



**The Asia Program**  
**at the FOREIGN POLICY RESEARCH INSTITUTE**



**Beyond the Summit:**  
**Issues in U.S.-China Relations At, and After,**  
**Hu Jintao's State Visit to Washington**

**Edited By Jacques deLisle,**  
**Director, Asia Program**

**BEYOND THE SUMMIT:  
ISSUES IN U.S.-CHINA RELATIONS AT, AND AFTER,  
HU JINTAO'S STATE VISIT TO WASHINGTON  
[Expanded Edition]**

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**February 2011**

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## An Introduction

By Jacques deLisle

In November 2009, United States President Barack Obama and Chinese President Hu Jintao held their first summit meeting in Beijing, and the Foreign Policy Research Institute published a collection of essays by scholars from the United States, the People's Republic of China and Taiwan addressing many aspects of U.S.-China relations and issues that were on the agenda, or should be on the agenda, for the two leaders. The 14 months following the Beijing summit were an eventful—and in many respects troubled—time for U.S.-China relations, a period marked by rising Chinese assertiveness especially on questions of disputed claims to territory and maritime zones, heightened tensions between the People's Republic of China and U.S. friends and allies in Asia, a difficult global meeting on climate change, an increasingly volatile situation on the Korean peninsula, and seemingly intractable disputes between the United States and China on a host of trade-related issues. Cross-strait relations were a relative bright spot, with the two sides inking an Economic Cooperation Framework Agreement and continuing the warming trend begun in 2008.

Against this backdrop, Hu prepared to travel to Washington for a state visit in mid-January 2011. This Washington bilateral summit occurred in a context of impending transition— or potential transition— among key leaders that was not present at the Beijing summit. For China, Hu's term was nearing its 2012 end (as was the tenure of Premier Wen Jiabao, who made his own high-level visit to India a month before Hu's trip to Washington). For the United States, Obama was facing the aftermath of a “shellacking” in the mid-term elections and uncertain prospects for his 2012 reelection bid. (In Taiwan, a setback for the ruling party in interim elections similarly raised doubts about President Ma Ying-jeou's chances in 2012. On the Korean peninsula, the illness of North Korea's Kim Jong-Il and the uncertain grip on succession of his son were also sources of leadership uncertainty.)

In this collection of essays, a group of authors including most of the contributors to our 2009 collection, *The Hu-Obama Summit and US-China Relations*, assess the significance and impact of the January 2011 Hu-Obama Washington summit and examine the issues and prospects in U.S.-China relations in the aftermath of the summit.

Da Wei (China Institutes of Contemporary International Relations) argues that the summit was successful in accomplishing the important but limited tasks that were within its potential grasp but that a stable and sustainable cooperative relationship will require more, including forging a domestic consensus and setting reasonable expectations on both sides. Wu Chunsi (Shanghai Institute of International Studies) addresses the problems of mutual mistrust and mutual misunderstanding in bilateral relations and argues that leader-level commitments, practical cooperation on specific issues, and stronger U.S.-China societal connections can help to address these issues.

Jacques deLisle (FPRI and University of Pennsylvania) argues that the United States could benefit from making more use of international law in bilateral relations, given the presence of international legal questions in many troublesome areas of U.S.-China relations, the fact that international law is

more closely aligned with Washington's views than Beijing's on many issues that currently trouble the bilateral relationship, and the apparent comparative advantage the United States holds in invoking broad norms of international legality in areas of disagreement and conflict with China and competition for support from other states. Terry Cooke (FPRI) examines developments in U.S.-China cooperation on clean energy, tracing the path from the difficulties prominently on display at the December 2010 Copenhagen Conference through the gains achieved after the Obama administration struck a tougher stance in both the broad politics of U.S.-China relations and the "new politics" of economic statecraft. Cooke also discusses the quiet and gradual but concrete and promising progress toward clean energy cooperation made through investment in technology development projects.

On Taiwan issues, Shelley Rigger (FPRI and Davidson College) finds the U.S. and China committed to accentuating the positive (the stable and improving cross-strait relationship) and downplaying the negative (the areas where each side's long-standing positions are unacceptable to the other) at the Hu-Obama Washington summit, but also notes that Washington then dispatched its top Taiwan affairs official to reassure Taipei. Rigger is skeptical about the durability of the happy equilibrium seemingly attained at the summit. Chen-shen J. Yen (Institute of International Relations and National Chengchi University) argues that China holds, and Hu's state visit reflected, a misplaced zero-sum conception of the relationship between human rights and sovereignty that is especially problematic for Beijing's policy toward Taiwan. Beijing's failure to accept that more promotion of human rights at home, and less rejection of foreign criticism of China's human rights record as an assault on China's sovereignty, explains why otherwise successful efforts to improve cross-strait relations have not been yielding the dividends Beijing had hoped in advancing its agenda of reasserting sovereignty over Taiwan and achieving cross-strait unification. So-Heng Chang (FPRI and Cross-Strait Interflow Prospect Foundation) assesses the implications of the ruling party's disappointing showing in Taiwan's November 2010 mayoral elections, concluding that Ma Ying-jeou faces significant challenges on his road to reelection and that Taiwan's shifting and uncertain electoral landscape presents Beijing and, to some extent, Washington with potentially difficult choices.

Gilbert Rozman (FPRI and Princeton University) addresses the problem of North Korea, arguing that it was a central and defining concern for the summit, that the Obama administration faced especially difficult challenges in dealing with China on the issue and that apparent progress in securing greater cooperation from Beijing is far from certain to endure. Jacques deLisle juxtaposes Hu's state visit to Washington with Wen's earlier trip to New Delhi and considers the ways in which U.S.-China-India relations do—and do not—resemble and have the potential to resemble the U.S.-Soviet Union-China triangle of the later decades of the Cold War.

# After A Successful Summit, Both the United States and China Need Domestic Consensus on Bilateral Relations

By Da Wei

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After a series of disturbances in the year following the summit between China's President Hu Jintao and United States President Barak Obama in Beijing in November 2009, the U.S.-China relationship needed help. It was imperative for the two presidents both to show strong support for a positive relationship and to send clear messages to reassure each other about the future direction of bilateral relations. By this criterion, President Hu's January 2011 state visit to Washington was a success. The two presidents made very clear that their two governments seek stable and cooperative China-U.S. relations and are determined not to choose a "New Cold War" or "Cold War Lite." This is the outcome that U.S.-China relations needed, and the two presidents achieved it. Still, securing a durable and stable bilateral relationship requires more than this—and more than can be accomplished at summits.

As usual, some observers in both countries will say that there is "nothing new" from this state visit. Critics in the United States may argue that the summit confirmed that China will not change its policies on the currency exchange rate, human rights, China's military modernization, North Korea and climate change. Chinese critics may assert a lack of change in U.S. positions, citing news reports that the United States is planning for another round of arms sales to Taiwan and concluding that the summit did nothing to show that the United States would cease its efforts to "contain" China.

Such criticisms are wrong in two respects. First, they fail to appreciate what the summit accomplished. The two countries need to avoid a "new Cold War" or relations that are "warm economically, cool politically." Both in East Asia and globally, it is not in the interests of China, the United States or others for China and the United States to regard each other as enemies or rivals. The Washington summit has helped to reduce the likelihood of this undesirable outcome.

Second, critics' expectations for the summit were too high. Such excessively high expectations, and the disappointments that can follow them, are a recurring problem. They characterized the Obama administration's early approach to China policy. Although it rejected the idea publicly, the Obama administration did have a kind of "G2 mindset" during its first year, apparently believing that China and the United States could and would cooperate to handle a range of international issues. Thus, the United States postponed some decisions that it knew China would not like, such as arms sales to Taiwan. In return, Washington expected China to cooperate with the United States to address regional and global issues such as climate change, North Korea and Iran—largely on Washington's preferred terms. When China refused to do so and the Obama administration decided to sell weapons to Taiwan and meet with the Dalai Lama at the White House, both sides became

disappointed and frustrated with the state of bilateral relations. The lesson we can draw from this and other cycles of ups and downs of China-U.S. relations during the first two years of the Obama administration is that both countries need to be realistic about the relationship.

Overly high expectations preceded Hu's state visit as well. Zbigniew Brzezinski and Henry Kissinger, two former National Security Advisers who helped to break the ice of a China-U.S. Cold War and normalize bilateral relations in the 1970s, wrote articles in the *New York Times* and the *Washington Post*, on the eve of the summit that called for redefining the bilateral relationship and for finding new "big concept" (on the scale of the anti-Soviet agenda that once shaped U.S. foreign policy and U.S. China policy) to frame U.S.-China relations for next 30 years. The two long-time enthusiastic supporters of cooperative U.S.-China relations are accomplished strategists who continue to think in terms of big ideas. But such "big things" likely are not feasible now and surely cannot be achieved at a summit. The ship of U.S.-China relations has become too big and complex to be steered by a mere framework, concept, definition or joint communiqué. The bilateral relationship now deeply links two highly complex and very different countries. Their relations cover a very wide range of issues. No summit can resolve, or even address, all the issues in the bilateral relationship or recast its basis or character.

Events a week before Hu's state visit illustrate the complex nature of the bilateral relationship and a key challenge for its future. United States Secretary of Defense Robert Gates was in Beijing for an important pre-summit meeting on the day the U.S. naval ship, the USS Carl Vinson, arrived in Busan, Korea. The question, prominent in the Chinese media on that morning, was, "Has the Carl Vinson come to show American muscle while Secretary Gates is in Beijing?" In the afternoon, the news of the test-flight of China's J-20 aircraft was the headline. U.S. and Western media raised the question, "With the test of this stealth fighter, is China showing its muscle to Secretary Gates while he is visiting Beijing?"

We do not know the full story behind the Carl Vinson's voyage and the J-20 test, but the events of January 11 are revealing. Gates's pre-summit trip reflects the good will of the two countries to improve and develop political relations. But the day's events, and the reactions to them, also showed the underlying tension in bilateral security relations. We witnessed the eagerness of the leadership in both countries for cooperative relations, but we also saw deep-rooted suspicions among the media, average people and some foreign policy circles in both countries.

To some extent the pattern reflects the basic character of U.S.-China relations. The United States and China are interdependent and have strong bases for cooperation in many areas, but they also have conflicting interests and clashing aims in some other areas. Part of the issue lies elsewhere, in sometimes-uninformed— and often-varied—popular attitudes in both countries, and in the two countries' highly pluralistic foreign policy communities. Various government agencies, the military forces, local governments, big corporations, the media, netizens and others all are different groups that have different interests and concerns and that affect foreign policymaking in both countries. The pluralism in the U.S. foreign policymaking process is generally well understood, but as a relatively new phenomenon, pluralism in China's foreign policy community needs to be understood by both American and Chinese decision makers and analysts.

The United States and China need to address the challenges to bilateral relations posed by this pluralism, as well as by excessively high expectations about what can be accomplished in bilateral



relations. The two leaderships need to build domestic consensus among different foreign policy actors in their own countries. That consensus should include realism and restraint in bilateral relations. Policy-relevant groups in both countries need to accept that the future of a country, either the U.S. or China, depends on its own circumstances and efforts, rather than those of the other country. The future sustainable development of China depends on China, not on the United States. It is equally important to recognize that, for now, the future of the U.S.'s international supremacy depends on Americans themselves, rather than on Chinese. The United States does not have the capability to contain China, and it, therefore, needs to drop aspects of its current policy towards China that are containment rather than engagement. Chinese observers need to distinguish between containment and mere hedging in the China policy of the United States (and other countries). In the current global context in which interdependence has grown so dramatically, China has no capability to achieve a "coercive rise." The mainstream in China understands very well—and others need to accept—that China's "peaceful development" is not only a slogan, but the only possible choice. American analysts—and public opinion—need to distinguish between the "peaceful rise" that will come from the growth of Chinese power, and the history of Germany's and Japan's "unpeaceful rise."

The two presidents achieved all that they could reasonably have hoped for in Washington. But that is not enough. The two governments need to invest more political capital in maintaining and improving the relationship. Each government needs to educate its public and domestic actors who influence foreign policy. Done right, this can shape a domestic consensus in each country concerning policy toward the other. On that basis, China and the United States can build a cooperative bilateral relationship that is more sustainable and stable.

# **Improving Mutual Understanding: Achievements and Potential Impact of President Hu Jintao's State Visit to the United States**

**By Wu Chunsi**

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“A series of misperceptions and misunderstandings significantly undermined mutual trust on both sides of the Pacific [and] heightened distrust and suspicions have a real impact on U.S.-China relations.” The U.S. scholar of China-U.S. relations Peter Hays Gries made that comment about developments in 2008. The same observation can also be applied to explain the frictions between China and the U.S. in 2010. Chinese President Hu Jintao's state visit to Washington in January 2011 helped lay important foundations that can help to reduce such mistrust and its adverse consequences for China-U.S. relations.

It is true that there are some structural difficulties in China-U.S. relations. This is not surprising or entirely avoidable, considering the magnitude of the two countries' importance in the world system. Nonetheless, in the age of post-Cold War international politics and globalization, the geopolitical rivalry between countries has not been as important as it was in an earlier period when international relations was dominated by bilateral relations and traditional security issues. Global challenges such as terrorism, climate change, epidemic disease and cross-border crimes have become the real obstacles and foremost threats to peace and the development of all countries.

Although the need and commitment to address such nontraditional issues can create bases for cooperation between China and the U.S., elements of power competition exist as well. And China-U.S. power competition was, to some degree, amplified by bilateral interactions in 2010. These interactions were an important cause of misperceptions and misunderstandings, especially likely to arise in times of rapid change in the international system and the world's political and economic situation, such as we currently face.

