diminished friction in Sino-U.S. relations on nonproliferation, it remains to be seen whether the two countries will ever share a comparable commitment to controlling the export of technology that can be used to produce weapons and mass destruction and associated means of delivery.

For the time being, Beijing has chosen not to directly challenge the prevailing security setup in the region based on U.S. alliances. Indeed, Chinese leaders continue to reassure the United States that China welcomes the U.S. presence in the Asia-Pacific and does not seek to expel American forces from South Korea or Japan. China periodically touts its new security concept, which emphasizes the need for a mechanism based on mutual trust, mutual benefit, equality and cooperation, but has ceased criticizing U.S. alliances as "Cold War relics" that should be dissolved.<sup>4</sup>

Missile defense remains an issue that will need to be wrestled with. The Bush administration is staunchly committed to an early deployment of missile defense systems, beginning in 2004, even though research and development programs are incomplete. China continues to oppose missile defense as destabilizing and its response to U.S. missile defense plans are as yet unknown. Undoubtedly, Beijing will work to ensure that any U.S. system developed will be unable to negate Beijing's ability to launch a retaliatory second strike. This will likely include the deployment of a larger numbers of land- and sea-based long-range ballistic missiles with improved range, accuracy, survivability and penetration against a missile defense system. China will also respond to the deployment of missile defense systems by Japan and elsewhere in the Asia-Pacific region. The possible acquisition by Taiwan of more capable missile defense systems from the United States will inject new friction into Sino-American relations and will pose a challenge to Chinese policymakers.

### **The North Korean Nuclear Weapons Challenge**

North Korea's nuclear weapons programs have emerged as the biggest potential threat to regional security for both Beijing and Washington. Managing this security challenge poses

both opportunities and dangers for Sino-American relations. China and the United States undeniably share a vital interest in preserving a non-nuclear North Korea and avoiding military conflict on the peninsula. Nevertheless, U.S.-Chinese cooperation in assuring the maintenance of a nuclear-free North Korea faces difficulties and challenges. In the initial months after the revelation of Pyongyang's clandestine uranium enrichment program, China joined the U.S. in condemning North Korea's announced intention to withdraw from the Nuclear Non-Proliferation Treaty and voted in the IAEA to refer the issue to the UN Security Council, but Beijing remained reluctant to put pressure on Kim Jong Il to agree to Washington's proposal to hold multilateral talks. Instead, the Chinese opted to carry Pyongyang's water, stressing that the crux of the problem was between North Korea and the U.S., based on their calculation that it was easier to persuade Washington to back down than it was to convince Pyongyang to agree to join in a multilateral dialogue. After months of high-level consultations with U.S. officials and several phone calls by President Bush to Chinese leaders, Beijing realized U.S. resolve and shifted to trying to persuade North Korea that its interests could be protected in a multilateral setting.

China's stepped up efforts – combined with the relatively quick and decisive U.S. victory in Iraq, which likely raised North Korean fears that it would be the next target – resulted in Pyongyang dropping its demand for a non-aggression treaty from the United States and accepting three-way talks among the U.S., China and North Korea. The Bush administration credited Beijing with obtaining North Korea's acquiescence to engage in multilateral discussions, further boosting Sino-American ties. The next step is the development of a roadmap by the U.S. and China that achieves the Bush administration's objective of complete and verifiable elimination of North Korea's nuclear weapons facilities and the removal of all weapons-grade material from the peninsula. That task will not be an easy one. For the time being, U.S. and Chinese interests and approaches seem to converge, but upon close examination, Beijing and Washington have differing priorities and divergent perspectives on how to resolve the impending crisis that will complicate, although not necessarily impede, successful cooperation.

First, Beijing places its highest priority on maintaining a stable North Korea, and avoiding measures that would escalate tensions, possibly provoke more reckless behavior from Pyongyang, and unnecessarily destabilize North Korea and the strategic buffer it provides for Chinese interests. Any action that might cause the collapse of the North Korean regime, producing a flood of refugees into northeast China and chaos on the peninsula rings alarm bells in Beijing. The crumbling of the North Korean regime would also bring uncertainty about the strategic alignment of the successor government. China already faces a sizeable presence of illegal North Korean economic migrants who seek food and better opportunities across the border in ethnic Korean parts of northeastern China. By some estimates, there may be as many as 300,000 North Koreans illegally residing in China. That number, and

the challenges they pose to Chinese local and central authorities, would rise exponentially were North Korea to devolve further into economic, social, and political chaos.

