

China's Foreign Policy Towards Major Powers

by
Dr. Yan Xuetong

Yan Xuetong: Good evening, ladies and gentlemen, and first, let me express my thanks to the Sasakawa Foundation, which provided this very valuable opportunity to share my personal understanding about the China-U.S. relationship and the tenets of foreign policy with our distinguished guests.

I think since we are talking about China's foreign policy, we cannot only focus on the policy towards the U.S., we also must give concern about China's policy towards the other major powers, like Japan, Russia, and Europe. So today I will divide the 35 minutes into four sections and the policy towards these four powers.

Chinese Policy Towards the U.S. Guided by Goals

First, I certainly need to talk about the Chinese policy towards the U.S. And what's the goal? I think, from my understanding, China's policy towards the U.S. is guided not by principle itself, but by goals or interests. And there is really serious debate in China, and among the Chinese scholars, what conditions the relationship between the U.S. and China? And some people argue that the relationship was conditioned by the diplomatic skills, diplomatic strategies adopted by the leaders. So that really depends on how capable and wise our leaders are.

And the other group is arguing it the other way. They believe our relationship is conditioned by the interests. That means how much there are conflicting interests between us, and how much common interests we share. Since I'm affiliated with the second group, I will argue from the second approach.

Better Environment for China's Industrialization

First, from my understanding the fundamental goal of China's foreign policy is to create a better international environment for China's industrialization. In the 1980s, we used the term "for modernization," now we use the term "China revived," in the Western media they call it China's rise. So what I mean is, what kind of a country does China want to be? It's obvious that China is not satisfied with its current status as a developing country. China wants to make their country into a developed country.

And Jiang Zemin said when we become developed, we will still keep the identity as a developing country. That's really contradictory. So people may be confused by this goal. You want to be an industrialized country and a modernized country, meanwhile you will tell us you are a developing country, how can that be? So to achieve the goal of modernization, to make China become a world power, what China needs is a better international environment in favor of our economic construction. And after the Cold War, the Chinese leaders believed that the economic base, the foundation, is more important than anything else, and even more important than the military capability. So we need to concentrate this country's efforts on economic development.

Well, how can you create a better international environment for the economic goals, for the national goal, or national reconstruction? We found that we cannot adopt a confronting policy against the United States. Why? Because we consider the U.S. as the most important in the official term, and we gave the priority, the

first priority, to American policy. And American policy has the first priority in our foreign policy, and the reason for that is because the U.S. is the only superpower, the sole superpower, and the U.S. is the country that has the capability to make our environment worse or make the environment better.

And concerning other countries, the other countries may not have that capability. So that's why China focuses on its own interests, concerning international interest, concerning the need to avoid confrontation with the U.S. So if we use this official term, it's avoiding comprehensive confrontation with the U.S. What do I mean by comprehensive confrontation? Because we know we can never expect that there is no conflict between these two countries.

Potential for Conflict

On the one hand, the U.S. wants to maintain its leadership as the world leader, for a century. Meanwhile, China wants to become what we call a middle-size power, or a middle-sized developed country, but within 50 years. Unfortunately, China's population is five times larger than the United States. So if our GDP per capita reaches one-fifth of the United States, it means we have the same size economy as the U.S., so that will make the U.S. suspect. Is that plausible, for the U.S. to leave China, when China has the same size economic capability? Well, we realize that all these things will result in some conflicts.

So if we cannot avoid conflicts, if these conflicts will be there, what should we do? With the purpose to prevent these conflicts by peaceful competition, or peaceful conflicts, from becoming military confrontations. So that's what we mean by comprehensive confrontation; it means no military confrontations between China and the U.S.

Well, is that easy? It's really difficult. And whether we want to or not, sometimes there are always some accidents that will bring these

two countries into this kind of danger. You know of the bombing of the Chinese embassy in Belgrade, and you know we have the history of events, and many things. And so, what can we do about it?

First, China needs to consider how to reduce the conflicts between China and the U.S. We have conflicts, not only in terms of security, but also in politics, and in economic fields. And the first, we find, is that we have the least conflicts in the economic field. We have more common interests in the economic field, so China has adopted a positive cooperation policy towards the U.S. in terms of economics. And we need America's market, we need America's technology, and we need America's investment.

Meanwhile, we know America also needs our market, needs our cooperation to maintain the regional stability. And also we know that China bought a lot of American government bonds. Well, these things make strengthen China and U.S.'s economic interdependence. Maybe it's magic, China depends more on the U.S. rather than the U.S. depends on China. But even in the middle of last year, before September 11th, and when Powell visited China in July, when he faced the question, what is the character of the Sino-American relationship? He said our relationship in terms of the economy, we definitely are partners. He did not talk about the other fields. So China adopted a positive cooperation towards the U.S. in terms of the economy.

China's Political Reform Can Reduce Tension With U.S.

Well, what about the politics? In terms of political fields, we have a lot of conflicts, many are concerning human rights issues, political systems, ideologies, all these kinds of things. And China's policy is so clear. We do not want to argue with the U.S. about this, and we do not want to continue this finger pointing between China and the U.S., so China is trying to talk less and less. We believe, it is com-

monly believed in China, that as long as we continue the reform of our political system, mainly focused on the rule of law, then we can reduce the tension between China and the U.S. in terms of politics.

For instance, this time we find that the American media is more positive to Jiang Zemin's visit. And based on what? Based on the people's confidence with the power transfer from Jiang Zemin to Hu Jintao. And this is the first time that a power transfer in China did not bring any uncertainty. Well, a lot of people in this room may believe that democracy is very important, and the fundamental factor is the free election of the president. And then, from my understanding, there may be a lot of factors that make people feel it's necessary to have free elections.

But the fundamental factor for me is that the free election is used to legitimize the winners' authority to prevent the loser from using military powers to fight back. So the main purpose is to avoid disaster to the people, to avoid uncertainty to the society. And in the last 4,000 years, we have never solved this problem. The power transfers are always combined with the civil wars and coup d'etats, and with all kinds of things.

Confidence in Current Transfer of Power

And when Mao Zedong died, he himself even worried about a civil war. He said that "after me, there could be a civil war." And when his successor, Hua Guofeng only stayed in power for two years, and then Deng Xiaoping came into power through some way, but not election. And when Deng Xiaoping transferred the power to Jiang Zemin, there was also a lot of uncertainty, and people didn't know how long Jiang Zemin would stay in power, right?

How about this time? Everyone seems, to me, to have confidence in this power transfer. And they know Hu Jintao will stay there for two terms, and then in ten years, he will reach the age of 70, and then, according to the agree-

ment, no one will continue the leadership at that age, and someone will take over his job. And that guy will stay in power for another ten years. Well, if every one stayed in power for ten years-that's fine. It's certain, and then we can avoid the disaster.

So from my understanding, there's a kind of a maturity of the politics of China, maybe the American media and people have become more comfortable with China. Well, as time passes on, I think we will see this. But we may have a different view from America if people emphasize more democracy, but we emphasize more on the rule of law. And from my personal understanding, democracy without the rule of law is chaos. And the rule of law without democracy is totalitarian. And so we need to keep a tender balance between the two things.

And from my understanding, our government's focus starts from the rule of law and moves toward bringing more democracy to the society. What does it mean? It means that you start from the rule of law, to set up the rules before you play the game. If we don't have the rules, and we have the political games, that will result in the disaster just like the one that happened in the Ivory Coast very recently.