The Chinese side made promoting mutual understandings between the peoples of China and the United States a high priority for President Hu's state visit. In his talks with President Obama on January 19, President Hu used four phrases—enhancing dialogue, increasing mutual trust, expanding exchanges and deepening cooperation—to underline the emphasis on improving mutual understanding. Tellingly, Hu placed the four phrases immediately before proclaiming the goal to “open new prospects of bilateral partnership.” It is quite clear that China thinks that the two countries' different perceptions and mutual mistrust have had a negative impact on their ability to achieve cooperation in practice. As China sees it, without improvement of understanding, China-U.S. cooperation on common interests will be restrained.

During Hu's state visit, China advanced a strategy for improving mutual understandings included three parts:

First, President Hu fully affirmed China's willingness to join in international cooperation to maintain peace, facilitate development and deal with global and regional problems. On several occasions, President Hu stressed to his audience China's strategy of peaceful development. He declared that China adheres to a basic state policy of opening to the world and will continue to combine pursuit of its interests with pursuit of the common interests of international community. With such statements, China tries to eliminate or at least reduce the world's uncertainty about a rising China's strategic intentions. China also thus reconfirms its commitment to the world that its development will be a plus not minus to all parties. China also reaffirmed, in the Joint Statement issued at the summit, that China welcomes the U.S. as an Asia-Pacific nation that contributes to peace, stability and prosperity in the region.

Second, China believes that China-U.S. mutual understanding can only be improved through advancing practical cooperation in areas of common interests. Unquestionably, China and the U.S. have many common interests globally, regionally and bilaterally, but the two countries have encountered significant difficulties in translating their concurrent recognition of common interests into effective common actions of cooperation. Last year's practice in China-U.S. relations—plagued by friction over many issues—vividly illustrated this problem. The Chinese side thinks that the reason for this phenomenon is that the “common interests” have been defined in such an abstract and comprehensive way that they cannot provide a basis for effective cooperation in practice. China therefore sought to use the occasion of President Hu's state visit to work to specify areas of common interests with the U.S., to set priorities for cooperation, to draw up working plans and to make clear the outcomes that the two sides want to achieve. This endeavor produced tangible results in the form of agreements reached by the two governments in conjunction with the state visit. Further progress in addressing issues of common interest and in improving bilateral cooperation more generally can be expected if the agreements are fully implemented.

Third, China believes that expanding and deepening the two societies' understanding of each other will substantially reduce mutual suspicions and increase mutual trust. It has been forty years since China and the U.S. reopened their doors to one another, and there are now many channels of exchange between China and the United States in the areas of education, academics, science and technology, culture and so on. Connections between the two societies, however, are still insufficient. They are thin compared to the dense interactions between the two countries in political, economic and even security areas.

Specifically, China thinks that it is important for U.S. society to have a better understanding of China's strategic posture. If U.S. society does not trust in the peaceful nature of Chinese culture and Chinese society, the United States will not be able to accept that China will not seek to become a hegemonic power and pursue territorial expansion after it rises. In addition, China seeks a better understanding of U.S. society as a means to furthering economic ties. During the era of China's Reform and Opening to the Outside World, China has opened its economy greatly to the United States. The two countries' economies have become deeply interwoven. Now, Chinese enterprises are increasingly interested in investment in the United States, which will require greater Chinese understanding of U.S. society and U.S. understanding of China's. To address both economic and security issues, therefore, promoting the two societies' exchanges and mutual understandings was a very important element of President Hu's mission during the state visit.

China and the United States outlined many programs for promoting cultural and social exchanges during Hu's visit. Generally speaking, the two countries are undertaking to extend interactions beyond the central or federal government levels to local governments, beyond coastal and big cities to their inner and heartland areas, beyond intellectual elites to general publics. With more institutions, communities and groups participating in and benefiting from China-U.S. cooperation, China hopes that the two countries' relations will have a more solid and broad foundation and therefore will be more stable in the future.

On the whole, President Hu's January 2011 state visit to the United States was a success. The two governments can point to several important tangible achievements from the visit. Of course, China hopes that the agreements reached during President Hu's state visit will be implemented fully in practice. The agreements and their implementation will be helpful in building further China-U.S. cooperation on political, economic and security issues. In addition to such concrete accomplishments, the intangible factors of summitry—including communications between the two leaders and, through the leaders, between the two societies—are especially worthy of notice and potentially very valuable for the future development of bilateral relations. In China's view, without such improvements in mutual understanding in cultural and spiritual areas, it will be difficult to achieve further advances in U.S.-China cooperation and bilateral relations. Better mutual understanding in areas that extend beyond material interests can advance China-U.S. cooperation into a new phase, in keeping with the hope expressed by Chinese leaders in connection with the visit.

# Clean Energy: U.S.-China Cooperation and Competition

By Merritt T. (Terry) Cooke

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Even as green technology and climate change have become political hot-button issues in China and, especially, in the United States, the practical level of U.S.- China cooperation on clean energy has advanced noticeably in the 15 months since the debacle at the United Nations Framework Talks on Climate Change Cooperation (UNFCCC, COP 15) in December 2009. Multilaterally, at the follow-up UN climate change conference held in Cancun at the end of 2010, the two countries managed to break their previous cycle of finger-pointing and intransigence and adopt compromise formulations. These move the UNFCCC process forward and help make progress toward addressing the global climate change challenge. Bilaterally, U.S. President Barack Obama hosted a successful, though hard edged, state visit by Chinese President Hu Jintao in January 2011. This visit avoided the gaffes of earlier summits and provided an occasion for the two presidents to convey their different visions of a future cooperation. Beyond the politics of U.S.-China relations, technology and investment dynamics over the past year also altered the calculus of bilateral cooperation and competition in a variety of ways. The result has been a more realistic and more even base for building and expanding clean energy trade and investment linking the United States and China.

A closer examination of each of these recent developments shows that the twists and turns of U.S.-China clean energy cooperation may not have followed the roadmap that Obama presented at the outset of his administration, but they are bringing occasional lurches forward toward the goal of sustained engagement that Obama initially envisioned.

## **THE MULTILATERAL STAGE: A HANDSHAKE—AT LAST—AT THE UN**

The world stage of the UNFCCC process to combat climate change has shown the U.S.-China dance of clean energy cooperation at its awkward worst. At the outset of Obama's presidency, his administration sought to build on the Clinton-era legacy of China's U.S.-supported accession to the WTO. Obama extended to China an open hand of "G2<sup>1</sup>"-level global cooperative leadership to mitigate and reduce carbon emissions. From February to November 2009, the Chinese side conspicuously refrained from reciprocating or accepting that gesture. In retrospect, it may not have been realistic to expect that China would. None of the preceding four generations of Chinese leadership has greeted a new U.S. presidency with an attitude warmer than extreme wariness. Given Barack Obama's exceptional personal story and his youth, the less-than-youthful and risen-through-the-system leadership in Zhongnanhai was perhaps even more wary. They were dealing

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<sup>1</sup> Fred Bergsten *The United States and the World Economy* (2005) and "A Partnership of Equals" *Foreign Affairs*, July-August 2008

with a particularly unknown quantity and chose to ignore the proffered hand. At the time, the two sides did not have a sufficient shared understanding of what U.S.-China bilateral global leadership on the clean energy issue would look like. Before he recast it as an American jobs-creation and "winning the future" issue in his January 2011 state of the union speech, Obama had treated the climate change issue primarily as a moral imperative for U.S. global leadership, and as a means to help repair eight years of damage to the U.S.'s working relationship with the UN and other multilateral organizations. The Chinese leadership, on the other hand, has consistently viewed the clean energy issue almost entirely through the lens of national energy security, which is seen as vital to maintaining China's economic growth and the Chinese Communist Party's (CCP) political legitimacy. With the two sides acting from such different motivations, a working partnership based on "one bed, different dreams" —as the Chinese proverb puts it—could not have been expected to develop quickly or, perhaps, at all.

The tensions between the U.S. and Chinese views and the lack of a strong foundation for cooperation burst into full public view at the Copenhagen Conference when China responded to Obama's open hand with an unexpected pointed finger<sup>2</sup> as the talks broke down. This led to months of further finger-pointing among global leaders, stagnation in the UNFCCC process, and the collapse of political support for cap-and-trade legislation in the United States. Expectations were accordingly low for the 16th Conference of the Parties (COP) meeting held in Cancun from November 29 to December 10, 2010. Initially, China and the United States struck rigid poses that suggested they would not be able to move toward cooperation. Xie Zhenhua, China's top climate change negotiator and vice chairman of the National Development and Reform Commission, insisted that the issue of developed nations financing climate mitigation for the developing world be resolved before agreement on substantive obligations could be broached. The U.S. Deputy Special Envoy for Climate Change Jonathan Pershing was equally insistent that details on financing efforts to combat climate change could only be resolved after a basic agreement had been reached on measuring, reporting and verifying the levels of carbon emissions reduction in developing countries. At the eleventh hour, however, the two sides suddenly moved toward compromise and a basic agreement for the 16th COP round—an agreement in which both the United States and China yielded from their initial positions—was reached. This agreement, mixing watered-down versions of both the financing and verification ingredients, has given new impetus to worldwide mobilization against carbon emissions.

## **THE PAS DE DEUX: CHANGING BEAT, CLEARER TUNE**

The bilateral accompaniment to this off-again on-again climate change dance of the United States and China on the world stage has three themes, two following the same line and one in close counterpoint.

First, in the realm of the conventional and complex politics of U.S.-China relations, the U.S. has distinctly toughened its tone over the past year and China reacted. In the aftermath of the breakdown of the COP 15 talks in Copenhagen, tensions rose in the bilateral relationship. Several developments produced this pattern: Obama concluded the administration's arms sales deal to Taiwan; he met at the White House with the Dalai Lama; U.S. frustration rose with China's perceived

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<sup>2</sup> James Fallows, <http://www.theatlantic.com/technology/archive/2010/01/what-happened-in-copenhagen-4/33266/>

failure to cooperate more fully on sanctions during Iran's post-election upheaval; and the simmering concern over undervaluation of the renminbi came to a boil again on Capitol Hill.

These tensions moderated somewhat when Hu accepted Obama's invitation to the nuclear nonproliferation summit in Washington in April. Almost immediately thereafter, however, there came another pronounced downturn in the bilateral relationship during the summer and fall. Two long-time irritants in the relationship—North Korea and the South China Sea—resurfaced. The United States was unhappy with China's failure to take a firmer line with an increasingly provocative North Korea, and the United States responded sharply to Chinese claims about "core interests." Particularly noteworthy was Secretary of State Hillary Clinton's serving notice that the United States viewed freedom of transport in the South China Sea to be a vital U.S. security interest and pledging that the United States would work multilaterally with Southeast Asian nations to that end. This represented a clear rebuke to China's stated position that the issue was a purely regional concern to be dealt with by China on a bilateral basis with other countries. It also constituted a U.S. policy response to China's growing naval strength and capacity for blue-water power projection. The fact that Southeast Asian nations openly welcomed this U.S. reassertion of power in the region was salt in China's wound.

Second, a new theme—the "new politics" of economic statecraft—has generally followed this pattern in "high politics." Here, too, there has been growing U.S. push-back against China's move to assume leadership, specifically in the clean energy arena. Partly, the new U.S. assertiveness reflected a changing intellectual viewpoint. The United States was coming to grasp China's unprecedented success in wielding its economic power to reap outsized political influence traditionally generated by hard power. Ian Bremmer, Les Gelb and other commentators have helped foster better understanding in U.S. foreign policy circles of the importance of economic statecraft in the changing power equation between the United States and China. More viscerally, public attitudes toward China in the United States have largely tracked the decaying orbit of the "high politics" relationship. Throughout 2010, a series of reports triggered alarm. Among these were analyses that pointed to China's growing traditional industrial might and others concluding that, in the wake of the Global Financial Crisis, China had blazed past the United States to become the global leader in clean energy investment and finance.<sup>3</sup> The fallout included efforts to invoke trade remedies. In September, the U.S. Steelworkers Union filed a complaint against China to the U.S. government, citing a host of alleged unfair trade practices. In a later and related move, the U.S. Trade Representative initiated a dispute before the World Trade Organization over alleged Chinese subsidies to wind power equipment manufacturers. The lead-up to the U.S. midterm elections in November also saw a near-viral spread of attack ads targeting China in many congressional districts. In January, the United States made two additional moves related to clean energy on seemingly small stages that attracted big attention: Obama signed a new law containing a "buy American" provision for Defense Department purchases of solar panels; and, for the first time, the U.S.'s Eximbank moved to match its Chinese counterpart's below-market interest rates and easy repayment terms to support an export deal to Pakistan for advanced train technology from General Electric. In his State of the Union address, Obama was clearly referring to China as the new Soviet

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<sup>3</sup> See the Pew Environment Group's Newsroom at <http://www.pewglobalwarming.org/newsroom/articles.html> for a listing of articles on the theme of 'China overtaking the U.S. in clean energy investment' following the release of the Pew Environment Group's report *The Clean Energy Economy* in March 2010.

Union-type challenger to the United States when he spoke of the U.S.'s new "Sputnik moment" and the need to pursue technological innovation, including in clean energy.

The U.S.'s tougher tone in the traditional politics of bilateral relations and in the new politics of economic statecraft has not tripped up U.S.-China cooperation in clean energy or triggered a combative competitive response from China. If anything, it seems to have given China's leaders a clearer sense of a more assertive and comprehensible American president. China now seems to see Obama as playing an established and recognizable "American tune" on the global stage. During his January state visit to Washington, Hu took pains to show the "smiling face" of Chinese "peaceful rise" diplomacy, replacing the "angry face" that had been on view after the Nobel Peace Prize award to Liu Xiaobo and a series of incidents in the South and East China Seas. Hu also skillfully brandished "China, Inc.'s" checkbook, presiding over more than US \$45 billion of commercial deals during his visit with one-quarter of that amount going to clean energy deals with major U.S. firms.<sup>4</sup> In negotiations during the state visit, China also appears to have ceded ground in the highly-charged dispute over China's "indigenous innovation" policy in government technology procurement (which U.S. critics saw as disadvantaging U.S. providers or pressuring them to transfer intellectual property rights to Chinese firms).

