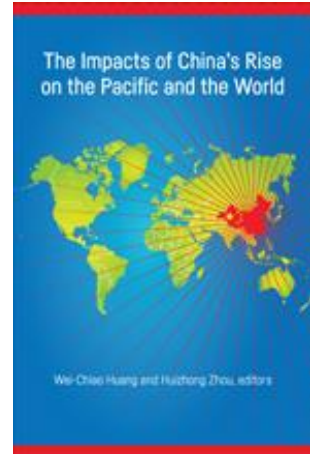


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2

The United States and the China Challenge

Murray Scot Tanner
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It is hard to dispute the judgment of Princeton scholar and former Deputy Assistant Secretary of State Dr. Tom Christensen that “China’s return to great power status is perhaps the most important challenge in twenty-first century American diplomacy” (Christensen 2015, p. 1). Because of China’s decades of rapid economic growth, and its investment of that growth in expanding its diplomatic and military power, there are now very few issues in U.S. diplomacy in which China does not play a major role. During meetings between Chinese Communist Party General Secretary Xi Jinping and President Obama, notably their 2015 Washington Summit and their 2016 meeting during the Nuclear Security Summit, the two leaders have wrestled with important issues of cooperation—such as climate change and responding to North Korea’s nuclear weapons and missile tests—while confronting equally important issues of competition and confrontation—such as territorial disputes in the South China Sea and threats to cyber security (Tanner 2016).

This chapter explores five underlying factors in the U.S.-China relationship that pose particularly strong challenges for the United States:

- 1) China’s rapidly expanding national interests and its increasing power to assert and protect them,
- 2) China’s governance problems and their challenge to cooperation,
- 3) China’s thinking about security and the challenge of building U.S.-Chinese “strategic trust,”
- 4) the challenge of mobilizing U.S. allies and partners, and
- 5) the challenge at home.

CHINA'S RAPIDLY EXPANDING NATIONAL INTERESTS AND BEIJING'S POWER TO ASSERT THEM

Driving the emergence of many new or deepening challenges in U.S.-China relations has been China's expanding national security interests—both within its region and globally—and Beijing's growing capacity to assert or protect them. China's emerging interests result mainly from its three decades of sustained economic growth and expanding economic, diplomatic, and military power. China's leadership, at its core, remains committed to an established set of long-standing, key security interests—most notably protecting Chinese Communist Party rule, maintaining social stability, sustaining economic and technological growth, and protecting China's national unity, sovereignty, and territorial integrity. But the front lines of these existing interests are expanding beyond East Asia, and China has increasingly demonstrated its growing concern over at least six emerging arenas of national security interest (Tanner and Mackenzie 2015):

- 1) Maintaining energy security, especially access to petroleum and natural gas through the Indian Ocean region and Russia and Central Asia.
- 2) Protecting China's expanding overseas investments and the millions of expatriate Chinese workers in unstable environments abroad.
- 3) Asserting and protecting China's expanding maritime security interests—its territorial and resource claims in the South China Sea and East China Sea, and its access to trade, investments, and resources in “distant seas” regions via strategic lines of communication, such as Malacca, the Persian Gulf, the Horn of Africa, and increasingly the Arctic.
- 4) Protecting China's increasing economic, security, and domestic stability concerns along its west-southwest borderland regions, which are predominantly populated with ethnic and religious minority groups. These interests include China's concerns over long-running waves of Uyghur and Tibetan social discontent, but also China's strategic relations with India, Pakistan, Afghanistan, Iran, and Central Asia, and China's ongo-

ing plan to establish a new “Silk Road” of trade and investment ties.

- 5) Advancing and protecting its communications security and military security interests in the space and cyber realms.
- 6) Helping to secure a stable global environment conducive to China’s sustained development.

For the past decade, China has been engaged in a major internal discussion of how it conceives and prioritizes these interests, including debates over which interests the country can now afford to assert and protect, something it has never been able to promote in the past. Related are discussions of how to develop and employ new strategies, tactics, and resources to assert and protect these interests—including diplomatic, economic, law enforcement, administrative, cyber/informational, intelligence, and military resources. As one part of this, the People’s Liberation Army’s (PLA) doctrinal writers have been hard at work with China’s leaders establishing what the role of the military should be, and how and in what ways the PLA should extend its previous missions of deterrence, border defense, and internal security to assert and protect China’s emerging interests abroad.