So this is politics. And how about security? In terms of security, we know we have different views on regional security, on arms control, even maybe we cannot see eye-to-eye on the nuclear issue in North Korea, a very recent issue.

China Adopted Negative Cooperation Policy Towards U.S.

But China adopted a negative cooperation policy towards the U.S. on this issue. What do I mean by negative? Well, positive means that we have a common goal, so we work together to reach that goal. Negative cooperation, that means we don't have a common enemy, we do not work together against a third party. But we work together to prevent the military clashes

between ourselves. We prevent the wars between China and the U.S. We prevent anything that would drag China and the U.S. into the battlefields. It's negative cooperation, and you find that China actually responds very positively to America's suggestion to resume the military contact. Certainly, maybe we'll have a different understanding, and the U.S. will require more transparency for the military contact, and China will say, hey, then transparency should be defined by either side.

The other part, maybe the other part that people have been considering is China's diplomatic policy towards the U.S. China just adopted the opposite policy from the Bush administration. And here, most Chinese scholars believe that Bush adopted a unilateral diplomacy, and we adopted multilateral diplomacy. If we call Bush's diplomacy unilateralism, we would label our foreign policy as multilateralism.

Why do we emphasize multilateralism? Before 1995, China was not that active in the multilateral security cooperation, we were hesitant. But since 1995, gradually we feel that the multilateral security cooperation is not that dangerous, and that it's a positive way to prevent the conflicts, reduce the suspicions, and increase confidence in each other. So China, since 1995, becomes more positive than before involving the regional, multilateral cooperation.

China's Multilateral Diplomacy

Well, this time, some people compare China's current multilateral diplomacy to Mao Zedong's United Front policy. And when Mao Zedong adopted the United Front, it meant that you united with him against who? Against your enemy. Well, from my understanding, multilateralism is different from the United Front. And it is not about confrontation, but to develop international norms to constrain those countries who do not obey the international norms, who take the unilateral policy of violating international norms. So

you get what, more normal support, you get more international support for what, for your moral stance, not for increasing your power, not for increasing your military capability, but just to get you more sympathy from the international community.

So personally, I will argue that in the future, we will see China's foreign policy becoming more and more similar to the European policy. And there are two factors driving China's policy in that direction. First, the economic standard increased, so we share more common economic interests with your countries. And the other reason is that China is a regional power, like the European countries, like Japan, it is a regional power, not a world power. So in the future, China will follow this trend, like most other regional powers under multilateral diplomacy.

We decided very recently on the case of the major power's attitudes towards the Bush administration's military operation plan against Iraq, you find that China stands behind France, with France taking the lead with this policy, and China follows that.

China Can't Ignore Japan

Well, besides dealing with the superpowers, China certainly can't ignore Japan. Japan is our largest neighbor, geographically. And after, especially after 1979, when the Chinese leaders realized that regionalization is very, very important for China. You find that after that, when we're talking about multi-polarization, it has different meanings. When we used the word before 1979, it had a different meaning. Before 1979, when we were talking about multiple polarization, we meant that one of the poles was China. But after 1979, gradually, China talking about multi polarization means that one pole is East Asian instead of a nation.

Why China adopted that is because we've become more positive to the pull for regionalization, because globalization is a double-edged sword. You cannot only have the free

rights of globalization, you do have the investment, and you have the foreign capital, you can get foreign investment, but also you introduce the danger, or the threat, of financial crisis.

So how can we deal with that? We cannot prevent these prices by ourselves. Even the United States faces the threat of globalization from NAFTA, let alone about China. And so we need to pull for ten plus three, ten plus one, for the regionalization. We know that, without Japan's participation, China cannot offer this leadership for regionalization, and China needs to take the joint effort with Japan for further regionalization. That's why you find that after 1998, I think, and China and Japan's relationship was then at a low state, and now it's revived. This year we invited so many Japanese politicians to China for the anniversary of 30 years of formal, diplomatic relationship, even Koizumi supported that. We invited 45 Japanese congressmen to China for this meeting.

And so I think that China's policy toward Japan is mainly impeded, some people argue, by the historical issues. That's true; that's one factor. But I think of that factor as an historical factor, and if these two governments have the attention, have the dynamic to solve the problem, they can overcome it. There's one obstacle that is very difficult for Japan and China to overcome, and that's the Japan-U.S. alliance. These allies become the obstacle between China and Japan's relationship. So we cannot split these allies, and Japan really worries about U.S.'s attitude, so Japan becomes less active in the regionalization.

So how can we do it, we don't know. I only know that the Chinese government encourages Japan that they should give more concern about the regional interface. Economically, we are continuing our good economic relationship with Japan.

Another factor that very recently came out is that the Japanese people feel China is a threat, not a military threat, but an economic threat.

In February of this year I attended a meeting in Japan, a lot of people were talking about the hollowing of industry. And they're worried about the capital and the fact that it moved to China, and if so, unemployment in Japan will increase.

No matter right or wrong, the people in Japan do believe in this concept.

Need to Improve Relationship Between Japanese and Chinese

So what should China do? We do know about our economic relationship with Japan, we do know we're very integrated with each other, the only thing we need to be concerned about is how to refuse the political suspicions, or increase the political confidence in each other, not between the government. There's a difference from the relationship between China and the U.S. And the relationship between China and Japan is really how to improve the relationships between the two peoples. It is not to improve the relationships between the governments, but we need to improve the relationships between the peoples, because of history.

And then, concerning the EU. China feels that the EU will be a political entity that will be easy for China to conciliate with policies. And because we have more and more common interests, especially in international affairs, we have more and more common understandings. Especially in China, people believe that European's attitudes toward China's human rights are different from the U.S. And many Chinese suppose that Europeans do not like Chinese human rights situation because of the difference of the culture, because we do have very different political values. And so from their cultural values, they cannot agree with that.

But concerning America's policy towards China's human rights, the main factor is not the cultural difference—it's because the U.S. is a superpower that is trying to impose their political system on China. So this is a kind of

a different feeling, and it makes Chinese feel it's easier to accept the Europeans. When the European delegation comes to China and wants to talk about human rights issues, China says fine, no problem, we can talk. And so then they're less suspicious about the other political motives behind it. So you can see that, in the last ten years, the relationship between China and Europe is really moving forward. And I think I have another five minutes, right?

John Ikenberry: Take your time.

Yan Xuetong: Okay, I'll try to finish in 35 minutes. Now, concerning the Russians, people ask me the question, why do you put Russia at the least? It's because I put the most difficult things at the beginning, and the sort of easy things at the end.

China Does Not Face a Serious Russian Problem

I think in the next ten years we don't have a serious problem with Russia. The reason is that neither China or Russia can be in the West club. Although we know that from the urging of Putin to work very hard and try to be in the West club. Due to some historical reasons, and some strategic reasons, NATO cannot accept Russia as a full member. And so there are always 19, 20, 24 plus one, and they can never have Russia as a member of NATO.

And meanwhile, China cannot join the West club either. So these situations will cause Russia and China to continue their strategic relationship. Whether we like each other or not, we have no other alternative; we must continue this relationship, helping each other to deal with international pressure.

Do China and the Russia want to organize as major allies against NATO or against Japan-U.S.? No. From the very beginning, this alliance has been defined as a consultative strategical partnership. What do I mean by consultative? Consultative means there's

nothing guaranteed. There's no treaty to bind anyone to provide major support for the others when that guy is being mentally attacked by others. Only they have a consultation, if the other side agrees to do that, okay, that's fine. If they do not agree, there's no hook. So this relationship makes the China and Russia partnership have the same character as the U.S.-Japan alliance or as NATO.