This approach by China—a purring voice in response to twin U.S. growls— is understandable. The Chinese leadership, over many decades, has come to expect, and tends to respect, clear and principled postures of strength and clear assertions of legitimate interests from the United States. Chinese state-owned companies know that they cannot hope to become world-class if they do not acquire global market experience and global management skills. Access to U.S. markets provides an indispensable proving-ground. Chinese state-owned and private manufacturers depend on sales to U.S. markets in key areas, including, in the clean energy sector, photovoltaic solar products. They need U.S. markets to grow while they wait for a domestic market to be developed. Public attitudes in China are deeply confused by all the talk they hear of from U.S. sources about "Sputnik moments" and about the United States losing the innovation race to the Chinese. To their minds, innovation is in the U.S. market's DNA and is the most notable feature missing from the Chinese market. The notion that Chinese innovation is an existential "Sputnik"-like threat to the United States, thus, does not describe for Chinese observers a recognizable reality. That may make it all the more alarming and effective as a rallying cry for U.S. action taking a tougher line against, and seeking to out compete, China in clean energy and other innovation-intensive sectors.

## **CLEAN ENERGY TECHNOLOGY AND INVESTMENT: SUBSTANTIAL STEPS OUT OF THE SPOTLIGHT**

While high-level meetings such as Hu's state visit capture and emphasize the bilateral relationship of the moment, they are less helpful as predictors of future directions, especially in particular issue areas or sectors. For clean energy, the dynamics of investment and technology are more useful indicators. While the complexity of these developments precludes their full treatment here, one example suggests the broader pattern.

While the broader bilateral relationship headed toward the cellar during the summer of 2010, the U.S. Department of Energy announced six new public/ private regional centers for the development

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<sup>4</sup> See US-China Clean Energy blog: <http://mtterrycooke.wordpress.com/2011/01/24/whats-u-s-china-clean-energy-cooperation-worth-how-about-us-12-5-billion-in-4-days/>



and commercialization of clean technologies. Three of these are designated national “Energy Innovation Hubs” (EIH): one in Southern California for solar energy, one in Oak Ridge, Tennessee, for nuclear energy; and one in Philadelphia for building efficiency. Three other centers —based on the same Brookings-developed model for twenty-first century regional development as the EIHs, but funded at less than one-sixth of their level—are constituted as joint U.S.-China Clean Energy Research Centers (CERC). The three U.S.-based CERCs (which have three counterparts, PRC-funded CERCs in China) are in Detroit for electric vehicles, in West Virginia for clean coal technology, and in Berkeley for building efficiency. The six CERCs are to implement a clear plan to use the complementary strengths of the U.S. and PRC markets, with innovation focused in the U.S. and rapid deployment and scaling up being the principal tasks for China. The commercial benefits—and intellectual property ownership—of the CERC collaborations are to be shared according to a negotiated protocol.

While the price tag for these three U.S.-based EIHs and the three U.S.-based CERCs is exceedingly modest—less than US\$1 billion in total over a five year period—they represent a thoughtful and highly promising avenue for marshaling significant innovation talent, top-level technology and investment support.

In an October 12, 2010 op-ed in the *New York Times*, Tom Friedman called these centers of “moon-shot quality” and “the most exciting initiative proposed by President Obama that no one has heard of.” As of February 3, 2011, the Obama administration is no longer hiding this light under a bushel. In a major speech at Penn State, and building on themes from his State of the Union address, Obama championed these centers as keys to unlock U.S. innovation for the twenty-first century and as centerpieces of his initiative to “Win the Future.” This agenda is likely to last, not least because it fits with the strategy of triangulation that the Obama administration has chosen after the setback in the midterm elections. It offers a lever to use against—or a path between—the “won’t fund anything” fiscal conservatives on the right and the “don’t give business anything” wing on the left.

Much has happened to shape, and improve, the prospects for clean energy cooperation between the United States and China over the past year—at the multilateral level, the bilateral level, and in the areas of technology and investment. If captured in a Twitter feed, the message would be something like “Awkward pas-deux between China & U.S. lurches forward on global stage. Keep your eye on the EIHs and CERCs for real action to come.”

# Dragon and (Legal) Eagle: International Law and American Interests in U.S.-China Relations beyond the Hu-Obama Summit

By Jacques deLisle

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Like U.S. President Barack Obama's trip to Beijing a little over a year earlier, Chinese President Hu Jintao's state visit to Washington in January 2011 did not produce breakthroughs. There were, to be sure, agreements and pledges on issues ranging from cooperation on clean energy to possible terms for new engagement on North Korea to incremental or narrow progress on trade-related issues. Much of the summit's significance lay not in concrete substance but in broad symbolism: Hu enjoyed the U.S.'s recognition of his and China's status that came with a full state visit free of the glitches and embarrassments that marred his formally lower-status trip to Washington in 2006. Dogged by perceptions that he had been too accommodating or weak at the 2009 Beijing summit, Obama struck a tougher stance through several cabinet secretary statements in the run-up to the summit and the president's pointed comments to Hu about possible redeployment of U.S. forces to address the North Korean threat. And both sides sought to dial back the tensions that had mounted sharply during the year and more preceding the 2011 summit—a "lite" version of hitting the reset button in bilateral relations.

In this context, a modest turn—or return—to international law is a promising strategy for the United States. The summit offered a few hints and possible starting points for this approach. The Joint Statement referred, at least obliquely, to treaties on international human rights, arms control and anti-proliferation, and international trade and investment. At the two presidents' joint press conference, Obama explained that he had emphasized to Hu the U.S.'s "fundamental interest" in maintaining "respect for international law" in East Asian regional security affairs. More broadly, Obama declared that the United States wanted to "make sure" that China's rise "reinforces international norms and international rules"—terms often synonymous (or at least closely symbiotic) with international law.

Much more is possible, and some of it was immanent in Hu's state visit. International legal questions run through the key and troublesome areas in U.S.-China relations, including those that variously saw limited commitments, marginal progress or near-total inattention at the 2011 summit. On many specific issues, international law is more closely aligned with Washington's interests and aims than with Beijing's. In the more diffuse arenas of political alignment and soft power, the United States is better positioned than China—and increasingly so—to claim that it supports legality (and, in turn, stability and, sometimes, justice) in international affairs.

## ECONOMICS

On trade-related issues, the United States has arguments, ranging from colorable to convincing, that the Chinese policies and practices that have been the focus of U.S. complaints (including at the summit) are at odds with international legal rules or at least in tension with the norms that underpin them. Although the Obama administration (like the Bush administration before it) has repeatedly foregone labeling China a “currency manipulator” under U.S. law and although currency undervaluation is a difficult basis for a case asserting that China is violating World Trade Organization obligations, international legal rules do proscribe predatory exchange rate practices and the systematic maintenance of a too-low exchange rate is inconsistent with the liberal, free-and-fair-trade principles that are core to the WTO-centered international regime of which the United States and China are especially important members.

Although China’s intellectual property laws largely meet international standards and although China has taken steps—and at the summit renewed pledges—to improve protection of foreign-owned intellectual property rights, the United States can invoke international legal norms to buttress its economic complaints. To be sure, the checkered patterns of enforcement on which many U.S. complaints focus are not easily actionable within the WTO’s formal legal system. Nonetheless, the widespread piracy and insecure protection for intellectual property rights that U.S. criticisms recount fall short of the goals and expectations of robust and consistent global protection contemplated by the WTO’s Trade Related Aspects of Intellectual Property Rights Agreement (TRIPS). Although China is not yet a party to the WTO’s Agreement on Government Procurement, Beijing has indicated its desire to join. Aspects of its “indigenous innovation” policy—which required government purchasers to favor Chinese-created or at least Chinese-owned technology (and threatened to put great pressure on United States and other foreign intellectual property owners to transfer rights to Chinese firms)—are incompatible with the GPA’s requirements. Notably, China appeared to soften the policy months before the summit and, at the summit, Hu promised to delink the policy from government procurement.

Although the record has been mixed (with the United States losing on some issues and conceding on others), the United States has been relatively successful in bringing, and defending, cases against China in the WTO’s formal dispute resolution processes. The United States has won on such matters as China’s restrictions on foreign-invested firms’ access to media distribution sectors, China’s refusal to grant copyright protection to censored foreign works, China’s resale of seized trademark-violating goods, China’s export subsidies (in the form of tax rebates) to semiconductor manufacturers, and U.S. restrictions on surging exports of Chinese tires and subsidized exports of Chinese tires and other goods. On other issues, China has accepted U.S. positions or reached a compromise in the shadow of pending WTO claims. Before the summit, the United States launched new claims alleging that China violates WTO legal obligations through discrimination against U.S. financial services providers (specifically, electronic payment services), restrictions on Chinese imports of U.S. steel (specifically, antidumping and anti-subsidy measures), restrictions on Chinese exports of certain raw materials, and provision of subsidies to Chinese manufacturers of green energy equipment. Lurking in the background are bigger deal—if legally more problematic—prospective claims that cheap credit from Chinese state-linked banks are WTO-violating subsidies to Chinese firms and that Chinese censorship of Google and other service providers violates Beijing’s WTO commitments on services.

Whatever their merits as matters of fairness and policy, principal Chinese complaints about U.S. economic policies and practices have not gained and, in current form, cannot gain much traction as international legal claims. Examples include: ostensibly national security-based restrictions on Chinese investments in certain U.S. firms and sectors; restrictions on high tech or sensitive technology U.S. exports to China; and U.S. fiscal and monetary measures that are at odds with Beijing's view of what Washington needs to do to get the U.S.'s financial house in order.

## SECURITY

On security-related issues, the U.S.'s positions generally draw more support from international legal rules and principles than China's do. Claims of territorial sovereignty are one key set of issues. Whatever the merits of the underlying claims, China's stances have been less accepting of the status quo and, thus, more immediately in tension with the international legal obligation (in principle embraced by the PRC) to resolve such disputes peacefully. This pattern sharpened in the months preceding the Washington summit as Beijing: pointedly (re)asserted that disputed areas in the South China Sea were part of China's "core interests" (and thus in principle subject to the same kind of zealous protection from foreign encroachment as other Chinese sovereign territory); escalated a confrontation with Japan over the seizure of a Chinese fishing boat near the contested Diaoyu / Senkaku Islands; shifted from a relatively agnostic to a more pro-Pakistan position and from a relatively cautious to a more assertively pro-China position on regions variously claimed or long-governed by India. The warming in cross-strait relations that has followed Ma Ying-jeou's ascension to the presidency in Taiwan and the earlier shift of emphasis from reunification to anti-secession in Hu Jintao's Taiwan policy have lowered the temperature on the Chinese territorial sovereignty issue that has long been most threatening to regional stability and U.S.-China relations. (The United States explicitly "applauded" this trend in the January 2011 summit Joint Statement.) As the Joint Statement also predictably reconfirmed, however, there has been no change in Beijing's fundamental position that Taiwan is part of China's sovereign territory, that the PRC's diplomatic partners must accept some version of a "one China" policy, and that China asserts the right to reunify Taiwan by force if need be.

On many of the territory-related issues, the legal merits are enduringly and extensively contested and in some cases are relatively close. This limits the U.S.'s (and others') ability to invoke international law to push back against Chinese positions. On some of the relevant questions, however, the Chinese view is more clearly outside the international legal mainstream. Important instances of this include: claims to the South China Sea that are based on "historic" seas, a convex U-shaped line, or sovereignty (with attendant rights to adjacent waters) over tiny land masses that are uninhabitable or semi-submerged; claims to a legal right to exclude or restrict U.S. naval ships operating within China's 200 nautical mile Exclusive Economic Zone (an area in which coastal state rights are generally seen as limited to regulating economic and related activities), and assertions that the three U.S.-PRC Joint Communiqués and World War II-era Cairo and Potsdam Declarations create binding legal obligations from the United States to China concerning the status of Taiwan.

The PRC's recent behavior has not included the clear and significant violations of international law on the use of force or weapons proliferation that would give powerful legal force to U.S. criticisms. Still, China's current positions on some related issues clash with international legal norms and aspirations in ways that the United States's do not. The prospect of regime-toppling U.S. action in North Korea has receded greatly from its highpoint during the George W. Bush administration. U.S.

intervention in Iran is seemingly a remote possibility. The U.S. interventions in Iraq and Afghanistan are “old news” (in both cases) or are winding down (in the former case) or have clear international legal bases (in the latter case). In this context, China now is responsible for relatively much of the relevant legally problematic behavior. It continues to back North Korea, even in the face of Pyongyang’s proliferation-threatening nuclear weapons program and the legally indefensible attacks on the South Korean naval ship Cheonan and the South Korean village of Yeonpyeong. China has impeded multilateral efforts to use the principal international legal mechanism—the UN Charter-based authority of the Security Council—to impose sanctions targeting Iran’s nuclear program (as well as North Korea’s). Notably, the summit’s Joint Statement recognized and memorialized China’s gradual movement toward the U.S.’s (and others’) positions on the Iran and North Korea questions. And the statement did so in passages adjacent to its reiteration of the U.S.’s and China’s joint support for anti-proliferation international legal instruments, including the Comprehensive Nuclear Test Ban Treaty and a Fissile Material Cutoff Treaty (and, concerning Iran, the Non-Proliferation Treaty).