In Washington, the preservation of stability in North Korea takes a back seat to the goal of removing the threat of WMD from the peninsula. Since September 11, there is acute appreciation of the dangers posed by both conventional and unconventional means to the United States and there is far greater willingness than ever before to undertake risks to eliminate those threats. In some quarters there is even discussion about the need to bring about regime change in North Korea. President Bush speaks often, both publicly and privately, of his loathing and contempt for North Korean leader Kim Jong Il because he starves his people and devotes a vast portion of the country's limited resources as well as foreign humanitarian assistance to fortifying his military, catering to the elite and outfitting his personal playboy lifestyle.

As noted above, the U.S. preemptive strike strategy, and its application to Iraq, has heightened concerns in China that once American forces have completed their military objectives in the Middle East, the Bush administration might use force to attack the plutonium production and reprocessing facilities at Yongbyon as well as the suspected HEU production sites. The U.S. reluctance to provide security assurances has fed skepticism in Beijing about America's peaceful intentions toward North Korea. American officials have quietly warned the Chinese that the U.S. really is crazy enough to attack North Korea in the hope that by inciting Chinese fears they would persuade Beijing to put greater pressure on Pyongyang to come to the multilateral negotiating table. Reports that Chinese officials hardened their stance in discussions with Pyongyang and temporarily suspended oil supplies to North Korea for several days in February citing "technical problems," suggest that this tactic may well have proven effective.

A second difference between the United States and China regards their respective relationship with North and South Korea. The United States is deeply committed to its alliance with South Korea, but has virtually no relationship with the North and attaches little importance to developing one. By contrast, since the normalization of Beijing-Seoul relations in 1992, China has carefully – and largely successfully – balanced its relations between both North and South, with the long-term aim of reasserting Chinese influence over the Korean peninsula. Although ties between Beijing and Pyongyang are nowhere near as close as "lips and teeth," as leaders of the two countries frequently described them in the years following the Korean War, Sino-North Korean ties remain amicable. While their bilateral relations have been recently strained over issues such as North Korea's continued repudiation of Chinese-style economic and political reforms, North Korean refugees flowing across the border in search of a better life, and Pyongyang's effort to set up a special

economic zone close to China's border without consulting Beijing, the two countries' leaders have assiduously avoided an open rift.

Third, China believes that coercive pressure on North Korea will be counterproductive; it is more likely to provoke Kim Jong Il to up the ante rather than moderate his behavior. Beijing opposes sanctions in principle. China has been a target of sanctions all too often, doesn't view North Korea as susceptible to material pressure, and doubts that sanctions will not produce more cooperative North Korean behavior. U.S. officials are divided on this issue. Some believe that the imposition of economic sanctions by all of the DPRK's primary trading partners and benefactors, including China, would send a strong signal of the determination of North Korea's neighbors. The Bush administration supports a presidential statement by the members of the UN Security Council condemning North Korea's withdrawal from the NPT and demanding the return of IAEA inspectors to the Yongbyon facilities. The Chinese have thus far resisted such a step, believing that it would result in a subsequent push for the imposition of economic sanctions.

Fourth, China and the U.S. disagree about North Korea's intentions and capabilities. Beijing is dubious of the U.S. assessment that North Korea already has a nuclear device and will soon be capable of producing dozens of nuclear weapons. The Chinese believe that Kim Jong Il will agree to bargain away his nuclear programs for the right combination of economic assistance, diplomatic acceptance and security guarantees. The United States is far less sure of North Korea's intentions. In addition to the possibility that the DPRK is willing to bargain away its nuclear programs, U.S. officials see two other possibilities: that North Korea is determined to have an nuclear deterrent or North Korea's plan is to pretend to give up its nuclear programs, while in reality covertly continuing its efforts. The Bush administration views the 1994 Agreed Framework as a dead letter and will demand intrusive verification measures to ensure the dismantling of North Korea's known nuclear weapons programs. Beijing continues to value the Agreed Framework as a "hard won" agreement between the two sides and would readily agree to return to the status quo ante.