So, then people may ask, why do you have such a loose relationship? The loose relationship makes each side have less danger to get involved in unnecessary major conflicts. If we have major allies, then any one's problem is the others. So we don't want to have more troubles, we want to have less.

And then how about the military relationship? China will rely on the Russian's military technology. You know that, and if we did not have Russia, we would not be able to get the military technology we need, due to the ascension, the military ascension of the U.S. So we need that, and meanwhile, Russia needs the cash. And for their economic reconstruction, they need the cash so much, and I don't think other countries will pay for it. And the foreign currency is already—what is it? I think 26 billion dollars.

Mutual Interest vs. Common Interest

But anyhow, that's a big foreign currency. So there's a mutual interest. Why is it called a mutual interest? Mutual interest means you need to buy and the other needs to sell, that's mutual interest. Common interests mean you work together, you sell together. The relationship between China and Russia is in mutual interest, but with Japan, the U.S. and the European countries, their relationship is for the common good, that's different. The different characteristics of the interests conditions the different characteristics of these two types of military relations.

So we have a great confidence in our relationship with Russia. What do we need to do?

What we need to do is enlarge their economic base. And we know we won't have a serious problem in the military, we won't have a serious problem in the political fields, and the only thing that we need, we need to consolidate the relationship by enlarging the economic base. The volume of trade between these two countries is too small.

Let me illustrate what I'm talking about here. Generally speaking, China wants, if we can, to maintain a normal relationship with the U.S., and then we can, generally speaking, get the kind of international environment that we want – because the other countries won't create difficulties for China. So how can we do that? And I think China, in the future, will continue the multilateral diplomacy. That is more effective than the bilateral policy, to solve the problems.

Bilateral policy, from my understandings, is the base for the much later policy. Bilateral policy may solve some immediate issues, but if you want to create a framework, which will last and be durable, you need a multilateral frame. So in this multilateral policy, China will certainly emphasize the regional common interests with Japan, and emphasize the world interests with Europe, and emphasize our special interests with Russia.

Thank you very much for your time, thank you.

Robert Sutter: Well, this really is good news for the United States. And I'd like to focus my remarks on Professor Yan's very positive assessment, I think, of China's approach towards the United States.

It's particularly moderate when you compare it with what it used to be just a few years ago. And I mean just two or three years ago, when China was very heavily emphasizing opposition to U.S. hegemonism, constantly talking about power politics of the United States, Cold War thinking, that China was seeking multipolarity in order to wear down the U.S. super power. Strong opposition to missile defense,

strong opposition to NATO expansion, strong opposition to upgrading the U.S.-Japan security treaty, strong warnings to Taiwan not to delay reconciliation, and a constant suspicion, vocalized frequently, that the United States was trying to hold back China.

And so when I look at this kind of situation, I say, what's changed here? And I'd like to focus my remarks on this. And I don't think the Chinese leaders have changed, we're having a leadership transition, but it's basically the same leaders. And the issues and circumstances surrounding China, China's conditions internally haven't changed that much.

U.S. Policy Towards China Has Changed

What I'd like to focus on, to help explain this, to me, at least, is that I think the United States has changed. The U.S. policy towards China, it seems to me, deserves a lot of credit, under the Bush administration, for this kind of outcome.

And what I'd like to argue is that this, plus some circumstances, have made it in China's interest to pursue this kind of an approach, this kind of a much more moderate approach than we saw a year and a half or two years ago. Even though the United States persists in policies on Taiwan, on missile defense, on its national security directives being very hegemonic from a Chinese point of view, NATO expansion, U.S.-Japan security and so forth, and despite these sorts of things, we have a very moderate tone on China's approach toward the United States and toward the world. And so I just want to try to explain this very briefly, I just have a couple of minutes.

The first order of business, I think, is the difference between the Bush administration and the Clinton administration in dealing with these issues. The Clinton administration needed a good relationship with China towards its last years. I'm going to oversimplify this, but they had to avoid swings in the relationship, particularly over Taiwan. And

they needed to show progress in the engagement policy towards China, which involved constant negotiations with the Chinese, which allowed the Chinese a certain amount of leverage in dealing with the United States. Because the Chinese had leverage if they downgraded the relationship or threatened to do so, or in these negotiations, to show improvement in the relationship, they had leverage to ask for things. And they got some things from the Clinton administration, particularly regarding Taiwan.

Bush Administration's Different Approach Toward China

The Bush administration has approached China in a very different way, and basically taken away that leverage. They don't need to make forward progress in relations with China. They came into office with a very different approach toward China. They relied on national power, and they tried to build up American economic and military power, and then in Asia, they relied on the allies in the area, and they improved relations with the major flanking powers, Russia and India.

But their views on China were clearly very mixed. And they didn't ask the Chinese for much, they didn't expect very much from China, but they certainly didn't ask China for very much, or seek engagement, or have to worry about swings in the relationship.

The result of this, it seems to me, has led to a strategy where the United States has put the onus on China to improving the relationship. And so China is the seeker of good relations with the United States, at this point. And I think this works very well from the American point of view.

And so the United States is able to pursue its approach in various sensitive areas, and still maintain a good relationship with China. I have never seen, in my professional career, the ability of the United States to move forward in

its relationship with a sensitive area like Taiwan, the way it has, and maintain an improving relationship with the PRC at the same time. I've never seen this, in 35 years. I think it's remarkable, and a lot of it is explained by U.S. posture.

Now the U.S. posture is supported by a couple of other things. The war on terrorism clearly reduces the salience of China's concerns with the United States in various ways; it also diminishes the U.S. domestic debate on China policy, and this makes it easier for the Bush administration than the Clinton administration, as far as maneuvering and the U.S. domestic situation is concerned.

And we also have, of course, the continued focus of the Chinese leadership on their internal problems and internal difficulties, and this makes them less anxious to foment difficulties in the relationship with the United States.

But this sort of approach by the Bush administration seems to me to have set the stage for what I see as a virtuous cycle. I think we're now seeing a situation where the Chinese have recognized that it's not in their interest to confront the United States, it would hurt them. And so they're not going to do that. And they're going to try to improve the relationship in various ways, and they're going to try to broaden the common ground. And the Bush administration is pragmatic about this, and they're responding. And so common ground between the two sides is broadening, incrementally, but it's broadening. And it's becoming smoother and better.

Fundamental Differences With China

We still have these fundamental differences with China over human rights, and Taiwan, and economic issues, and so forth, but the upshot here is that we're managing these differences in an atmosphere that's very business-like, very smooth, and becoming more so. And my sense is that the next couple of years, I think, will continue this process and

probably deepen this relationship and make it a very positive relationship. And I think we're going to see manifestations of that in the summit meeting later this week. And I noticed Secretary Powell, a secretary who started in office saying he would not characterize the U.S.-China relationship with one word, now he calls China a friend. And that, I think, is quite significant. So I'll stop there

Michael Swaine: Well, there's an advantage and a disadvantage to going last, of course. The advantage is you get to hear what everybody else has said, the disadvantage is they've already said everything you want to say.

So in trying to respond to what Xuetong has said, and some of Bob's comments, I'll just sort of bring up what I think is maybe a little bit different, or what caught my mind.