## **HUMAN RIGHTS**

Finally, on human rights, key international legal norms track U.S. agendas and push China into a defensive posture. The U.S. critique of China’s human rights record long has routinely invoked the civil and political liberties that are enshrined in the customary international law of human rights and the principal multilateral treaty, the International Covenant on Civil and Political Rights (ICCPR). In the run-up to the Washington summit, the Obama administration shifted from its previously subdued tone, which had drawn criticism as soft and ineffective and which seemed especially hard to sustain at a summit that would bring together the preceding year’s Nobel Peace Prize laureate and the prisoner of the most recent winner. The renewed U.S. emphasis on the issue led to the summit Joint Statement’s relatively prominent mention of human rights and specific reference to “international [human rights] instruments” (implicitly, the ICCPR and other major UN treaties). The summit also affirmed commitments to resume the dormant bilateral human rights dialog (suggestively, in close proximity to commitments to resume cooperation on rule of law issues). At the joint press conference, Obama reiterated the “core views [of] Americans” that freedoms of speech, religion and assembly are universal.

Faced with this, the PRC’s language in the Joint Statement and Hu’s public statements in Washington did little more than restate China’s familiar and limited rejoinders. Having long publicly accepted the universality of human rights, having signed (but not ratified) the ICCPR and having joined many of the other UN human rights treaties, China has been reduced to asserting its rights to be free from external interference, to choose its own path in “implementing” human rights and to take into account its particular national circumstances and cultural traditions.

More assertive elements in the Chinese repertoire—detailing areas in which China claims the United States falls short of the standards of international human rights norms and law—generally have not matched the impact of the critique of China’s record concurrently advanced by the United States (including the annual State Department reports), governments of other liberal-democratic states and numerous human rights NGOs. Although such Chinese efforts sometimes have landed blows (for example, in the wake of the Abu Ghraib scandal and the Justice Department’s “torture memos”), their force has been undercut by Chinese support for human rights-violating regimes (for example, al-Bashir’s Sudan). And such tit-for-tat tactics were, understandably, abandoned at a

summit where China sought to accentuate the positive in the recently troubled U.S.-China relationship.

## **INTERNATIONAL LAW AND FOREIGN POLICY**

For the United States to have international law largely on its side in many areas of disagreement with China may seem to be an exceedingly trifling benefit. As the foregoing survey reflects, there are relatively few areas in which the United States is indisputably in the right, and China clearly in the wrong, as a matter of international law. Even where that is the case, prevailing on an international legal point will not lead reliably or simply to substantive victories for the United States in many contexts (with the WTO dispute resolution process being a significant, if incomplete, exception). And the approach is not without its risks and costs, given that China also will claim—sometimes effectively and sometimes with justification—that international law is on its side.

The benefits are more diffuse and indirect, but that does not make them illusory or unimportant in the relatively informal politics of international relations. Being able to claim credibly the mantle of legality can make a difference amid what surely will be mutual charges of irresponsible, opportunistic or narrowly self-interested behavior and protracted competition for trust and support from other states in East Asia and beyond. Persuasive assertions of international legal compliance or violation can make it harder for opponents and onlookers to dismiss disputes as merely conflicts of interests, unsusceptible to principled resolution and of no more than prudential concern to third states. The cloak of international legality can help insulate against charges that purportedly principled positions only reflect quests for power or pursuit of national policy preferences.

Moreover, a limited turn toward international law fits well with proclivities and strengths of the Obama administration's China policy and foreign policy. After all, the administration's efforts in these areas are led by a lawyer-president and a lawyer-secretary of state (whose early forays into international politics included the U.N. conference on human rights for women held near Beijing). Its foundational foreign policy aims included redressing the reputation of disdain for international law that the United States had acquired during the preceding administration. Many of the international legal arguments targeting China that the Obama administration has deployed, or that are available to it, align well with arguments from U.S. friends in the region that are troubled or threatened by China's positions and actions. Giving international law a higher profile also complements U.S. efforts—rooted in the previous administration and before—to press China to behave as a responsible stakeholder in the international system, as a state that lives up to its much-touted pledges to abide by international legal obligations (on matters ranging from human rights to treaty observance to peaceful dispute resolution), and as a rising power that supports the basic international status quo and, in Obama's words at the summit, "reinforces international norms and international rules."

# Accentuating the Positive and Eliminating the Negative in Taipei, Washington and Beijing

By Shelley Rigger

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Johnny Mercer would have approved: during his recent visit to Washington Hu Jintao and his host, Barack Obama, made every effort to accentuate the positive and eliminate the negative. Their determination extended even to the Taiwan issue, typically a point of contention in Sino-U.S. summit meetings. Both leaders made the standard boilerplate statements on the topic, but they kept their remarks on parallel tracks and avoided a confrontational back-and-forth. After the visit ended, both sides quietly declared victory, and the U.S. sent its representative to Taipei to reassure the government there. The three sides' interactions immediately following the summit underscored both the magnitude of the differences among them, and their shared determination to elide and obscure those differences, at least for the moment. The Johnny Mercer approach may not be sustainable in the long run, but at this juncture it seems to have worked well for everyone.

At the White House press conference on January 19 President Obama led the way in accentuating the positive when he praised Beijing and Taipei for "reducing tensions and building economic ties," a development he said was "in the interest of both sides, the region and the United States." The joint statement issued on January 19 spelled out the reasons for Obama's optimism: "The United States applauded the Economic Cooperation Framework Agreement between the two sides of the Taiwan Strait and welcomed the new lines of communications developing between them. The United States supports the peaceful development of relations across the Taiwan Strait and looks forward to efforts by both sides to increase dialogues and interactions in economic, political, and other fields, and to develop more positive and stable cross-Strait relations."

As for eliminating the negative, President Hu avoided the kind of strong statements that have discomfited Americans in the past. The joint statement acknowledged Taiwan's importance as a factor in U.S.-PRC relations and reiterated Beijing's position that "the Taiwan issue concerns China's sovereignty and territorial integrity." It called on the U.S. to "honor its relevant commitments and appreciate and support the Chinese side's position on this issue." Still, the statement's wording is relatively mild in comparison to past PRC comments. In particular, it avoided characterizing Taiwan as a "core interest" of the PRC. Beijing uses the phrase "core interest" to describe issues on which it is unwilling to compromise, and the expression has taken on an assertive coloration that would have been out of synch with the meeting's upbeat tone. There is no question Beijing regards Taiwan as a "core interest," but its willingness to use different language in the joint statement helped keep "the negative" to a minimum.

For his part, President Obama, too, was careful to downplay language the PRC might find inflammatory. During the press conference he referred to the Taiwan Relations Act as an important

element in America's policy, but the TRA—the legislative foundation for the continuing relationship between the United States and Taiwan since the U.S. normalized relations with China and ended formal diplomatic ties with Taiwan—went unmentioned in the joint statement. The mandate to eliminate the negative was evident, too, in the presidents' decision not to challenge one another's Taiwan-related pronouncements. The PRC requested the U.S. "appreciate and support" China's views about Taiwan, while the U.S. stuck to its standard line of adhering to the one China policy and the two sides' three Joint Communiqués. In other words, the two sides agreed to speak past one another.

Once the visit was over, both sides set about declaring victory on the Taiwan issue. Chinese media expressed satisfaction that President Hu had made it clear to Obama in their discussions that Taiwan was a "core interest" of the PRC. At the same time, a U.S. official declared victory for the U.S. side. According to Washington's top Taiwan policy maker, American Institute in Taiwan chairman Raymond Burghardt, the PRC came to the summit hoping for a fourth communiqué that would characterize Taiwan as a "core interest." American officials brushed back both gambits. The meeting concluded with a mere joint statement, not a communiqué, and the phrase "core interest" is absent from the document.

In addition to accentuating the positive and eliminating the negative, the song advises "don't mess with Mr. In-Between." In that respect, the Obama administration might be said to have deviated from the Johnny Mercer plan. President Hu was barely off the plane in Beijing when the United States sent Burghardt to Taipei to reassure officials there that the Hu Jintao visit would not undermine U.S.-Taiwan relations. Burghardt arrived in Taiwan on January 23 for a four-day visit in which he met with Taiwan's top officials, including its president, vice president and foreign minister as well as the leader of the main opposition party, the Democratic Progressive Party. Burghardt told his hosts, "You can rest assured that we are the best friend Taiwan has." He also echoed the president's praise for the recent progress in cross-Strait relations, a point also made in a recent speech by Secretary of State Hillary Clinton, and criticized China for pressuring the governor of Missouri to cancel a planned trip to Taiwan. He said Beijing's action in that case was "inconsistent with all [China's] professions of desire to improve cross-strait relations" and "a serious matter."

Burghardt took pains to explain that the joint statement issued at the summit meeting "in no way breaks any new ground on any issues that would be a concern to Taiwan." According to Burghardt, "We [the U.S.] kept Taiwan in mind during the whole negotiations." Burghardt explained that the PRC had hoped for a communiqué, rather than the less-exalted joint statement and added that the phrase "core interest" was kept out of the statement at Washington's insistence, prompted by concerns that it would excite further controversy in the East Asian region. According to Taiwan press reports Burghardt stated, "We would prefer to have no joint statement at all instead of the statement with the phrase 'core interests.'" He also responded to Taiwanese concerns that the U.S. was pushing Taiwan toward the PRC when it called, in the joint statement, for more cross-Strait interactions "in economic, political and other fields." According to the AIT chairman, the word "political" did not refer to sovereignty-related discussions, and the statement implied no policy change. "The U.S. has always made clear that it has no intention of playing mediator for Taiwan and China," he said.

Burghardt also reiterated a long-standing promise that Washington would not consult with Beijing regarding arms sales to Taiwan. The reassurance was timely; in his meeting with Burghardt,



Taiwanese president Ma Ying-jeou reportedly reiterated his government's request for F-16 fighter aircraft. Said President Ma: "There has been a military imbalance over the Strait for a long time—that is our common concern. The Taiwanese have looked forward to F-16 C/D fighters. We also hope to get diesel-electric submarines, not to enlarge our military hardware but to renew it." The arms sales issue is a hot one in U.S.-China relations; after last year's arms sales to Taiwan Beijing cut military exchanges with America. So far, Washington has been reluctant to sell Taiwan the advanced military technology it is requesting. Nonetheless, President Ma's firm request is likely to please the many U.S. officials who welcome signs Taiwan is serious about defending itself.

The Burghardt visit surely will attract criticism in Beijing, but the rationale for accentuating the positive is strong, almost certainly strong enough to justify letting Washington's flirtation with Mr. In-Between pass without too much comment. Nonetheless, the complexity of the recent negotiations underscores the delicate nature of the relationships among Beijing, Taipei and Washington.

As the summit and post-summit moves reflect, all three sides—Taipei, Beijing, and Washington – recognize that their interests are served, at least for the moment, by damping down conflict and highlighting the win-win potential of trade and investment, but their less compatible long-term objectives have not changed. Beijing still wants Taiwan to move toward formal unification, the sooner the better, and both its rhetoric and its military preparations—including targeting Taiwan with more than a thousand short-range missiles – make that point. Leaders in Taipei are accountable to an electorate that has no interest in unification, and wants Taiwan to remain independent in practice, if not in theory. They see the short-range missiles and worry that China may be losing patience. As for the U.S., its overriding interest is in peace and stability. Washington shares Taipei's view that China must be deterred from using force, and therefore continues to sell arms to Taiwan, despite Beijing's insistence that it stop.

As China's power grows and the military imbalance President Ma pointed to in his remarks to Burghardt worsens, the dilemma for all parties will become even more acute. As much as Taipei and Washington would prefer good relations with Beijing, they cannot ignore the menacing undertone. Accentuating the positive is useful, but the growing military imbalance makes it impossible to eliminate the negative entirely.

# Taiwan Elections and U.S.-China Relations after the Summit

By So-Heng Chang

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Since U.S. President Nixon's first visit to China, Taiwan has been a central issue, and often a focus of tension, in U.S.-China relations. Taiwan received little attention during Chinese President Hu Jintao's January 2011 state visit to Washington. In this respect, the Washington meeting resembled U.S. President Obama's summit with Hu in Beijing in November 2009. On the question of Taiwan, the joint statements at the two summits were similar, with China emphasizing its views on sovereignty over Taiwan and the importance of China's territorial integrity and the U.S. affirming its commitment to its version of a one-China policy, the three U.S.-China communiqués and (in press conference remarks not included in the formal joint statement) the Taiwan Relations Act. The two joint statements differed in one relevant respect: in the January 2011 version, the United States welcomed the creation of the cross-Strait Economic Cooperation Framework Agreement (ECFA) and the increase in channels of communication across the Strait during the last two years.

The summit's lack of attention to Taiwan issues reflects relative satisfaction in Beijing, Washington and Taipei with the general improvement in cross-strait relations since President Ma Ying-jeou took office in Taiwan. Whether this pattern will continue depends to a significant extent on Ma's prospects for reelection and Beijing's assessment of Ma's chances and the implications of a possible victory by the opposition in the 2012 elections in Taiwan. We can find clues about Ma's chances for a second term in the ambiguous lessons of Taiwan's November 27, 2010, mayoral elections and an assessment of the challenges facing Ma's reelection bid in the wake of those elections.