### **A Test of Sino-US Relations**

The North Korean nuclear weapons issue may be an important test of U.S.-Chinese relations. Successful cooperation between Washington and Beijing to remove the threat of nuclear weapons from the Korean peninsula and chart a course for achieving a permanent peace on the peninsula would bolster the nascent U.S. partnership with China. Although other bilateral problems would persist, including in the areas of trade, human rights, non-proliferation and Taiwan, differences on these issues would become easier to manage as a result of increased mutual strategic trust. Beijing's willingness to take risks in support of shared security objectives would ease American suspicions that China seeks to divide the



U.S. from its allies and expel U.S. forces from Asia. It might set the stage for broader cooperation to establish an enduring multilateral security mechanism in Northeast Asia. Bilateral cooperation in the war on terror would likely flourish. China might even adopt a more flexible posture toward Taipei and take steps to reduce cross-Strait tension.

On the other hand, in their talks with Pyongyang, Washington and Beijing could quickly reach serious disagreement on the difference between carrots and sticks, and when to apply either. A failure of the dialogue to produce a roadmap to resolve the crisis could result in new escalatory steps by Pyongyang. If North Korea follows through on its threat to reprocess spent nuclear fuel rods, that will pose the threat of proliferation of weapons-grade material by sea or across China by land or air, which would create new friction in Sino-American relations. If North Korea conducts a nuclear test and declares itself a nuclear-armed state, China will be blamed as contributing to or even shouldering responsibility. A push for sanctions or the use of military force by the Bush administration would likely produce a sharp rift between the U.S. and China. Critics of Beijing who remain skeptical of the value of Sino-U.S. cooperation would seize the opportunity to attack the Bush administration's China policy.

### **Looking to the Future**

In both the United States and China, there are debates about the sustainability of recent progress in Sino-American relations. The optimists believe that the adjustment in Sino-American relations is strategic, not tactical. Proponents of this view assert that the war on terror will endure for many years, if not decades, rendering unlikely the re-focusing of the United States on the potential threat from an emerging China. The optimists also contend that effective cooperation between the U.S. and China in combating terrorism, curbing proliferation of WMD, preventing the nuclearization of the Korean peninsula, and on other security matters will assuage doubts that exist in both countries about the other's long-term intentions. Moreover, those who are confident that good Sino-American relations will endure argue that bilateral economic and trade ties will continue to deepen and the web of interdependence will expand.

Those who are skeptical that Sino-U.S. relations will remain on an upward trajectory view the adjustment in the bilateral relationship as superficial and transitory. They emphasize the persisting divergence in U.S. and Chinese national interests and doubt that shared concerns about terrorism and other security threats can obscure deeper strategic differences for very long. Differences cited by skeptics include respective U.S. and Chinese views of: 1) the international world order; 2) the security mechanism in Asia; 3) the function of U.S. alliances; 4) the deployment and employment of U.S. military force; 5) the basis of deterrence and the role of missile defense; and 6) how to avert conflict in the Taiwan Strait.

In addition, these experts say, an unforeseen bilateral, regional, or international crisis could quickly unravel the gains in what remains a fragile relationship.

In my view, Sino-American relations is still a work in progress. It is premature to conclude whether the nascent cooperation between Beijing and Washington is in fact going to provide the basis for a long-term strategic partnership or will simply prove to be a short term tactical arrangement that suited the needs of both countries at a particular point in history. One thing is certain, however. The prerequisite for a true strategic partnership is the building of mutual strategic trust, which is still lacking in Sino-U.S. relations. The steps that the U.S. and China take in the coming months and years will decisively determine whether suspicions about each other's long-term strategic suspicions diminish or intensify, which, in turn, will decide the future of the bilateral relationship.

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<sup>1</sup> *The National Security Strategy of the United States of America*,  
<http://www.whitehouse.gov/nsc/nss.html>.

<sup>2</sup> Ibid.

<sup>3</sup> *Jiefang Ribao* (Internet), April 14, 2003, Foreign Broadcast Information Service, April 15, 2003.

<sup>4</sup> China's new security concept was put forward most recently at the 2003 Conference on Disarmament by Chinese Ambassador Hu Xiaodi. Xinhua, March 31, 2003, FBIS, March 31, 2003.