Many of the most sensitive issues that have taken center stage in recent U.S.-China summits, bilateral dialogues, and multilateral meetings have been driven not only by enduring Chinese security interests but also by China’s desire to assert and protect these emerging security interests. These include

- reported Chinese cyber espionage cases, most prominently, the reported massive theft of data from the Office of Personnel Management records;
- China’s increasing use since 2009 of maritime law enforcement, administrative, military, land reclamation, investment, and other means to assert its still not well-defined sovereignty and resource claims in the disputed areas of the South China Sea;
- the increasingly difficult environment for U.S. businesses in China, especially the legal pressure on foreign high-tech firms to permit government access to proprietary technology and client records; and

- human rights issues, including widespread detentions of human rights attorneys and the arrests of Chinese Uyghurs as part of a crackdown on ethnic separatism, extremism, and social violence.

China's expanding interests also define a large and growing number of arenas in which the United States and China share overlapping but not necessarily identical interests that also make the relationship's challenges increasingly complex. The range of issues on which the two countries actively cooperate continues to widen along with China's global presence. In the past several years, as part of the countries' signature cooperative dialogue—the Strategic and Economic Dialogue—the U.S. State Department has released a list of more than 100 dialogues and other joint projects or endeavors in which China and the United States consult and cooperate. The list truly runs the full range of security, environmental, trade, financial, homeland security, and other areas, and involves engagement across nearly every consequential government agency in both countries. Two noteworthy firsts from 2015 illustrate this trend:

- 1) The PLA Navy, at the invitation of the U.S. Pacific Command, for the first time took part in the world's largest biennial naval exercise, the Rim of the Pacific exercise (RIMPAC), along with the United States, Japan, India, and many other countries.
- 2) Homeland Security Secretary Jeh Johnson became the first Department of Homeland Security secretary to visit China, where he met with Chinese representatives and spoke at the Chinese People's Public Security University, China's leading police staff college.

CHINA'S GOVERNANCE PROBLEMS AND THE CHALLENGE TO COOPERATION

Another complex challenge for the U.S.-China relationship is that China's economic and political linkages around the world are so expansive that, for many global issues, it is not sufficient just to have China's public support to address key international problems. Increasingly, China's international partners, including the United States, must also work

with Beijing to urge it to develop and strengthen its governance institutions and policy-implementing capacities, and get China to demonstrate sustained resolve in actively supporting and enforcing a wide array of international solutions.

U.S. officials who deal with China find that all too often, even if leading authorities in Beijing nominally support certain international norms, agreements, or arrangements, China's capabilities to enforce, implement, or oversee its commitments may be inadequate. These governance and implementation problems may be sufficient to hold back or undercut international security or enforcement arrangements or other agreements. Notwithstanding the acquiescence of national authorities in Beijing, Chinese local officials, state companies, or Chinese market trends often control more than enough resources or capabilities to undermine some international problem-solving efforts, as long as Beijing does not, or cannot, actively and effectively enforce its international commitments. This is a challenge with respect to a wide range of issues in U.S.-Chinese cooperation and can occur through many channels.

For example, Chinese corporate actors knowingly—or even unconsciously—may sell technology and components to troublesome international actors in disregard of international efforts to cut off these flows. In 2015, the United States and China resumed their dialogue on counterterrorism. One of the central U.S. concerns was urging China to study and pursue international best practices in controlling the precursor chemicals, materials, and technologies for manufacturing improvised explosive devices, in part to prevent the possibility that China's vast computer and chemical industries might become conduits for these items finding their way to extremist groups in countries on or near China's borders. Despite strict on-paper regulations for the handling of dangerous chemicals, Chinese authorities do not believe that these regulations are often enforced adequately—a fact that was horrifically underscored by the tremendous chemical warehouse explosion that took place in the port of Tianjin on August 12, 2015, claiming at least 173 lives. Chinese local officials, moreover, often have far less powerful incentives to enforce regulations on goods that merely exit, or transit through, their areas of jurisdiction.

In another example, Chinese state companies have the financial capacity to undermine international sanctions regimes through their continued purchase of a target country's exports. In 2015, for example,

a critical step in enforcing the economic sanctions against Iran and its nuclear program was persuading China and its state petroleum companies to temporarily cut their purchases of petroleum from Tehran. Lurking behind the recent U.S. debate over whether to support the nuclear weapons deal with Iran is the issue of whether China (as well as Russia, India, and other major economic actors) would actively support renewed economic sanctions in the event that U.S. officials called for resuming negotiations with Iran.