I would agree with Bob that a lot of what Xuetong has said has been, certainly, very positive, in the overall analysis he presents about China's motives in foreign relations. I don't really think there's a whole lot you can disagree with in a lot of the arguments he makes, because he has couched his comments in a very broad context, which I think is very accurate, that China's fundamental interest, as it moves forward, as it has been for the last 20 years, is to maintain amicable relations as much as possible with the super powers, with the major powers and the United States, in order to ensure the conditions for continued economic growth and development and stability within China.

Now that theme, peace and development, has really been the watchword of China's foreign policy, as I say, for over 20 years now. And there was a significant question in 1999 and 2000 as to whether or not China had rejected that priority, largely because of events centered on Taiwan. And there was an enormous amount of speculation in the media here, and elsewhere, that there was serious reconsideration of this because of Chinese concerns over the direction of developments in Taiwan.

Arguments in Favor of Peace Have Won

What Xuetong's remarks suggest and, in fact, what many people have argued is that the arguments in favor of peace and development, on balance, have still won out within China, because the enormous risks and costs involved in altering that strategic priority are just obvious, ultimately. And because China's ability to act on an alternative strategy is really, still fundamentally limited, and to specifically act on the issue of Taiwan.

Now this raises the interesting point as to whether or not the conditions that Bob points to, in the way of strengthening cooperation between China and the United States, are the reflection of a deeper, sort of strategic awareness on the part of China in reaction to U.S. policy. Or whether or not they are something that is certainly dictated by the current moment of Bush administration policy, but, in fact, do not reflect a fundamental convergence of views or interests, I shouldn't say views, but interests, to some degree. And in fact, more so it represents a calculation by China that it is far better to keep a lower profile because of the strong assertiveness of the United States.

Without, however, altering the recognition in China that there are some fundamental problems with the relationship and that trends could, indeed, turn very bad over a period of time. But that under current conditions, the Chinese government needs to maximize leverage, because of the loss of leverage in dealing with the United States, because of its lesser ambiguity over Taiwan, and its greater emphasis on military instruments, that China is, by definition, having to try and create greater leverage while lying lower, if you will.

And so you see a policy towards Japan that is much more sophisticated than it has been in the past, recognizing that, in fact, there are potential differences between Japan and the United States. Xuetong actually alluded to, that, although they are not alliance-breaking

differences by any stretch of the imagination, could nonetheless be utilized by the Chinese to gain some degree of leverage, both economically and politically in Asia as events unfold in the years to come. So that Japan may think twice, or more, if the U.S. and China become more confrontational over something like Taiwan. So it makes a lot of sense for China to develop the more kind of open and sophisticated policy that it's doing in regard to Japan.

The question I would ask there, though, to Xuetong is what is his baseline evaluation here about Japan, and where it might be going in the future? And whether or not, from China's point of view, it is better to have Japan still firmly in the security alliance with the United States, but with issues over which it differs significantly, and it grows closer to China economically, etc.? Or would it be better, indeed, for Japan to move in the direction of really departing from the security alliance which, many people have argued in the past, China has preferred as a policy in Northeast Asia. So that's one question I would raise.

And I guess the basic issue for me, in thinking about what Bob has said, is precisely this one of long-term versus short-term in the way the Chinese look at their environment right now. And the extent to which they're responding on the basis of necessity, given U.S. power and assertiveness. But that the underlying pessimism that they may have over certain issues has not gone, just their ability to deal with it has changed somewhat.

Chinese Government Sees Taiwan as a Very Serious Problem

Now on the Taiwan issue, you could make the argument that the Chinese government really sees this as a very serious problem that is, in some respects, getting worse because of U.S. policy. That they have developed, and are developing, some very significant leverage because of the economic dynamic with Taiwan, and because there has been a concerted decision to embark on a very deliberate

military modernization along the Taiwan Strait ever since 1998, 1999. And that these two events, as long as they continue, will allow China to maintain some level of pressure, and the United States to avoid really embarking on changes in the relationship with Taiwan that will force the Chinese to react.

But that the issue remains open-ended for the Chinese, very open-ended, and very contingent upon U.S. policy. And that they may not be able to, ultimately, leverage the situation to avoid conflict. And there I'd like to ask Xuetong a second question, which really deals with his assessment of how the Taiwan issue could impact U.S.-China relations. Because Xuetong and I have had discussions in the past, I don't think I'm revealing anything, where he has been quite pessimistic about the chance of the United States and China avoiding conflict over that issue.

And given what he's just said this evening, which is generally very optimistic, and, I think resonates with some of the points Bob has made, how has that influenced his thinking about the Taiwan issue? Does he really think there's been an improvement there, or are things still pretty bad, but for the time being, China really can't do much more than it's doing, and it's definitely in China's interest to seek good relations with the United States not to aggravate the situation.

Good Economic Relations Are Critical

And I'd just add on that point that the economic dimension of this, I think, is really very, very important, both in terms of the way China looks at its relationship with the United States and its dependence, if you will. Maintaining good economic relations with the U.S. is critical to its larger strategy, on the one hand. Then on the other hand this development of, for lack of a better term, economic regionalism in Asia that acts as a kind of counterpoint, if you will, to that dependence on the United States and which, I think, China is trying very much to develop, again, in the search for greater leverage.

And I guess just a concluding comment is on the whole question of the impact of 9/11 on all of this, which we really haven't talked that much about, maybe we will, more, in the question and answer. And my own view on this is that I'm sort of two minds about how China looks at the impact of September 11th. We all say that the basic issues between China and the United States have really not changed, which is true, to a great extent.

Yet, at the same time, September 11th has clearly brought about some very significant changes in the way China, I would say, looks at its security environment, because of U.S. military deployments, because of the change in U.S. relations with some critical countries in the area, such as Pakistan and Russia, very critical. That this has had an important impact on the way the Chinese look at their relationship with the United States. So that, on the one hand, they're very concerned about it, but on the other hand, another big impact is that it has fundamentally distracted the United States from the kind of attention it has placed on U.S.-China relations prior to September 11th. And has offered the possibility of the United States becoming deeply involved, beyond what it has done already, in Central Asia and the Middle East in ways that could lead to all kinds of complications for the United States.

And that this potential both raises the possible leverage that the Chinese could exercise and also, at the same time, of course, complicates U.S. strategy, and could divert the United States in fundamental ways. And that China looks at this whole question of 9/11 as something that may not, on balance, really go against Chinese interests. And that again it's sort of best to keep a lower profile on this, look for areas of cooperation, but recognize here that the underlying game is to increase Chinese leverage in dealing with the United States because of concerns over time. And that, to me, doesn't necessarily spell long-term cooperation.

So on that I would sort of raise at least a

question in Bob's analysis on that. And with that I'll stop, thank you.

Q & A

Ikenberry: Well let's open it up, and professor, you can weave your responses to your two colleagues in responding to others, and I'll try to help focus some of those questions as we go forward. Please identify yourself, over here, the gentleman in the back.

Questioner: My question is inspired by maximizing the leverage policy stated by Mr. Swaine. Now the United States seems to be heading toward a war with Iraq and trying to get an international coalition, especially in the U.N. Security Council. And very coincidentally, China is chairing the U.N. Security Council. So sometimes in international politics, there is some giving and taking. So my question is, in your view, what will China gain from Foggy Bottom as a kind of leverage? I mean the State Department.

Ikenberry: Why don't you go ahead and respond to that, Xuotong, and if you want to talk a little bit about how China sees the Iraq issue in bilateral relations with the United States, what kind of leverage it has, perhaps that would be the way to go.