## THE MAYORAL ELECTIONS' OUTCOME AND THEIR IMPLICATIONS

Since Ma took office in 2008, relations between China and Taiwan have improved markedly. There is a more relaxed cross-strait atmosphere. Several rounds of talks and negotiations have been held, and the two sides signed many economic agreements or protocols, the most important being ECFA. Tensions over the cross-strait situation are at one of their lowest levels ever. Much of this de-escalation is attributed to President Ma. The achievements of his cross-strait policies have helped revive Taiwan's economy, which has been an especially pressing concern since the global financial crisis hit in 2008. Under the Ma Administration, Taiwan's economic growth has increased by more than four percent and unemployment dropped below five percent in 2010. The Ma Administration has achieved other diplomatic progress as well. Several countries, including those in the EU zone and Canada, have recently granted Taiwan visa-exempt status. And Taiwan has secured, albeit on an ad hoc basis, participation as an observer at the World Health Assembly.

The November 27, 2010 mayoral elections in Taipei, Xinbei (formerly Taipei County), Taichung, Tainan and Kaohsiung attracted much attention because they were seen as a mid-term verdict on President Ma Ying-jeou's leadership and a possible prelude to the 2012 presidential election. Because the five cities include roughly 60 percent of Taiwan's voters, Taiwan's two main political parties, President Ma's Kuomintang (KMT) and the opposition Democratic Progressive Party (DPP), and possibly Mainland China as well, saw the elections as a significant measure of the popularity of President Ma's policies on cross-strait relations and other matters as well. To the extent that the elections can be read as a verdict, the judgment was less positive than Ma and the KMT had hoped and expected.

The KMT won three of the five mayoralties, grabbing Taipei, Xinbei and Taichung, while the DPP won in Kaohsiung and Tainan. The political topography did not change. The north-south divide remains, with northern Taiwan leaning toward the KMT, while the DPP received strong support from the south. But the DPP won the majority of votes cast and more than had been expected, and this has alarmed the KMT. The KMT garnered 44.54 percent of the votes, while the DPP took 49.87 percent. Overall, the DPP secured 400,000 more ballots than the KMT. Some local newspapers even said that the KMT's triumph was a "catastrophic victory."

In the previous round of mayoral and county magistrate elections (2005 and 2006) in these five areas, the KMT won 52.28 percent of the votes against the DPP's 46.03 percent. In the 2008 presidential election, President and KMT Chairman Ma won handily, with over 2.3 million ballots more than the DPP's candidate. Ma garnered 58.45 percent against the DPP's 41.55 percent. The DPP's comparatively and unexpectedly strong performance in the latest mayoral elections points to an undercurrent of change or, at least, a fluid electorate. The elections understandably have left the KMT feeling uneasy about President Ma's re-election prospects, and brought moves to thoroughly re-examine their policies, campaign strategy and overall performance.

## **PROSPECTS FOR THE KMT AND THE DPP IN THE 2012 PRESIDENTIAL ELECTION**

President Ma will no doubt seek reelection in 2012. Despite the disappointing results for the KMT in the mayoral elections, Ma remains the favored candidate. Still, he must expect a much tougher battle than in 2008. Ma's reelection bid faces several challenges.

Ma needs to address policy issues. On domestic policy, the KMT will continue to emphasize economic progress. It will stress efforts to create more jobs, increase employment, boost economic growth and salaries, and to narrow the wealth gap. The KMT will need to convince voters that its policies are correct, that Taiwan's economic performance is on the right track, and that Economic Cooperation Framework Agreement and economic trends are benefiting most of Taiwan's people.

Ma also must handle cross-strait policy well, which means maintaining continuity but with a more careful and cautious approach. The pace of development in cross-strait relations during Ma's first two years in office has been adequate to reap political and policy gains. However, Ma's political prospects could suffer if ties were to develop much faster. We should not expect any surprising action from Ma's government in the next year and more. The KMT has learned through the disappointing election results to be more moderate in developing cross-strait relations. Ma will not be willing to have peace talks or political negotiations with Mainland China during this period. Any developments that would touch on particularly sensitive issues—such as sovereignty and

international recognition would draw severe criticism from opposition parties. Any perception that the KMT is ceding sovereignty to Beijing would be very dangerous for the party. Furthermore, Confidence Building Measures (CBMs) with the Mainland are still in too early a phase to move on to political talks. Still, the Ma regime also faces risk if it fails to continue to move forward on cross-strait relations. In CBMs, "C" stands for confidence, but it could just as well stand for "conference" because there have been talks with no results. The KMT-led government will need to continue to improve cross-strait relations, at least in economic areas, if it is to enhance the people's confidence in President Ma's leadership on what is, for Ma, a key issue.

Regarding relations with the United States and their implications for the KMT's political prospects at home, the Ma administration will strive to acquire F-16 C/D fighters. The military balance of power across the Taiwan Strait is ever more clearly in China's favor. Taiwan's air force is in desperate need of new fighter jets. If Ma could win approval to purchase the F16 C/D jets from the United States, it would enhance his support from the people and gain more confidence in reelection as well as negotiation with China. Ma will also seek to participate in the 2011 Asia Pacific Economic Cooperation Meeting (APEC), to be hosted by the United States. Standing on this stage of world leaders would be a diplomatic coup that likely would help Ma in the 2012 race.

The Ma administration also will try to advance talks with the United States on free trade agreement issues, such as the Trade and Investment Framework Agreement (TIFA). If the two sides sign the TIFA, it will be a tremendous diplomatic success for the KMT in securing a clear sign of support for Taiwan from its most important security guarantor. It also would be important economically, forging stronger ties with one of Taiwan's most important trade partners.

Ma and the KMT also will have to be prepared to grapple with a likely reinvigorated DPP. Ma and the KMT cannot count on a weak and divided opposition party. The DPP chairwoman Tsai Ing-wen lost the Xinbei mayor's contest by a substantial margin, but she continues as party chairperson, rejecting a long tradition of DPP leaders stepping down after election losses. Tsai took over the helm of the DPP in 2008, when the party had slumped to new lows after its landslide loss in the 2008 presidential race and amid the prosecution for corruption of its former leader Chen Shui-bian. After 2008, Tsai guided the party to victories and recovery. She has been emerging as the party's likely presidential candidate. Su Tseng-chang, a stalwart from the DPP's older generation and the losing vice presidential candidate in 2008, is another contender for the party's presidential nomination. But his lopsided loss to Taipei Mayor Hau Lung-bin in the November 2010 mayoral contest likely has reduced his chances. According to recent polls, Tsai leads Su. The DPP most likely will run a Tsai-Su, or perhaps a Su-Tsai ticket in the 2012 presidential election. They would be a formidable pair that Ma and the KMT could not count on beating.

Challenges to Tsai's leadership within the DPP have had little impact. Some of the DPP old guard has criticized Tsai and pressed her to step down as chairperson. Former Vice President Annette Lu has expressed a strong intention to seek the presidential nomination, opposing Tsai. Most DPP lawmakers and the DPP caucus of Legislative Yuan have said they would continue to support Tsai as chairwoman.

Stridently pro-independence elements are also unlikely to push the party to electorally unsalable positions. In the recent municipal elections, the "one side, one country" alliance, a political group dedicated to promoting Taiwan's independence, won 36 city council seats while running only 41

candidates. That was a victory for the group but is unlikely to affect DPP strategy for 2012. The DPP recognizes that sovereignty is the most explosive issue between Taiwan and China and that it can be so in Taiwan's politics. The United States does not support Taiwanese independence. China always claims that it will use all means against Taiwan should the island declare independence. Taiwan's renewed push for independence would immediately lead to an unnecessary crisis. Tsai and the new generation of the DPP, are thus highly unlikely to take that route. Although the independence issue still matters to some of the DPP base, it will not be a part of 2012 platform of the party.

Tsai has been working to develop stronger policy positions. She has noted that she will establish a think tank research center in the party to strengthen analytical and policy capacity to address cross-strait developments. If the DPP wants to regain power, framing a long-term cross-strait policy and articulating a policy to create a peaceful and stable framework for interacting with China are necessary to enhance the party's prospects for returning to government.

Tsai's moves reflect her desire to break away from the DPP's traditional anti-China posture. She also has indicated that she would push for dialogue with China to encourage mutual understanding to avoid tensions, and that the party would explore the possibility of holding talks with Chinese academics, think tanks, and scholars. The DPP, thus, is getting ready to actively deal with China. The DPP surely will emphasize Taiwan's international stature, but moderate the party's prior China policy, avoiding ideological politics and especially the DPP's former emphasis on Taiwan independence. These changes may help earn more support from independent, neutral, and young voters, heading into the presidential election in 2012.

## **IMPLICATIONS FOR CHINA AND CROSS-STRAIT RELATIONS**

The 2010 mayoral elections have implications not just for Taiwan's two principal political parties; they also matter for China. Beijing has reason to be basically satisfied with the outcome of the recent elections although the apparently rapid recovery of the DPP may be a source of worry. Given this election's results, Beijing might doubt Ma's ability to navigate Taiwan's complicated political situation and secure reelection. Beijing believes that it is in China's interest for the KMT to keep power. That outcome would, in Beijing's view, support continued dialogue, coordination, and negotiation between Taipei and Beijing and make it easier to maintain stable cross-strait relations. Beijing hopes that the DPP will not come to power again soon; Beijing sees the DPP as too hard to deal with and too pro-independence. Therefore, China is likely to announce some policies favorable to Taiwan before 2012, including a variety of political or economic perks, to try to win-or at least warm-the hearts of Taiwanese voters for close cross-strait relations, and thereby to enhance the KMT's chances of staying in power.

China will continue to seek to promote economic integration with Taiwan, expand and deepen cross-strait exchanges, and steadily promote economic development on both sides of the strait. In the more sensitive political field, Beijing will not rush the KMT on launching political dialogue in the near future, especially before the 2012 election. Beijing recognizes that most people in Taiwan would prefer to perpetuate current conditions rather than move toward independence or unification with China. If political talks were to be held today, suspicions would arise and protests might erupt in Taiwan, including such measures as boycotting congressional agenda and organizing

street demonstrations. This would jeopardize re-election chances for Ma and imperil China's preferred outcome.

Chinese leader Hu Jintao is pragmatic and more patient on Taiwan issues than his predecessor Jiang Zemin was. He has not set any fixed public timeline for unification. Hu could agree to live with Ma's position that the "1992 consensus" means "one China, respective interpretations consensus," reached by the two sides in 1992. Hu has not addressed the reunification issue during his term in office—a stance reflected in the boilerplate language on sovereignty and territorial integrity used in the joint statements at the 2009 and 2011 Hu-Obama summits. Hu's main aim has been building links with Taiwan, while avoiding Taiwan's push for independence. Before 2012, the situation of the Taiwan Strait thus is likely to remain peaceful and stable. Beijing perceives that the DPP's power is growing again, and likely understands that it should not ignore the party's reviving political clout. It thus would be in China's interest to develop a practical, reasonable, and rational communication channel with the DPP in case Ma does not win.

### **ARMS SALES, APEC AND TAIWAN-U.S.-CHINA RELATIONS**

The arms sales issue is always the most serious issue among Taiwan, China and the United States. The Obama administration's decision to sell arms to Taiwan shortly after the 2009 Hu-Obama Beijing summit was part of a marked downturn in U.S.-China relations during the period preceding the 2011 Washington summit. China always warns the United States that arms sales to Taiwan can derail China-U.S. relations. While the U.S. well-advisedly did not approve arms sales to Taiwan in the run-up to Hu's 2011 state visit, the arms sale issue looms again in the wake of the summit. Taiwan still desires to buy F-16 C/D jet fighters (along with other weaponry), but prospects for the sale of these aircraft may have dimmed further amid the renewed crisis on the Korean peninsula which has underscored the complexity, fragility and importance of the U.S.-China relationship. Meanwhile, on the Chinese side, removing or reducing the number of missiles aimed at Taiwan remains uncertain as well. Although Beijing's desire for a successful summit and the U.S.'s timetable for the next decision on arms sales to Taiwan meant that China would not press the question in connection with Hu's state visit, Beijing well may try to use this issue for leverage later, pressing the United States to limit arms sales to Taiwan in exchange for a reduction in the arsenal targeting Taiwan.

Although bilateral U.S.-China summits always address Taiwan as an issue, they of course do not give Taiwan—or others—a place at the table. The APEC meeting in Hawaii in 2011 will provide another opportunity and challenge for Taiwan-U.S.-China relations, and one that involves the question of Taiwan's participation. The core issues are whether China will agree to allow President Ma to participate as Taiwan's representative and whether a meeting could be held on the sidelines of APEC between Ma and Hu. If such a meeting were to occur, it would be a potentially historic step toward China's acceptance that Taiwan's President has the stature not just of a leader of a local government, but rather as an equal head of government. Whether Hu will be willing or able to do this, especially in the face of pressure from more hawkish elements at home, remains an open question. If President Ma, with U.S. backing, could take part in the APEC event and hold such a meeting, it would be a major diplomatic achievement for him, as well as for Taiwan. For Ma and the KMT, it would also be the sort of accomplishment in external affairs that could help speed their recovery from the unsettling implications of the KMT's comparatively weak showing in the November 2010 mayoral elections.

# The Obama-Hu Summit, North Korea, and China's Strategic Thinking

By Gilbert Rozman

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One issue was of paramount urgency at the January 18-19 state visit of Chinese President Hu Jintao to Washington: North Korea. Despite the usual scrutiny of language regarding human rights and even more attention than is customary to the economic promises at the summit, the backstage drama centered on North Korea. U.S. preoccupation with this issue had been building since Obama took office in the shadow of the breakdown in U.S.-North Korean bilateral talks under the rubric of the Six-Party Talks. Obama's hesitancy to press China on other issues in 2009 could be largely attributed to this priority, and in 2010 the U.S.'s increasingly tough posture toward China was, above all, a reflection of North Korea's worsening belligerence and China's refusal to take it seriously. While Chinese ambivalence over cooperation in dealing with Iran's nuclear program raised eyebrows and its hyperbolic rhetoric over sovereignty in the South China Sea and a fishing boat confrontation with Japan was met with stern rebukes, North Korea was the sole matter that the United States and its allies treated as a serious threat.