The United States and other Chinese partners continue to work with China to “foster the growth of the ineffectual Chinese inspection safety bureaucracies” regarding food, consumer products, pharmaceuticals, and many other products exported from China (Christensen 2015, p. 1). The United States lacks the capacity to inspect all incoming products from China, which raises the importance of building Chinese bureaucracies that can strengthen inspections at the factory.

The United States and China’s other economic partners also have a stake in China developing more secure, transparent, and stable financial markets. In this respect, a disturbing aspect of China’s summer 2015 stock market collapse was Chinese authorities’ reported use of police investigations, threats, harassment of traders, and attacks against journalists for “rumor mongering” to quell the market downturn.

Active Chinese central government support for, and creation of, better intellectual property institutions in China are essential for protecting not only U.S. patent holders but also Chinese inventors and innovators. And while these issues are some of the oldest and most enduring U.S. institutional interests in governance reform, they have been pushed into the background by mounting reports of systematic theft of U.S. foreign corporate intellectual property by state organizations, including Internet theft.

Finally, China’s passage in 2016 of a law regarding the management of foreign nongovernmental organizations (NGOs) is also likely to undermine some of the most important private institutional means for actors from the United States and China’s other partners to promote improved governance in China on environmental and many other issues. In 2015, U.S. officials on multiple occasions had called for Chinese officials not to adopt tough new regulations that would harm the ability of U.S. and other foreign NGOs to promote better governance and social services in China.

THE CHALLENGES OF BUILDING U.S.-CHINESE “STRATEGIC TRUST”

For many years, Chinese interlocutors—when asked how best to strengthen the U.S.-China relationship—have often told their U.S. partners that the two great powers need to “overcome strategic mistrust” or “build strategic trust.” Typically, this call for developing strategic trust has been accompanied by lists of actions that the United States should take that demonstrate respect for China’s core national security interests. These proposed actions often relate to rethinking the U.S.-Asian alliance structure, ending U.S. reconnaissance flights near China’s territory, decreasing U.S. support to allies and partners locked in tensions with China (recently, in the South China Sea), or lifting restrictions on U.S. technology sales to China.

Notwithstanding these calls for U.S. actions to promote “strategic trust,” Chinese officials and analysts, in their writings and interactions with U.S. experts, often mix together at least three schools of thought about the United States’ strategic motivations for U.S. actions in the region. These philosophies suggest to this author that many in China’s elite will likely struggle to embrace a sense of strategic trust toward the United States, even if it were to make a number of the requested concessions to Chinese interests.

The first school of thought draws on China’s sense of historical grievance about its mistreatment by Western powers, including the United States, during its century of semicolonial humiliation.

The second comes from realist or neorealist thinking about international relations theory—a very strong version of “power transition theory,” which assumes that established powers such as the United States will be strongly committed to preventing the emergence of rising powers. Some Chinese analysts appear to see this forecast of power transition theory not merely as a theoretical cautionary tale, but as an inevitable historical-empirical fact that has a major impact on U.S. thinking and strategy toward China. Many appear quick to interpret a wide array of U.S. activities—from the U.S. presence in Afghanistan and Pakistan, to the U.S. rebalance to Asia, to the Trans-Pacific Partnership, and human rights advocacy—as being about China, and as tools in a U.S. effort to contain China in a network of adversaries. These assumptions

about transitional tensions are certainly a motive for one of Xi Jinping's signature policy initiatives—U.S. approval of what China calls a “new type of great power relationship” between the two countries.

The third school of thought reflects some enduring aspects of Leninist thinking: these include a strong faith that the Chinese Communist Party as an organization is uniquely qualified to strengthen China and its governance and achieve the “China dream.” A concern remains that the United States and the world's liberal democratic powers are not merely aspiring to keep China strategically contained as a power—they ultimately aspire to weaken China by bringing down its party-state system, and return China to its self-perceived “sheet of loose sand” weakness of the nineteenth and early twentieth centuries. In particular, this thinking has been discernible in China's reaction to waves of uprisings against authoritarian governments in many other regions of the world—most notably during the 1989–1992 collapse of European Leninism, during the Eurasian “colour revolutions” of 2000–2005, during the Arab Spring uprisings since 2011, and also in U.S. policy toward authoritarianism in countries such as Burma, Thailand, and Sri Lanka. The Arab Spring in particular caused a surprisingly strong “flinch” among Chinese Communist Party leaders, who were concerned that social media could further heighten unrest in China, and who responded with a strong assertion of “social management” systems.