China Supports U.S. Counter-terrorism Efforts

Yan: I think an Iraqi war, if it would come, I do not think China would link the Iraqis to the counter-terrorism, we think of that as two things. So in terms of counter-terrorism, China gives their full support to the U.S., not only because of the international community taking the same stance, but also we really benefited from the war in Afghanistan, substantially. And the military training camp for these separatists was weakened, these terrorists, so we really have a lesser threat from these terrorists.

And concerning the Iraqi issue, and China didn't relate it to the terrorist problem, so

China's policy is very clear, and the first is, without solid evidence to prove that Iraq supported the terrorists in September 11th, we cannot support the NATO operation there. And if U.S. resists on that, and I think China will be very hard to veto it, because I think that will be beyond China's capability.

So what China can gain of leverage on the U.S., I don't think China can gain anything on the Iraq issue to have an influence on the U.S. But China does, I think, get leverage from the counter-terrorist campaign, and even related to the September 11th events. After that I do think China gets some leverage from these events, certainly these are very disastrous things for the U.S., and it makes the American security and safety issues in a very, very difficult situation.

On the other hand, it did create a better environment for China and the U.S. to improve their relationship. First, it makes the Bush administration realize that China's cooperation is important for America's own security interests, not for others.

And second, it's created one common interest for China and the U.S. to cooperate with each other. Before the September 11th events, there was a big debate, what common security issue is shared between these two countries, people cannot see. And now the September 11th events make everyone realize that we have a very concrete interest here, and we can cooperate with each other.

Certainly, the third thing is that the U.S. must give more emphasis on the counter-terrorism rather than looking for enemies. The enemies are so obvious, because in China we believe why Bush would take such a harsh policy towards China, and the main reason is that after the Cold War, there is no real enemy to the U.S. And there is no real military threat to the U.S. And even during the campaign, Bush once said that we don't know what the real threat is to the United States. He said that the problem, the way it is different from the Cold War is that we don't have a clear view of who

is the enemy. So at that time, we believed China was selected by the U.S. as an enemy, due to their political needs. But then, after September 11th, the enemy became so clear, so obvious, they did not need China to be their enemy.

Sutter: Just one word to add to what Xuetong said about the Chinese and Iraq. My general sense is the Chinese, it's not in their interest to stand up front on this issue of resisting the U.S. on this, because the Russians and the French are doing the job for them.

Yan: And France.

Sutter: Yes, I'm saying Russia and France, both are resisting. And you're still in the first phase of this, and the Chinese, I think, since you've got that kind of opposition there, they'll go along with that, and you'll get this two-tiered resolution. And the real challenge will come once you get into the second tier, when the inspections go forward and they start to break down, and there becomes argument over what constitutes breakdown and what kind of remedies you need to develop for it.

And even then, I would say, if the Russians and the French are resisting using military force, and the U.S. looks like it's going to depart, the Chinese will still lay low on the issue and, at the very least, they will abstain, is my guess.

Questioner: My question is, in China right now there are two schools arguing about the China international environment. And my colleague and friend, you're friend also, at Berkeley, his view is that after September 11th, the international environment for China has become worse. Right now the U.S. has amassed in Middle Asia right now, the U.S. Army is in Afghanistan right now to fight terrorism, maybe they'll stay longer. And traditionally, Middle Asia is a backyard for China, we have friends there. Pakistan, we feel more comfortable, but right now we have the U.S. there.

And after Bush took office, the United States

has increased support toward Taiwan, and also what happened in Taiwan also worries us a lot, and also because of Japan. And so his argument is not that our international environment has become better, but it's become worse. But it seems from your presentation here, your opinion is different. How do you think about the international environment right now that China is facing?

Yan: Well, I think when we do the comparative study we must know, we compare the current international security environment with the war period, and even when we compare it with the 1950s, it's much better, we had war at that time.

But even if we compare it with the first few months of last year, I think certainly it has also improved. But if we compare it with the late period of Clinton's rule, then maybe it has deteriorated, so it really depends on when you compare.

So let's do the comparison between before September 11th, and compare them with that, and the U.S. is not focusing its security energy on China, I think that our pressure is dramatically reduced. Second, in Central Asia the U.S. has deployed troops, that's true. But that pressure mainly rests on the Russian's soldiers, not us. Because we may have a problem with the U.S. on the Taiwan Strait, but the troops that are deployed there can never be used. So there's no direct pressure on us.

And even concerning the situation with Japan, I think the relationship between China and Japan is increasing. China's threat in Japan is shaped from the militarist threat, talking about militarist threat to economic threat. And anyone talking about other's economic threat is fine because that won't dissipate into a military confrontation.

U.S. and China Have Common Interest in Taiwan

Okay, the only issue is the Taiwan issue, I

agree with Michael. The Taiwan issue is very, very special. And from my understanding China and the U.S., even on this issue, have a common interest.

Neither China nor the U.S. want to fight a war there, we don't want to kill each other at this place, and we don't want the tail to wag the dog. But we have to deepen the understanding about the situation. We don't have the common understanding about the cause of the situation. And the U.S. side believes, and the cost could be the military balance between midland China and Taiwan, but for our side, we believe the American's military aid makes Taiwan move toward independence.

So at this moment, from our standing, what do we need? What we need is a common understanding and a common definition for the current status. Because everyone agrees, both China and the U.S.A. argue that their policy is to try to maintain the current status. What is the current status? From the Chinese side, we find that Taiwan changed the names of their representatives to this country, and Taiwan changed their national anthem, and they changed the symbol, and they changed a lot of things. We feel the current status is changing, not maintaining.

And from the U.S. side, they feel hey, China deployed missiles and so the status is changing. So we need a common understanding here, what is the current status. If we can have a common definition for it, I think China and the U.S. can find a way to cooperate with each other. If the Taiwan issue becomes more dangerous, I'm really pessimistic. The reason is not the Americans' fault or the fault of the Chinese.

Taiwanese Have Lost Their Chinese Identity

The problem is that the Taiwanese gradually lost their Chinese national identity. And more and more people believe, they identify themselves as Taiwanese and the Chinese are the foreigners. So what happened? According to

my personal data, Chen Shui-bian and his people plan to hold a referendum by 2007. If they do that, and China is forced to use the military force to solve the problem, and the U.S. says, "wait a minute, they just had a referendum, they didn't announce independence, so they didn't provoke you, so we must send troops there." And then we will fight a war that neither side will win.

So from my understanding, if both sides give serious consideration to look for a cooperative measure to avoid a war, that will be the best, that is what we need. But if both sides have the confidence, anyhow, the war will happen, I think that is dangerous.

Ikenberry: Let me ask the question which will let you then answer the two questions that Mike posed to you.

Bob said, after listening to your talk, that it was good news. You could give a different reading of your talk, which is that you could see, in your remarks, China confronting an America that is more powerful than any other great power has ever been in China's environment. And even after 9/11, while there may be opportunities to leverage Chinese relationships vis-à-vis Washington, on balance, post-9/11, as our last questioner suggests, really has revealed America to have global ambitions in security and military affairs. Bases in 40 countries, a rapidly expanding defense budget equal to the next 14 countries combined.

And now a new national security strategy which, I would argue, signaled future relations with China more than any other thing in the text, namely the statement that the United States will not countenance any peer competitor in its future, forever. China will always be an inferior in military affairs from the American perspective, it is now American policy, in effect, never to allow a regional and global competitor.

That would lead to, it seems to me, a reaction in Beijing that would include building closer

ties with the other great powers, which is precisely the story you told. The two things that surprised me most, that sort of come away from, were number one, some view that for improved relations with Japan to go forward, Japan is going to have to depreciate its relationship with the United States.