The atmosphere for the January U.S.-China summit looked grim in late 2010. In December, Dai Bingguo, an authoritative voice for China's foreign policy, reasserted China's commitment to Deng Xiaoping's cautious approach and to common interests with the United States.<sup>1</sup> After a year of frustration in dealing with China, however, the Obama administration was not content with this late shift in tone and set the mood in the week before the summit with speeches by cabinet officers who balanced concern about the consequences of continued failure to resolve problems in U.S.-China relations with reaffirmation of Washington's strong desire for deeper engagement. The summit made measurable progress on a few issues and set a positive tone going forward, but the litmus test for the summit's success was whether China would take responsibility for pressuring North Korea to stop its provocative behavior and agree to five-country coordination, as the United States had sought since 2003, in creating conditions for progress in the Six-Party Talks.<sup>2</sup>

Security issues were highlighted in speeches by Defense Secretary Robert Gates in Japan following his visit to China, Chairman of the Joint Chiefs Mike Mullen in South Korea, and Secretary of State Hillary Clinton in Washington. They credited China with some new, positive actions, including toward North Korea, yet they left no doubt that Washington saw the threat from North Korea persisting (including a threat to the United States within five years), and more needed to be done. One story suggested that China had halted oil supplies to the North as a means to pressure

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<sup>1</sup> Dai Bingguo, "Adhere to the Path of Peaceful Development," *Waijiaobu wangzhan*, Dec. 6, 2010.

<sup>2</sup> Gilbert Rozman, *Strategic Thinking about the Korean Nuclear Crisis: Four Parties Caught between North Korea and the United States* (New York: Palgrave, 2010, rev. ed.)

Pyongyang not to retaliate against South Korean naval exercises in December, as it had threatened, and to improve the atmosphere in U.S.-China relations prior to the Hu-Obama summit.<sup>3</sup> In the run-up to the summit, however, China continued to press for resumption of the Six-Party Talks on terms considered favorable to North Korea, while the United States was adamant that the North first had to resume talks with South Korea, which insisted that North Korea apologize for the two attacks against the South in 2010 and promise not to repeat them. The gap between Washington and Beijing on North Korea issues was not appreciably closing in the run-up to the summit.

The full-court press on China to change course on North Korea reached its climax when the United States warned that it was prepared to reposition its forces and to conduct military exercises to provide protection against a North Korean attack on U.S. territory. In December, Obama delivered a clear statement about this in a phone conversation with Hu Jintao, and the point must have been reiterated in pre-summit bilateral meetings as well as at the private White House dinner on January 18 at the beginning of Hu's state visit.<sup>4</sup> This appeared to make a difference. As the United States wanted, China agreed that talks between North and South Korea should be held prior to reconvening the Six-Party Talks. This represented a shift from Beijing's earlier appeals for unconditional resumption of the talks, but it was not clear that China agreed with requiring North Korea to apologize for its acts of aggression in 2010 and to promise not to repeat them. In Washington, Hu finally publicly stated China's concern about the uranium enrichment plant that North Korea had unveiled in the fall. These moves in connection with the summit seemed to bring a pause in the tug-of-war between Washington and Beijing, with Seoul and Tokyo backing the U.S. and Moscow mostly on the sidelines (until it grew critical of Pyongyang after the attack on South Korea in November) over how to break the impasse over North Korea. Still, there was no reason to think that Hu's state visit would be a true turning point.

From the ongoing struggle over North Korea we can draw several lessons. First, those who belittled Obama's interest in the issue as "strategic patience" that only gave the North time to build up its threat capacity were wrong. U.S. policy toward China and South Korea has consistently prioritized the issue of North Korea, building pressure on China to change course as well as maintaining close coordination with U.S. allies in the region. Precisely because of the seriousness of the North Korean nuclear threat, Obama had started with conciliatory moves toward China.

Second, dealing with China proved difficult for the Obama administration as China's foreign policy grew increasingly assertive. The clinching argument that moved China proved to be Obama's warning that the U.S. would redeploy its military forces in the region if China failed to help address the North Korean threat. This move came on the heels of strengthened U.S. diplomatic and military ties with countries around China's periphery. Instead of China's rise leading to more strategic influence and the sustained retreat of the United States from East Asia, as many in China anticipated, it was producing just the opposite effect. Failure to reach some agreement on North Korea at the summit would have left China exposed to what it regarded as U.S.-led "containment" without any prospect of reversing the trend.

Third, if the danger of regional instability and deterioration in U.S.-China relations had been slow to register with Beijing, the echoes of the Cold War and the negative consequences for China were now

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<sup>3</sup> "China Cut Off Oil to Stop N. Korea from Retaliating against South," *The Korea Times*, Jan. 19, 2011.

<sup>4</sup> *The New York Times*, January 21, 2011, p. A8.



blatantly clear. Mesmerized by its own faulty strategic thinking,<sup>5</sup> China had imagined a scenario of a weakened United States accepting its marginalization in East Asia; exclusive China-centered regionalism based on cooperation with Japan, South Korea, and ASEAN; and growing Chinese economic and military strength bolstered by increased soft power that would make China an appealing alternative to supposedly discredited Western values and hegemony. Yet, the developments in 2010 revealed the poverty of this logic. A course adjustment has been necessary for Beijing, but how far it goes remains uncertain.

Given the importance Beijing attached to a successful summit and the last-minute timing of its concessions, we should assume that so far it has made only a tactical retreat, not a strategic reevaluation of its position on North Korea. Beijing may still expect deep divisions between Washington and Seoul about proceeding with new talks with the North, although Seoul did quickly agree to bilateral military talks with Pyongyang in the wake of the Hu-Obama understanding. Beijing may also anticipate turmoil in the United States or elsewhere in the world, as has begun in the Arab states, that will distract Obama or weaken his hand. Beijing is also caught in a narrative that has taken hold inside China. That narrative places the Korean peninsula in the context of a multi-century struggle between Western and Eastern civilization that puts Chinese national identity on the line.<sup>6</sup> We should anticipate further showdowns between Washington and Beijing with North Korea at the crossroads of two increasingly clashing worldviews.

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<sup>5</sup> Gilbert Rozman, *Chinese Strategic Thinking toward Asia* (New York: Palgrave, 2010).

<sup>6</sup> Gilbert Rozman, Ch. 3, "Chinese National Identity: A Six-Dimensional Approach," in Gilbert Rozman, ed., *East Asian National Identities: Commonalities and Differences* (Washington, DC: Woodrow Wilson Center Press, forthcoming).

# **A Tale of Two Summits: Hu Jintao in Washington, Wen Jiabao in New Delhi and U.S.-China-India Relations**

**By Jacques deLisle**

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## **WHO, WHEN AND WHERE?**

A top Chinese leader arrives in the capital of Country X for his first visit in five years. The relationship between the countries is routinely described as one of the world's most important bilateral relationships and is so characterized by the visiting leader, who declares it to be a defining relationship for the twenty-first century world. Although little of substance is expected from the meetings between the visitor and his host-nation counterpart, the trip is widely seen as important for the symbolism and atmospherics of a long-standing, complex and recently-and especially in the last year or more-troubled relationship. Commentators on all sides point to a worrisome lack of mutual trust in the relationship, which the visit seeks to begin to repair.

The Chinese side wants to focus on economic issues and stresses the importance of trade openness. Beijing's delegation includes an entourage of businesses on a shopping spree, promises increased investment in the host country and agrees to reduce barriers in key service sectors. Those moves are understood partly as palliatives for Country X's concerns about a large bilateral trade deficit that many local assessments blame on China's manipulated, artificially low exchange rate and Chinese barriers to Country X's exports. The Chinese visitor's agenda of further liberalization faces resistance based on such currency concerns, fears that greater economic openness will expose local industry (especially in lower tech sectors) to ruinous Chinese competition, and complaints that China has not adequately opened its markets to imports and foreign competition despite Beijing's WTO-related pledges to do so. Underlying such concerns are Country X's worries about its own economic situation, prospects and policies (especially in the wake of the 2008 international economic crisis), and a mixture of envy and concern toward China's having seemingly escaped the global crisis relatively unscathed and, more broadly, having maintained for many years eye-popping growth rates that have often dwarfed Country X's. Mirroring such insecurities in Country X, relatively nationalist voices in the Chinese media express near-contempt toward Country X's economic performance and, more fundamentally, its economic model, with obvious implications for views about trends in the two countries' relative power.

For country X, a long list of political and security issues are on the agenda as well. They include complaints that China has been insufficiently cooperative on international security issues that are a top priority for the host, and that Beijing has done too little to rein in a troublesome ally with nuclear arms that the host regards as a significant source of security problems, proliferation risks and terrorist threats. On some views, the legacy of military conflict, occurring decades ago and involving China and Country X on opposite sides, still casts a shadow over bilateral relations.

Country X's policymakers and pundits also worry about China's military modernization (especially of naval forces), and its cultivation of access to possible bases along the Indian Ocean and the threat this poses to the host state's interests in maritime Asia. Also among the sources of unease is the prospect that China's rising martial capacity and the leverage that comes from China's burgeoning economic relations (especially with Southeast Asia) may pose problems for the host state's often-strained but recently recovering ties with regional states. That concern is mitigated by these states' pursuit of hedging strategies toward China through enhanced security cooperation with Country X. Recent Chinese assertiveness on long-running territorial disputes along its periphery reinforces such strategies, as well as the concerns about China's rise and aims that underlie them. Further complicating matters is China's very different take on the evolving regional security landscape: what others may describe as hedging against a more powerful and assertive China is a more threatening development according to Beijing, allegedly serving (or at least potentially serving) a Washington-led plot to encircle China and check China's ascent.

Familiar frictions related to differences in the two states' political systems and ideologies hang over the visit as well. Media commentaries in Country X point out the contrast between its own democratic system and China's authoritarian one. Predictably, human rights issues are in the mix as well. Host country commentators and activists loudly criticize China's human rights record generally and in Tibet specifically in connection with the Chinese leader's visit. This unfolds against the backdrop of China's long-standing resentment of the host's claims to democratic and human rights superiority and, more recently, China's pointed displeasure at the host country's expression of support for Nobel Peace Prize winner Chinese dissident Liu Xiaobo. Even though both states face international criticism for being laggards on global warming issues and impediments to climate change negotiations, addressing Chinese actions that threaten significant environmental consequences are also on Country X's list of issues.

Prospects for progress are further clouded by political leadership questions. The Chinese leader is nearing the end of his term and China's characteristically long transition to his-and his fellow top leaders'-designated successors already looms. Perhaps more acute is the problem of Country X's leader's questionable political clout. Having secured an impressive electoral mandate for a term in office that began in 2009, his standing at home has waned amid economic troubles (despite a recent rebound in growth) and attacks-largely from a conservative opposition party but also from the left-in a polarized political setting. Revelations from Wikileaks have created additional foreign policy-related difficulties for the major political party behind the host's leader.

In the end, the meeting of leaders produces the requisite joint statement on the strength and importance of the relationship, the areas of bilateral accord, and the commitments made, and progress achieved. The joint statement also recycles most of the long-settled and carefully crafted language that the two sides have employed to handle perennial issues on which they hold dissimilar

positions. Among observers, there is consensus that the session did not exceed relatively low expectations for substantial progress on difficult and important issues in the bilateral relationship.

"Country X" could be the U.S. or it could be India. The foregoing is a serviceable synopsis of Chinese President Hu Jintao's mid-January 2011 state visit to Washington and of Chinese Premier Wen Jiabao's mid-December 2010 trip to New Delhi.

### **FINDING THE RIGHT TRIANGLES?**

The parallels between the late 2010 Sino-Indian meeting of premiers and the early 2011 U.S.-China presidential summit-and the broader contexts of the two bilateral relationships-are striking. As the agenda of relationship repair and maintenance and the modest accomplishments on substantive issues from Wen's India trip show, China has-and knows that it has-an India problem. Much the same can be said about Hu's state visit to Washington and its attempt to address what China recognizes as its America problem.

The difficulties that China hoped to address (albeit in limited ways) through the two top leaders' trips partly reflect some intractable challenges facing Beijing's diplomacy. For the lone superpower that China is rising to challenge in Asia and for the other great rising power in Asia, China's rapidly growing prowess has become a major source of concern. In both New Delhi and Washington, an ever-more-formidable PRC has become the biggest traditional security contingency for which their defense establishments must prepare (albeit in an era when terrorism and other nonconventional security threats make very large claims on attention and resources).

Moreover, in the U.S. and India (and many other places as well), concern about the implications of China's fast-developing capacities has been compounded recently by rapidly deepening suspicions about Beijing's intent. Increasingly, the PRC has been willing to sacrifice the "soft power" that it seemingly had so assiduously cultivated through much of the last decade and to sideline the "charm offensive" it appeared to have so ardently pursued in its own region, much of the developing world and beyond. Beijing has downgraded those once-central elements of its foreign policy in favor of more assertive, even aggressive, stances. Although far from a full reversal of what had long been a mixed practice, the center of gravity in Chinese statements and actions has shifted toward less accommodation and cooperation on issues ranging from North Korea (including the Six Party Talks and responses to the sinking of the South Korean naval ship Cheonan and the shelling of the village of Yeonpyeong), to disputed islands and waters in the South China Sea and East China Sea (including the incident over the Japanese seizure of a Chinese fishing boat and renewed tensions over the Diaoyu / Senkaku Islands), to U.S. military and naval reconnaissance operations in China's EEZ, to Washington's arms sales to Taiwan, to China's test of a stealth fighter during an otherwise breach-patching pre-summit visit to Beijing by the U.S. Secretary of Defense.