These three schools of thought raise questions about whether the challenges of building strategic trust with China are going to be significantly more different and difficult than might be the case with other emerging powers—powers whose visions of international relations are more narrowly entrenched with traditional realist competitions over greater and lesser international power, and less so with their own individual historical-cultural concerns or global competitions between regime types.

Beyond its potential impact on strategic trust, this third Leninist turn of thought among Chinese leaders and analysts also appears likely to raise challenges to smooth future U.S.-China relations in another area. This concerns the rise over the past 10–15 years of China's efforts to protect the stability of the Chinese Communist system not only on Chinese soil but also increasingly on the sovereign soil of other countries, including the United States. There have been several reported manifestations of this trend: 1) Beijing's insistence that other countries

repatriate, extradite, or deport Chinese citizens or noncitizens facing politically tinged charges such as corruption, as well as ethnic and religious minorities fleeing China; 2) China's pressure on other countries not to meet with Uyghur or Tibetan rights activists (including of course the Dalai Lama); and 3) China's apparent increase in the past 15 years of political security investigations abroad by public security and state security officers, such as investigation and research outside the border, or "Operation Foxhunt."

THE TASK OF MOBILIZING U.S. ALLIES AND PARTNERS

A colleague of mine identifies two opposite approaches to U.S. policy toward China and its position in Asia: 1) to get policy toward Asia right, you first need to get policy toward China right, and 2) to get policy toward China right, you first need to get policy toward Asia right.

Mobilizing U.S. relationships with regional allies and strengthening relations with emerging regional partners are the most important challenges facing the United States in its dealings with China—especially allies such as Japan, South Korea, the Philippines, and Australia, nonally partner Taiwan, and partnerships such as India, Vietnam, Indonesia, Malaysia, and Singapore. Recent Chinese behavior in the South China Sea—notably its land reclamation efforts, oil exploration, and maritime law enforcement operations inside and beyond the Nine-Dash Line—have all created great new opportunities to enhance cooperation with many of these allies and partners in responding to assertive or aggressive Chinese behavior. But managing tensions in the relations between allies or partners remains a challenge—for example, bilateral tensions between Tokyo and Seoul over territorial disagreements and historical issues relating to World War II and Japanese occupation. Being strategic and selective in the management of these partner relations remains a challenge for U.S. policy. U.S. relations with Japan, for example, involves continuing to reaffirm U.S. treaty commitments to Tokyo, lauding Japan's positive role as a force for peace, development, and security in the region since WWII, and supporting its potential for expanded security cooperation under the Abe administration policies. But U.S. officials have also judged that effective management of its ties

with Japan as part of the United States' East Asia strategy has at times required distancing itself from, for example, some Japanese leaders' views of Japan's WWII conduct, which are still major sources of tension in relations with China, South Korea, and other Asian countries.

The United States will also have to continue to strike a balance between signaling a joint resolve among the United States and its allies and partners to protect common interests in response to Beijing's assertive behavior, attempting to reassure Beijing that the continued alliances and partnerships are not aimed at undermining or encircling China, and continuing to search for new areas where the United States and its allies can enhance nontraditional security cooperation with China in the region on issues such as counterpiracy, antiterrorism, and humanitarian assistance and disaster relief.

THE CHALLENGE AT HOME

Finally, when considering U.S. policies toward China and East Asia, it is necessary not only to "get China right" and "get Asia right" but also to get right several major policy issues here in the United States. A solid long-term policy toward a rising China will also require more focused U.S. attention to China in mass media, classrooms, and elsewhere—discussion that goes beyond an oversimplified debate over "China as partner/China as adversary." U.S. policy has long noted explicitly that the China-U.S. relationship will inevitably combine cooperation and competition. How the United States pursues politics at home has a major impact on its capacity to engage, cooperate with, and compete with China, and to work with its allies and partners to promote and protect regional interests. As one important example, the long-term modernization and development of U.S. Navy capabilities, which are critical to securing U.S. and allied interests in the region, require a stable, long-term approach to budgetary politics. Chinese analysts make note of tensions and obstruction in U.S. governance, and there is evidence to indicate that they interpret it as an important indicator of future U.S. capacity and commitment as a power in the Asia-Pacific.

Note

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