And the other thing that is very interesting is your statement that there seems to be growing affinity between the U.S. and the European Union, especially philosophically the way it thinks about human rights and institutions and so forth.

So is there not really a kind of political balancing that is emerging out of Beijing, to try to build in very indirect and not terribly provocative ways, a kind of counter-weight to this remarkable super state that is in China's environment?

China Will Continue Policy of Peaceful Co-Existence

Yan: From my understanding in China, it is like what I argued before. I think China will still continue the policy of peaceful co-existence. And the people in China know this term, it's been used for 50 years, but the meaning changes frequently. Just like I have talked about changing the content of multi-polarization, and also we talk about hegemony, and hegemony can mean any country, and the term used to be applied to Vietnam, right?

So the important thing here is what we are talking about, what are the content of the terms? So I think China will continue this policy. In the 1950s, peaceful co-existence only applied to the relationship with the developing countries. In the 1970s it applied to the Europeans, the capitalist countries. And then, in 1970, it implied to the imperialist country, the United States. And ironically, in the 1980s, it applied to our brother countries.

So I think now this policy applies to everyone. And what do I mean? I mean that China is still

looking for the chance to avoid a military confrontation with the U.S. But I don't think China has the expectation that they can be America's major ally.

So for China, either we lower our expectations, the goal is pretty low, it's easy to achieve. If we want to be in the West Club but we are frustrated, then we will go to the other extreme. Just as we lower this goal, say that okay, we never can be America's major ally, but we want to have a normal relationship and keep a peaceful co-existence relationship. How can we do that on the Taiwan issue?

From my understanding, Bush's policy on the Taiwan issue, we hope, will see a change. And we know that last year, Bush said that whatever it took, the U.S. would defend Taiwan. And then this year, when Chen Shui-bian announced that one country on each side, and the Bush official Wolfowitz for the first time said that he opposes Taiwan's independence. Certainly I don't think that means the U.S. really opposes Taiwan's independence, but for the first time, that word used, it really means that Bush's policy towards Taiwan is changing.

Why I'm pessimistic is I think it's difficult for China and the U.S. to reach an understanding on this issue. But why did I, just now, give a positive analysis? Because we still have five years. We don't know what will happen. We don't know if Bush will be in power, if you change the leadership, we can have more discussion. And also in five years, I don't know whether I should say this, people say our policy is uncertain, and your policy, OPEC is uncertain and U.S. policies are more certain. We feel just the opposite. We change the policy every ten years, because every president stays there at least two terms. And your president, we don't know, maybe four years? And so the policy may change every four years.

So this means we still have five years. We can talk to each other, make both sides possibly reach some agreement. As long as China and

the U.S. do not want to have a war, whatever happens, we cannot have a war. And okay, we're prepared to win the war and I think we can avoid it, what I worry about that is that both are ignorant about this. If both sides said that—anyhow, there's two dangers, no one dared to go. That's really dangerous.

Questioner: I'm with the National Defense University and the War College, and as someone who lectures on China, I want to ask a question about Taiwan, it is very serious.

In the 1990s, China engaged in a fairly extensive military buildup across the Straits of Taiwan. Yet you have said, and I think correctly so, that the Clinton administration, if anything, did not see China as a threat and certainly didn't take any actions to reinforce our commitment to Taiwan. And it said all the right things about Taiwan not being an independent country, but being two Chinas, one country.

So in the context of a fairly benign attitude of the Clinton administration towards this issue of certainly accommodating the Chinese, you saw a military buildup which, for those in our country, you don't have a lot of things published about why you're doing this, it looks threatening to Taiwan, and from the Taiwanese perspective it looks threatening. I think that is one of the issues which is—that's very important, in the absence of knowing what your ambitions are, or your objectives are, the military buildup becomes a metaphor, it becomes a symbol of what some people fear you're up to. And I think that is where some of the attitudes in this country, some of the books that have been written that you may have seen, tend to influence, whether Capitol Hill, or the Defense Department, or the State Department, in the absence of Chinese explanations that you were not interested in using military force in order to force Taiwan to adopt one system or another.

Yan: Actually, I think, here's a really logical issue. The problem is, from our side, we

believe that as long as Taiwan maintains the current status, not to go to formal independence, there is no war. So what will make Taiwan go to that direction? When the Taiwanese believe, whether it is true or not, that mainland China dare not use military force to solve the problem, they will go to formal independence immediately. And then China will be pushed into a corner, and they will go to war.

So here, I think you already realize that. During Clinton's period, Taiwan would have paid whatever you charged them for the military agreements. But during Clinton's period Taiwan was bargaining about the price of the military agreements.

Taiwanese Buy American Insurance

Why? And from my understanding, the Taiwan military barter is not used to buy the equipment, it's to buy American major insurance. We pay you; you must come. Well, they pay you, there's a war, you must send troops here. And so when Clinton adopted the strategy of ambiguity, and Taiwan didn't know if the U.S. would come, so Taiwan continued to pay whatever you charged. But when Bush said, whatever it took, okay, they already gave the insurance, why should we pay? So Taiwan started to bargain about the price. People said, they already are promising to send troops, why should we continue to buy these things.

So I think there was some clarity that made Taiwan feel, hey, anyway, the U.S. will come, don't worry about it. The fact is not whether you go or not, it's what is their interpretation, what they believe.

Questioner: Can I change the subject to the North Korean issue if possible? As you know, the U.S.-China summit is coming on this Friday, so I'm wondering how do you guys evaluate the impact of the North Korean nuclear issue on the coming President Bush and Jiang Zemin summit?

Yan: This morning I heard that the Pentagon

purposely released the news to try to create a better environment for China and the U.S. to cooperate with each other, so to make some common interests for President Jiang Zemin and President Bush to discuss about. But no matter, I don't think that's what they wanted to do. But the objective effect is true. And this issue actually created one common interest for China and the U.S. to cooperate with each other. And this time, Jiang Zemin and Bush can reach some agreement on common security. And China has already promised that we will join the diplomatic cooperation and impose diplomatic pressure upon North Korea, on one condition: no military operation, no military attack. So I think, at this time, China will take a similar policy, like South Korea and Japan.

U.S. Needs China on Security Issue

Sutter: I think this is very important, because I think, as I mentioned in my remarks, the Bush administration really has worked hard not to ask China for very much, in other words, not to be beholden to China in a variety of ways. They need China on this issue. You can't have an effective pressure policy toward North Korea without China's cooperation, and it's a vital interest for China, and I think China will be cooperative up to a point, but obviously their interest, and the United States' interest in North Korea, are not the same, and there will be divergence.

But the point I want to get at is that this is a key area of Chinese, we're talking about leverage today, of leverage vis-à-vis the United States. Because here the United States really does need help from China. And without China's help, it won't work. And it's the first time, we really haven't had an issue like this in the Bush administration.

China and U.S. Have Fundamentally Different Policies Regarding North Korea

Swaine: I agree completely with what Bob said. The interesting question, really, though

is heretofore the Chinese and the United States have had a fundamentally different view about what works with North Korea, as I understand it. The United States has had a somewhat mixed view about carrots and sticks, but has believed, particularly in the Bush administration, since they've come into office, that there was far too much carrot and there needed to be more stick in dealing with North Korea.

And the Chinese, I think, have always taken the position that this is a very dangerous policy. And that the primary thing that motivates North Korea is insecurity, and a sense of paranoia, and being backed to the wall. And you can't pressure them too much, because then things will get very much out of hand, and I think that view was definitely strong in China.