The pattern in China's handling of issues of concern to the U.S. parallels its approach to issues important to India. In the months and days before Wen's visit, China had become more assertive in its claims to Arunachal Pradesh (the Indian-governed territory that Beijing calls Southern Tibet), shifted to a more pro-Pakistan position on Jammu and Kashmir (by stepping up China's presence in Pakistan-controlled Kashmir, denying a visa to the Indian general in charge of forces in the Indian-governed part of the disputed region, stapling-rather than permanently affixing-Chinese visas to the passports of Indian nationals from the Indian-ruled contested area, and shortening the customarily

referenced unsettled boundary between India and China to imply that the disputed territory could not be India's), and completing a militarily useful transportation link between the Chinese heartland and the portion of the PRC's Tibetan Autonomous Region abutting India (and doing so against the backdrop of a modest resurgence in Chinese sources' positive references to the 1962 Sino-Indian border war).

Beijing's forceful, even strident, stands in these relatively specific contexts have accompanied a more assertive and less clearly status quo-accepting strand in Chinese foreign policy more broadly. In security affairs, this has meant emphasis on force-projection and access-denial capabilities, more far-flung foreign naval base access (especially along the Indian Ocean) and countering (and denouncing) perceived U.S.-led (and India-abetted) encirclement strategies that threaten a possibly expanding sphere of China's self-defined "core interests." On economic issues, it has included pointed criticisms (including from Wen) of failures of U.S. policy, regulation and economic model as causes of the global economic crisis, barbs (accompanying Wen's visit) pointing out the great development challenges still facing India, slow and limited responses to criticism from Washington, New Delhi and elsewhere of China's currency and trade practices, and claiming a central role in the G20 process for China, and thus for China's interests and agendas, alongside those of the U.S., India and other major economies.

These developments have spawned distrust and ill-will toward China. In many affected states, the response has been to rethink tendencies to accommodate or even bandwagon with Beijing and to explore or pursue hedging through increased reliance on Washington. India and the U.S. have behaved more conventionally like great powers. This makes China's India problem more akin to China's America problem. Recent moves in Indian foreign policy and the U.S.'s regional policy have notable similarities. Where the Obama administration has emphasized that the U.S. is "back" in Asia and has undertaken accompanying diplomatic and security efforts (including notable reaffirmation or strengthening of cooperation with Japan, Korea and Singapore), India has pursued a "look East" policy (including prime ministerial visits to regional democracies Japan and South Korea), explored security cooperation with Vietnam, and cultivated closer ties with other regional states. Washington and New Delhi both have paid increased attention to U.S.-India ties, while continuing to insist that relations with China remain nearly uniquely important and of special global strategic significance.

Both the America problem and the India problem are, in their current forms, relatively new challenges for China's foreign policy. For the first decades of the post-Mao period, China could not—and, following Deng Xiaoping's anciently rooted imperative of taoguang yanghui (literally, hide brightness and nourish obscurity or, as commonly rendered, bide time while building capacity), should not-aspire to be a regional rival to the United States or a challenger to a largely U.S.-created status quo. India was not until recently a state that Chinese foreign policy planners had to-or appeared to-take seriously as a regional great power. India's China-like growth rates and, more recently, efforts to leverage its strength through improved ties with other Asian states and the United States have altered the regional environment for Beijing.

That simultaneously troubled relations with India and the U.S. are new and serious worries for Beijing is suggested by characterizations of Wen Jiabao's pomp-laden and fence-mending trip to New Delhi as a highly important venture and a bid to secure a foreign policy legacy for Wen. Much the same is true for Hu Jintao's state visit to Washington the following month. The equally high-

formal and positive-vibe-seeking U.S. summit is no less a legacy issue for Hu, whose term in office coincides with Wen's and whose previous trips to Washington had not been accorded the full status of a state visit. Chinese media accounts and analysts' assessments cast this as an especially vital presidential meeting, calling it a "bridge" to future relations, stressing the significance of the issues to be addressed and noting the flurry of reciprocal high-level visits preceding the summit. Observers on both sides agreed that it was important to Beijing that the state visit be seen as having gone well, undoing some of the damage recently done to bilateral relations, avoiding the embarrassments (such as Falungong protestors and protocol glitches) that marred Hu's 2006 U.S. visit, and giving Hu—and therefore China—appropriate respect.

To the extent that China's summitry-ameliorated but still-persisting India problem and America problem go beyond coexistence to coalescence, the challenges for PRC foreign policy are greater still. Given the parallels in New Delhi's and Washington's concerns about Beijing's agenda and actions, a sweeping historical analogy might seem to become plausible: a U.S.-China-India triangle might come to resemble the U.S.-Soviet Union-China triangle from the late Cold War. In some respects, a U.S.-India coalition to check China would seem to be more promising than the U.S.-China collaboration to counter the USSR had seemed on the eve of its emergence. Independent India and the PRC have never had the ideological or strategic alliance that China's communist leaders and the Soviet Union maintained (despite strains) from before the Chinese Revolution through the first years of the People's Republic. Unlike the U.S. and China in the 1970s (and since), the U.S. and India share political values and specific views on their relationships with the third member of the triangle.

Intriguing as the idea might be, several contrasts warn against pressing the parallel. True, India worries about China's military build-up, its cultivation (and construction) of Indian Ocean naval facilities for possible use by the PRC's navy, its construction of infrastructure that will ease troops' passage to the India-China border, and its venerable and recently reaffirmed strong backing of China's "all weather friend" Pakistan. Beijing's shift to a less neutral position on sovereignty over territory concurrently claimed by China and India and by Pakistan and India rankles in New Delhi and recalls more bellicose times in bilateral relations. India's dropping of the previously routine reference to a "one China" policy in the joint statement during Wen's visit was read as a tit-for-tat response. China's refusal in the joint statement to call clearly for swift justice, and point a finger at Pakistan, concerning 26/11 (as the November 26, 2008, terrorist attacks in Mumbai are known in India) confirmed for Indian critics that China did not, or would not, take sufficiently seriously India's concerns about Pakistan-based terrorism. Still, China does not pose-and is not seen as posing-the severe threat to India's national security that China's leaders perceived from the Soviet Union in the years preceding-and following-U.S.-China rapprochement. Few things can match a sense of mortal peril as motivation to cooperate with the threatening state's archrival.

So too, despite the many points of contention, U.S. relations with China do not remotely resemble the Manichean struggle over the future of a divided world that shaped Washington's and Moscow's approaches to one another during the Cold War. True, sources of concern and potential conflict abound in Beijing's: support for North Korea and other problematic or rogue regimes such as Iran and Sudan; renewed assertiveness on territorial disputes along China's periphery and with U.S. friends and allies in the region; rapidly growing capacity-and emerging determination-to impede or deter U.S. military and reconnaissance activities in China's neighborhood and to project force further afield; and accretion of economic influence that could be exploited to serve political and

strategic ends (albeit not without considerable cost to China's interests). Still, it would take much exaggeration-or grand projections from recent trends-to suggest that the security issues in U.S.-China relations resemble those in U.S.-Soviet relations during an earlier era.

A U.S.-India alignment is not as promising as it may initially seem. True, a U.S.-India entente would not need to bridge the cavernous ideological gap that divided the U.S. and China in the early 1970s, or even the smaller one that persists today. But common commitments to liberalism, democracy and human rights do not mean easy alignment between Washington and New Delhi. Once-defining principles of nonalignment still linger in Indian foreign policy thinking, supplemented by the ideal-common among rising powers-of an independent foreign policy. On some environment, trade, finance and other issues, India's positions are closer to those of fellow developing countries (including, on some questions, China) than to those of the United States. Washington has not quickly or easily overcome its former coolness toward India, with its roots in India's former closeness to the Soviet Union and India's Nehruist/socialist ideology (which resonated with its ties to Moscow). Indian wariness toward the U.S. has been sustained by long-standing and ongoing U.S. support for Pakistan.

Moreover, Indian Prime Minister Manmohan Singh, U.S. President Barack Obama and their foreign policy aides (and likely their successors) are not Richard Nixon and Henry Kissinger or Mao Zedong and Zhou Enlai. For reasons of political skill, inclination or circumstances at home and abroad, they will not so set aside issues of ideology, values and the like in favor of balance of power and realpolitik. And there are doubts in both capitals (and Beijing as well) about both countries' leaders' ability, commitment and resources to navigating the complex diplomacy that would be required to forge the U.S.-India side of a new strategic triangle.

The most important disanalogies between U.S.-China-India relations today and the Cold War strategic triangle stem from the positive and dense ties between the U.S. and China and between China and India that were celebrated during Wen's trip to India and Hu's state visit to the United States. These connections had no parallel in the thin and hostile relations between the U.S. and the USSR and between China and the Soviet Union in much of the Cold War period. During an era of high international economic interdependence, U.S.-PRC trade and investment relations are among the very largest globally-far surpassing \$300 billion annually and with China ranking as the U.S.'s second largest, and the U.S. ranking as China's largest, trading partner in goods, and the U.S. being among China's top sources of foreign investment and China among the U.S.'s largest creditors (holding nearly \$1 trillion of U.S. debt). China-India economic connections have been developing rapidly from very low recent baselines, with trade having grown from less than \$2 billion at the beginning of the decade to over \$60 billion now and with China having become India's biggest trading partner.

The expansion and deepening of such ties was a focus of Wen's trip, including announcements of a goal of \$100 billion in bilateral trade by 2015 (a figure consistent with recent trends), \$16 billion in business deals, and plans to expand Chinese investment and economic activity in India, particularly in the fast-growing area of infrastructure construction. So too, Hu's state visit brought along a large business delegation and announcements of a \$45 billion buying binge (including a massive, if already largely in-the-works or likely-to-occur, purchase order to Boeing), more modest commitments to increase investment (particularly if the U.S. reduced regulatory impediments for Chinese firms), a pledge to step back from "indigenous innovation" policies for Chinese government

procurement (which favored Chinese-created technology and threatened to put much-increased pressure on U.S. and other foreign intellectual property owners to transfer rights to Chinese firms), and promises to do somewhat more to address perennial U.S. concerns about intellectual property rights protection and currency exchange rates. China's continued (if gradual) acquiescence in renminbi appreciation, Beijing's repeated (if thin) commitments to rely more on domestic demand for growth, and U.S. talk of relaxing restraints on high-technology exports (long a target of Chinese criticism) portended some narrowing of the trade gap through gains for Obama's export-promotion agenda.

Such patterns contrast sharply with the low and often near-zero levels of economic engagement between the U.S. and the USSR and between the USSR and the PRC from the 1960s through the 1980s. Although they also spawn conflicts (including several prominent among the issues addressed-or that leaders hoped to address-on Wen's and Hu's visits), the large and growing economic linkages between the U.S. and China and between India and China have created national interests and powerful domestic political constituencies (especially in the business communities) in the U.S. and India that generally favor good relations and weigh against strongly adversarial or confrontational stances toward China.

In U.S.-China relations more broadly, the U.S. policy sometimes described as "conengagement," includes much engagement alongside the modest if recently growing elements of containment. Through building economic ties, supporting China's integration into international organizations and the international order, and forging myriad channels of influence through educational, business, NGO and social connections, the U.S. has sought to foster China's transformation into a more benign and liberal system. Although Beijing chafes at U.S. aims and endeavors as "peaceful evolution," Reform-Era China has moved notably (although far from fully) in the direction envisaged by proponents of engagement. Despite its complaints about American schemes and their potentially nefarious effects, the Chinese regime has found it worthwhile to tolerate, and even welcome, many of the activities that create entry points for ideas and ideals from the U.S. and other parts of the liberal-democratic and rule-of-law world. Hu's state visit brought a prominent reaffirmation of these aspects of the relationship, with both sides praising and committing to further expansion on such diverse fronts as business ties, science and technology cooperation (including to address climate change), student exchanges, and tourism. Also notably on the post-summit agenda was the resumption of symbolically charged (if far from transformative) rule of law and human rights dialogues.

As this suggests, although differences in, and over, political system types are sharp in both China-India and U.S.-China relations, and although they were among the storylines for Hu's and Wen's respective visits to Washington and New Delhi, they pale in intensity and impact when compared to the Sino-Soviet and U.S.-Soviet clashes of old. To be sure, U.S. editorial pages, members of Congress and civil society groups criticized China's authoritarian politics and human rights record during Hu's visit. Reporters at the two presidents' joint press conference raised such issues as well. Obama's remarks, with Hu at his side, affirmed U.S. policies supporting—and U.S.-China differences over—human rights in China generally and Tibet specifically. Obama asserted that Americans saw First Amendment-type freedoms as universally valid and called for a continuation of China's evolution in a positive direction on human rights during the last thirty years. Hu and the Chinese contributions to the joint statement responded with familiar assertions of the need to respect state sovereignty and differences in national approaches and circumstances. So too, Indian officials and



media at the time of Wen's visit expressed pride in India's accomplishment of development with democracy and noted China's failure to match India on the latter front. India's foreign secretary rebuffed China's displeasure with critical Indian press reports by saying China would have to get used to India's "noisy" democracy. Unsurprisingly, relatively nationalistic Chinese sources took umbrage at what they saw as India's democratic arrogance.