And the question really is, now, whether or not as Xuetong suggests, in return for some pledge not to use force, if China would be willing to apply other forms of very significant pressure on North Korea. If indeed there was unanimity between the United States, Japan, and South Korea, on doing the same.

And, of course, that's a big if as well. I mean there have been differences, particularly notable, between South Korea and the United States since the Bush administration came into office as to how to deal with North Korea. And South Korea, as I understand it, was somewhat sympathetic to the Chinese view, on this issue. Now it may well be that with the disclosure of North Korea's nuclear weapons program, officially, that this could so change sentiment within South Korea—because there was already sort of, as I see it, some degree of ambiguity in South Korea as to the support for the sunshine policy of Kim Dae Jung. So that the South Korean public now will say, we're fed up with this kind of situation here, it hasn't produced much in the way of results, we're willing to try more pressure. Not military pressure, but economic pressure, more serious. And if that falls into place, and the Japanese go along with this, then you may well get this Chinese agreement to do this as well.

The question really is, what's the quid pro quo, though, from China's point of view, under those circumstances. What would China possibly levy, if anything, by way of return from the United States on this?

Yan: I feel, this time China and Japan, not only China and South Korea will take a consistent policy, I think Japan will also join. And these three countries, on this issue this time, will take quite consistent policies. U.S. policy may be a little bit different or, in Michael's term, the message or the strategy may be different. Not only positive measures, not only carrots.

I think that these three countries, South Korea, China, and Japan, have already talked with North Korea and have already seen results. And then North Korea responded with that, they do not want—although they are very angry, angry with Kelly's visit, but then they said they want to go back to the negotiation table.

Ikenberry: We'll bundle a couple of questions, you've got four queued up now.

Questioner: I wanted to follow on and ask another question on something that you did not address during the speech, and I'll try to keep this as brief as possible.

You talked about four great powers, and I want to ask you is India a great power? Is India going to be a great power in 20 years, from your perspective? And can you comment a little bit about the relationship between China and India in the same context you did as the other four countries, particularly the question of whether China would, or would not, be reluctant to see India emerge as a great power if they did.

Yan: I think whenever I meet with my Indian friends, they always ask me, who are these countries in your mind, when you're talking about multi polarization? Certainly they hope we say India is a power. But from my

understanding even China already realizes that even itself has no chance to be one of the powers, the power will be the region, and I doubt China believes that India will be one of the world powers.

And the economic situation there, obviously, is not as good as China, and they have a lot of economic difficulties. So the question is why is China so reluctant to admit India as a power? At least they could make them happy. And from my understanding, one reason is that China does not want to say that and let the Indians feel that, hey, because I now put pressure on you, you do something for us. And that may even hurt their feelings further and not make them happy.

Questioner: Xuetong, you've mentioned North Korea and Iraq, primarily in the context of U.S. relations and actions towards those countries. I wonder if you would briefly describe the factors in China's relationships with the axis of evil countries, as we describe them, Iran, Iraq, and North Korea. Could you do that briefly?

Yan: Well, I think that China does not have the distinction between these countries and other developing countries. We regard them as part of the developing countries. So, in general, as long as China does not give up their identities as developing countries, then China will consider our relationship with them.

Second, although these countries are regarded by the U.S. as the evil axis, China cannot accept that argument, and cannot follow that policy, so we cannot support this policy. And we do not distinguish these countries from other developing countries. However, our relationships with these countries, on the one hand, we know the Americans regard these countries as enemies, so we need to maintain balance between our relationship with the U.S. and these countries, rather than take a side.

Questioner: Thank you, Professor Yan, for an insightful talk. If you go ahead in the future a

little, a word we've heard a lot tonight is low profile about Chinese foreign policy models. And I think if I understand, that goes all the way back to Deng Xiaoping saying China should not go out and take the lead on things.

But as China's domestic interests become increasingly more and more global, do you see that will come to a contradiction, where to sort of pursue the three represents and protect the Chinese people, that foreign policy will need to be adjusted? Thank you.

Yan: Well, I think we gather this pressure more and more from whom? Not from the U.S., the U.S. didn't ask us to take over too much international responsibility, because the U.S. believes that's their own responsibility.

China Cannot Take Responsibility for International Aid

But we do feel the pressure from Japan and from Europe. They say, you're a regional power, you're one of the major powers, so you should take more international responsibility and not be only concerned with your own self. And first I think that China still feels, I'll be very honest with you, we feel that we're a developing country, we cannot be responsible for this.

For instance, this time when China attributed \$150 million U.S. dollars for Afghanistan construction, and there was a strong critique for government policy in China. And you know the average GDP per capital is just a little bit more than \$1,000 a year. So China cannot take the responsibility.

First, from my understanding, to develop their country, and the country takes 27 percent of GDP for economic aid, and I don't think China can afford that, and we still need to invest more money.

China Cautious About International Responsibility

Second, we know that giving economic aid to

developing countries is not necessary to improve your relationship, and can possibly give you some other kinds of troubles, certainly we've had some. For instance, in 1978, we gave the same amount of aid to Thailand and Indonesia, and this is the first time we gave substantial aid to our neighbors, I think one billion for each of them. And then we got into trouble, Indonesia complained, why did you give the same money to me as Thailand? Thailand is such a small country, and I have this huge population, it's not fair. You see? So I think China will be very cautious about its international responsibility.

Concerning security, people say will China become a more positive force in international peacekeeping? I think we will. And it's quite surprising to me, and we have a joint agreement to maneuver with Kyrgyzstan very recently, so I think this indicates that China will become more positive than before. But that does not mean that we will be as active as the UK or as active as Germany, no.

Questioner: As an official from Taiwan, I think I'd better bring it back to the Taiwan issue, and I need to make a few clarifications, very brief, to Professor Yan's previous statement.

Firstly, you stated that Taiwan is changing our national anthem, and our name of the country, and also the name of the office here in the United States. I'm afraid that none of this is true. We still use the Republic of China, and our national anthem is always the same, and the name of my office is TECRO, it's been used since 1994. So the only thing I fear is that even when we used Republic of China in the past 50 years, PRC has never agreed with us, so now you're accusing us that we're using a different name, even though you didn't like our previous name. We're wondering what name we can use, it's a dilemma.

The second clarification I'd like to make is the military sales from U.S. to Taiwan. There's one point I'd like to point out, maybe you can-

not see this in China, but in Taiwan now we are facing a very powerful congress. And the congressmen supervise the budget every year, very harsh, the opposition party accused the ruling party tremendously. So in this situation, our government has to watch very carefully the budget amounts we spend on military service, on military defense. And that's the reason that we need to negotiate strongly with the U.S. people, if we want to buy some necessary military defense material. So this is the point I would like to remind you of, maybe you can try to understand our position, try to feel it.

But the last one I'd like to ask you is that you said very seriously that five years from now there will be a war. And the only presumption I've heard from you is based on a referendum from Chen Shui-bian. That's not exactly what we've learned from any source of information. But if that's the only presumption you've used that five years from now there will be a war, I really wonder, is this your personal opinion or are you representing your government, to give us a timetable here. I'm really concerned, please, thank you.

Yan: Well, I think these questions are really easy to answer. First, I don't think the U.S. allows you to use the ROP in this country. You have some North American office, or something like that, now you can use the Office of Taipei or something like that, I don't think you can use the ROK in this country, so I hope what you said is not misleading people here.

Second, I don't think you bargained with the military before Chen Shui-bian had a tremendous amount. And it seems to me your military budget was always limited, but I didn't find you to bargain the price before.

And I can never represent my government, the central government is not represented by scholars, it must be represented by diplomats.

Questioner: Dr. Yan, a question about your understanding of China's increased regional multilateralism. Do you think that includes

increased overtures to Southeast Asia, in particular, on questions of transnational security threats, transnational crime, and those types of issues?

Yan: Well, from my understanding, when we're talking in China, we're talking the early 1990s, we were talking about multi polarization concerning the nations, certainly not ASEAN. But then there's a debate about EU, the EU is an organization, not a nation, so there's a debate whether we have a Europe in Germany or we have Germany in the EU. And now I think they're talking about it more and more as a region.

And when we talk about East Asia, Southeast Asia is covered within East Asia. East Asia not only refers to the Northeast, but Northeast plus Southeast Asia, so from my understanding, we can use the term more precisely, I think they're talking about ten plus three. That's my understanding.

Questioner. First, as a citizen of the EU, I would actually dispute your claim that EU attitudes towards human rights are different from those of the U.S. And also, getting back to the Republic of China on Taiwan. The difference between Taiwan and China, as I see it, is that there's democracy in Taiwan. And I'm wondering if you might explain how you think the political system in China may evolve to make it more attractive to the Taiwanese people, and at the same time, further improve relations with the United States. Thank you.

EU and U.S. Have Different Motivations for Human Rights

Yan: I didn't get the second question. I'll answer the first—oh, okay. So first I think you said that the EU has the same policy as the U.S. on China's human rights, and I think I can definitely argue that for the Chinese people, we believe your motivation is different, it does not mean your policy is different. But because you don't have the same power as the U.S., we believe your motivation is cultural

rather than coming from the power. The U.S., we believe their motivation is power rather than cultural.

And concerning the political system, and the changing political system, I really want to say that I think China has started the political reform from the rule of law. And then if we have the rules, we can play the games. And based on the rules, the game will be peaceful and won't result in bringing any disaster to the people.

Well, a lot of people argue, not only here, but in China, a lot of people, students, argue that even if we adopt the same democratic system and start the democratization, then Taiwan will agree with reunification. I think that's totally wrong, never. And from my understanding, the secessionists, the separatists in Taiwan, they just want independence, they don't want a reunified Taiwan with any political system. If I should not go to the latter extreme, we can examine the situation with these words: is there any country that democracy prevents a secessionist movement? We have Quebec in Canada, we have the Corsici in France, and we have the North Alliance in Italy, we have this North Ireland in the U.K., and we have the Aborigines in Australia, and even the Hawaiians in Hawaii. So can democracy solve the problem? No. Independence has nothing to do with the political systems.

Ikenberry: Discussants? We're coming to the end, so this is your last chance.

Sutter: I wanted to make one comment on the gentleman who raised the issue of the debate in China. And to make the point that this moderate approach that we're seeing, I think we're in the beginning stages of, is a delicate situation. There's still this view in China, it was only two and a half years ago, that commentators in China were saying there were two trends in the world: peace and development, and opposition to hegemonism. And which one would be most important for China? And

peace and development won, as our speakers have both emphasized.

Opposition to Hegemonism Fundamental in China

But this opposition to hegemonism is fundamental to thinking in China. So this moderate approach that we're seeing today, I think, is the beginning, and I hope it's the beginning of a virtuous cycle, but the debate in China, I think, is still very much there, and we need to understand that, it's a delicate situation.

Yan: I can support Professor Sutter's argument. In China, not only in the U.S, there are people who have the Cold War mentality, in China we do. That's why in China you find people with a Cold War mentality who also think many things in the old way. But I should say that's not Zemin's dream.

Questioner: From Institute for Defense Analysis. Xuotong, you really handled very complicated questions very nicely, so I'll give you a very simple question to my junior from Berkeley.

Yan: Yeah, Berkeley mafia.

Questioner: You said the multilateral security cooperation that China has been particularly active and supportive of since 1995, why 1995?

Yan: Okay, the answer is very clear. Before 1995, China really hesitated about the ARF. We didn't know what it was, we worried that this organization would produce a lot of constraints on us, and we were having problems with south China, the Taiwan issue, all of this. I think we started participating in the activity in 1993. After two years of practice in this organization, we found that it's not so harmful. And so now we have confidence in it.

And another factor. I don't know why, at that time the U.S. government, under Clinton's rule, suddenly became hesitant to participate. So the U.S. stood back, and we thought hey, if the U.S. stepped back, perhaps that's something good, so China jumped in. And in 1997, the U.S. says, hey, you've become active, so the U.S. came back.

Ikenberry: On that point, I think we'll draw the evening to a close. I hope you will join with me in thanking our panel. (End)

About the Panelists

Main Speaker **Dr. Yan Xuetong** is Professor and Director of the Institute of International Studies, Tsinghua University. He also is a member of the China Committee of the Council of Security Cooperation of Asia-Pacific (CSCAP), and serves as a board member of the China Association of International Relations and the China Arms Control Association. He is an advisor to the *Journal of Chinese Political Science*, *World Affairs*, and *The Korean Journal of Defense Analysis*. He also has been a visiting professor at the Monterey Institute of International Studies, Georgia Institute of Technology and U.C. Berkeley. He received his Ph.D. from the University of California, Berkeley, an M.A. from the Institute of International Relations and a B.A. from Heilongjiang University. Dr. Yan is the author of five books, including *Practical Methods of International Studies* (2001), *American Hegemony and China's Security* (2000), and *China & Asia-Pacific Security* (1999).

Discussants **Dr. Robert Sutter** is a Visiting Professor in the School of Foreign Service, Georgetown University. He specialized in Asian and Pacific Affairs and U.S. Foreign Policy in a U.S. government career of 30 years. He held a variety of analytical and supervisory positions with the Library of Congress, and he also worked with the CIA, the Department of State, and the Senate Foreign Relations Committee. Dr. Sutter also served for two years as the National Intelligence Officer for East Asia and the Pacific at the U.S. Government's National Intelligence Council. Dr. Sutter received a Ph.D. in history and East Asian languages from Harvard University. He has published 12 books, numerous articles and several hundred government reports on relations between East Asian countries and the U.S.

Dr. Michael Swaine is Senior Associate and Co-Director of the China Program at the Carnegie Endowment for International Peace. Previously he worked for 12 years at the Rand Corporation, where he was a senior political scientist in international studies and also research director of the RAND Center for Asia-Pacific Policy. Prior to joining Rand, Dr. Swaine was a consultant with a private-sector firm, a postdoctoral fellow at U.C. Berkeley, and a research associate at Harvard University. He received a B.A. from the George Washington University and an A.M. and Ph.D. from Harvard University. Dr. Swaine's current publications include *Ballistic Missiles and Missile Defense in Asia*, co-author (2002) and *Rebalancing United States-China Relations*, co-author (2002).

Moderator **Dr. G. John Ikenberry** is the Peter F. Krogh Professor of Geopolitics and Global Justice at Georgetown University. In addition, he was a Senior Associate at the Carnegie Endowment for International Peace and a Fellow at the Woodrow Wilson Center for International Scholars. He received his Ph.D. from the University of Chicago. Dr. Ikenberry is the author of numerous publications, including, *State Power and World Markets: The International Political Economy* (2002), *After Victory: Institutions, Strategic Restraint and the Rebuilding of Order after Major Wars* (2000), and *Reasons of State: Oil Politics and the Capacities of American Government* (1988).