Despite such exchanges, the Hu and Wen visits mostly spotlighted cooperation and mutual tolerance. In the Indian case, they also looked to shared Asian pride and solidarity. Chinese and, in some cases, Indian statements amid and around Wen's trip spoke of: a new "Asian century" in which China and India would play large international roles; India and China's common features as large developing countries that are heirs to great ancient civilizations poised for new glory; their co-membership and common interests in the BRIC or BRICS group (Brazil, Russia, India and China, plus South Africa); and their history of two thousand years of mutual exchange, sixty years of diplomatic relations, and nearly six decades of joint commitment to the Five Principles of Peaceful Coexistence/Panchsheel in international relations. Wen's visit also heralded an expansion of institutional frameworks for interaction and cooperation (including regular foreign minister meetings, a prime ministerial hotline, a Strategic Economic Dialogue and a CEO's forum). These were reminiscent of familiar features in U.S.-PRC relations (such as the Strategic and Economic Dialogue, the Joint Commission on Commerce and Trade and the frequent bilateral presidential and U.S. cabinet secretary-PRC State Council minister meetings) that received prominent and predictable reaffirmation at the Hu-Obama summit. Although Wen's call for the "dragon and elephant to tango" overshoots and the purported quest for a "strategic consensus" with India remains elusive, contemporary India-China ties contrast sharply with Sino-Soviet relations from the era of reciprocal charges of communist apostasy and competing (if uneven) efforts to export rival versions of socialism. Much the same can be said about the "cooperative partnership" proclaimed as a bilateral goal at the Washington summit. Although overly rosy and beyond reach, it reflects a tone and a significant part of a complex underlying reality that—despite occasionally alarmist rhetoric—are not on course for a new Cold War.

## **INDIA AND U.S. CHINA POLICY**

A new strategic alignment among the U.S., India and China that would parallel the former triangle among the U.S., China and the USSR is fanciful. Still, the U.S. can and should pursue closer cooperation with India even as it seeks to preserve and build on the positive tone of the Hu-Obama summit. The U.S. can and should do this partly to advance U.S. policies that respond to China's rising power and assertiveness—trends that are not likely to go away in the aftermath of Hu's state visit. The U.S.'s and India's shared liberal, democratic and rule of law values, broadly compatible foreign policy interests, and extensively overlapping agendas in relations with China provide relatively sturdy and probably enduring foundations on which to build. The George W. Bush and Barack Obama administrations have taken sensible and substantial steps, including reciprocal state visits, a defense framework agreement, a civilian nuclear cooperation accord, and support for India's integration in international nuclear regulatory regimes and permanent membership on the United Nations Security Council.

Consolidating and extending these gains will require sustained effort and attention. Although the focus on fellow democracies in Obama's 2010 Asia trip and his characterization of U.S.-India relations as a "defining partnership" were well-received, much of the significance of such gestures

for India was their contribution to addressing concerns that the U.S. administration regarded relations with other Asian states as secondary to the central, if troubled, U.S.-PRC relationship. Washington will have to continue to assuage such doubts in India (and elsewhere). U.S. policy also will have to contend with Chinese efforts to discourage a much-strengthened U.S.-India leg of the triangle. Beijing's tactics likely will include: complaining about U.S. efforts to enlist India in attempts to impede China's rise; stressing areas where India and China have commonalities of identity or policy interests not shared by the United States; and playing up cooperation in Sino-Indian relations (as Beijing has done with the refrain that China and India are "partners not rivals" in a world where there is "enough space" for both to develop and "enough areas" where the two can cooperate). Fortunately for the U.S., such efforts from Beijing face limits rooted in relatively deep-seated conflicts between Chinese and Indian national interests, the PRC's worse-than-the-U.S.'s positions (from India's perspective) on the crucial and overlapping issues of Pakistan, terrorism, territory, and Security Council membership, and China's seeming inability to resist unleashing its newly assertive and acerbic rhetoric occasionally in India's direction.

To counter Chinese gambits targeting U.S.-India relations, the U.S. also can invoke another contrast—one that China ostensibly accepts—between contemporary U.S.-China-India relations and former U.S.-USSR-PRC relations. Beijing acknowledges that the former are much less of a zero-sum game: praising global economic interdependence; touting a menu of "win-win" or "mutual benefit" foreign policy options; declaring in connection with Wen's New Delhi trip that the connection between China-India relations and U.S.-India relations is positive, or at worst neutral; confirming in the Hu-Obama summit joint statement that China "welcomes" the U.S. as "an Asia-Pacific nation" implicitly with legitimate interests and strong ties in the region; and asserting in connection with Hu's state visit to Washington that the U.S. and China's "vital and complex" relations are on a solid footing, are making continuous progress toward a "cooperative partnership," and implicitly provide no cause for a China-checking U.S.-India alignment. Insisting on this aspect of fundamental dissimilarity to the strategic triangle of an earlier era can, ironically, nurture U.S.-India ties to support U.S. policies toward a difficult and rising China that are in some-but far from all-respects evocative of ties the U.S. once forged with China to support U.S. policies toward a powerful and intractable Soviet Union.

## Sovereignty, Human Rights and China's National Interest: A Non-Zero Sum Game

By: **Chen-shen J. Yen**

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Zhuquan (sovereignty) or Renquan (human rights)? That seems to be the question Chinese President Hu Jintao encountered in his state visit to the United States in January 2011. In terms of at least one of China's claimed core national interests—Taiwan—the issue would be better framed as sovereignty *and* human rights. Like the unresolved issue of sovereignty over Taiwan (and other sovereignty issues, including Tibet), human rights in the mainland is, in China's view, part of its "core interests." Beijing considers any statements or actions on these issues that are contrary to its position to be violations of China's sovereignty. This reflects a zero-sum conception of China's national interests that ill serves China's agenda in cross-strait relations, and more generally.

Mere weeks before the Washington summit, China was put in an unfavorable international spotlight on the issue of human rights when jailed dissident Liu Xiaobo was absent from the ceremony to award him the Nobel Peace Prize. Liu's empty chair symbolized the lack of human rights and the continuation of tight political control in China despite the enormous progress made in economic development during the last thirty years.

The fact that U.S. President Barack Obama, himself the Nobel Peace Prize Laureate of 2010, was to receive the foreign leader who was responsible for Liu's arrest and subsequent imprisonment was ironic and sharpened the focus on China's human rights conditions. Observers of U.S.-China relations wondered whether Obama would raise the question with Hu and personally call for Liu's release. Obama's earlier reception of the Dalai Lama was another underlying source of tension between the two countries over human rights. More broadly, China's lack of freedom of speech, freedom of the press, freedom of assembly and freedom of religion have all been a target of American condemnation and, in turn, bilateral friction over the years.

Hu's state visit also showed China's unwavering stance on the issue of sovereignty that has been a perennial point of disagreement and source of tension in bilateral relations. In the Joint Statement issued by Obama and Hu at the Washington summit, China declared that the "Taiwan issue concerns China's sovereignty and territorial integrity" and that China expected the United States to adhere to the bedrock foundations of Sino-American relations in the past three decades: the One China policy and the Three Joint Communiqués. The United States, not wanting to imply that it completely accepted China's position, indicated that it "supports the peaceful development of relations across the Taiwan Strait and looks forward to efforts by both sides to increase dialogues and interactions in economic, political, and other fields, and to develop more positive and stable cross-Strait

relations.”<sup>1</sup> The item missing from the usual list of U.S. positions on the issue was Washington’s commitment to the Taiwan Relations Act, which Obama reiterated at the two presidents’ joint press conference.<sup>2</sup>

As the Obama-Hu summit also reconfirmed, China sees human rights through much the same lens of “sovereignty” that it views the question of Taiwan. In the Joint Statement, we find both Washington and Beijing expressing their shared commitment to the “protection and promotion of human rights” despite their acknowledged differences on the issue. China insisted, however, on the central importance of sovereignty: “there should be no interference in any country’s internal affairs” and both nations have the right to “choose their own paths” on human rights.<sup>3</sup>

China, thus, views outside efforts to promote and protect human rights in China as a Western scheme to destabilize China and thwart its peaceful rise and thus to weaken or infringe China’s sovereignty. This view is misguided. Promotion of human rights in China is actually positive for the most sensitive aspect of sovereignty for China, the prospect of unification across the Taiwan Strait. In other words, *zhuquan* and *renquan*—sovereignty and human rights—are potentially part of a positive sum game for what Beijing identifies as its core national interests.

Understanding this non-zero-sum game also helps explain a seeming paradox in the impact of Beijing’s cross-strait policy under Hu and since Ma Ying-jeou became president in Taiwan. Why have China’s policy changes and the improvements in cross-strait relations done so little for Beijing’s agenda on sovereignty over Taiwan?

China’s rise in the last three decades and its insistence on peaceful development have promoted the country’s move toward becoming a responsible stakeholder in the international community and even a superpower. Although Beijing has not relinquished its claimed right to use force to unify Taiwan, its current stance basically rules out such an option if Taiwan does not move from *de facto* to *de jure* independence. Based on the *heping tongyi, yiguo liangzhi* (“peaceful unification and one country, two systems”) formula, introduced in early 1980s, China accepts that the best scenario for China is to have Taiwan unify with the motherland via peaceful means.

Beijing can adopt this approach because it knows Taiwan’s options for its relations with China are quite limited. If Taiwan chose to declare independence, it not only would risk a military attack from across the Taiwan Strait. It also would not receive essential international support, especially from the United States. It is clear that Washington would consider such a move a unilateral change of status quo and would not condone it.

If Taiwan chose the lesser option of brinksmanship—taking provocative actions to antagonize China without officially proclaiming an independent Republic of Taiwan, the U.S. and the international community would consider Taiwan a trouble maker. Taiwan would risk international isolation diplomatically, polarization politically, reinforcement of cleavages socially and loss of foreign market access and investment opportunity economically.

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<sup>1</sup> See U.S.-China Joint Statement, January 19, 2011 at <http://www.whitehouse.gov/the-press-office/2011/01/19/us-china-joint-statement>.

<sup>2</sup> See Press Conference with President Obama and President Hu of the People's Republic of China, January 19, 2011 at <http://www.whitehouse.gov/the-press-office/2011/01/19/press-conference-president-obama-and-president-hu-peoples-republic-china>.

<sup>3</sup> See Joint Statement, *ibid*.

Taiwan has foregone these options in favor of the more conciliatory approach towards China that President Ma has been pursuing since he came to power in 2008. This has prevented further diplomatic setbacks for Taiwan and allowed greater economic integration across the strait, but it has failed to eliminate political polarization and reduce social cleavages in Taiwan. This approach, despite its limitations, seems to be the most sensible option by far and has the potential to produce a win-win-win scenario for Taipei, Beijing and Washington.

The trend in the first two and half years of the Ma administration has been positive. Talks between Strait Exchange Foundation (SEF) of Taiwan and the mainland's Association for Relations across the Taiwan Straits (ARATS) in 2008 resumed after a more-than-a-decade-hiatus in formal negotiations. The two sides signed fifteen agreements, including the Economic Cooperation Framework Agreement (ECFA), which was specifically identified and "applauded" by the United States in the Joint Statement at the Obama-Hu Washington summit. ECFA is, and should be, considered a giant leap forward for cross-strait relations, especially from Beijing's perspective. ECFA and other developments affirm that Taiwan is no longer seeking independence and is not engaging in brinksmanship.

For its part, Beijing has acquiesced in the policy of "three nos" (butong, budu, buwu or "no unification, no independence, no war") that Ma set forth in his inaugural address in May 2008. When Ma's then-newly-installed Kuomintang-led government announced its desire to establish direct air links across Taiwan Strait, Beijing allowed ARATS and SEF to resume talks and negotiate for the links to be opened on Taipei's announced schedule.

When Ma unilaterally declared a "diplomatic truce" (under which Beijing and Taipei would not compete for diplomatic ties with other states) in support of greater international space for Taiwan, the Beijing government turned down attempts by several Latin American countries (including Paraguay, Nicaragua, Panama and Guatemala) to switch diplomatic recognition from Taipei to Beijing. Beijing also showed diplomatic flexibility in accepting former Vice President of the Republic of China Lien Chan's participation in an Asia Pacific Economic Cooperation (APEC) summit. In addition, Beijing did not stand in the way when Taiwan (under the name Chinese Taipei) sought and received observer status in the World Health Assembly (WHA) meetings.

Most important of all, with the signing of ECFA, China has granted more tariff free entry for Taiwan exports that Taiwan has granted to mainland exports—an arrangement designed to protect Taiwan's farmers. This policy of rangli (yielding benefits), announced by Chinese Premier Wen Jiabao, became a prevalent theme throughout the negotiation. The term may also be used to describe the spirit of rapprochement between the Chinese Communist Party and Ma's Kuomintang and between the mainland and Taiwan since Ma took office.

Indeed, the Republic of China has maintained the same number of diplomatic allies (twenty-three) since March 2008, arresting what could have been an acceleration of a long-term decline absent the diplomatic truce. The upgrading of Taiwan's APEC special envoy and the acquisition of an observer role in the WHA would not have been possible during the rule of former President Chen Shui-bian from the pro-independence Democratic Progressive Party (DPP). Taiwan's quick rebound from the financial crisis of 2008-2010 might not have been possible without the deepening of integration with the strong and rising mainland economy—something that the general improvement in cross-strait relations facilitated.

Yet, after more than 30 months of improved ties and a more relaxed atmosphere across the strait, including more than 300 direct flights weekly, over one million Chinese tourists visiting Taiwan and the continuation of long-building increases in trade and investment, the percentage of people in Taiwan who consider themselves Chinese and Chinese/Taiwanese has declined from over 15 percent to less than 10 percent since Ma took power.<sup>4</sup> The support for “national unification” is also stagnating, with total preference for immediate unification and status quo now, unification later hovering around 10 percent.<sup>5</sup>

Why, with all the apparent progress in cross-strait rapprochement, is there no change in Taiwan’s identity and preference for unification? The question is surely puzzling for leaders in Beijing who see themselves as having accommodated most of Taiwan’s demands and requests for two and a half years. The answer is easy and has to do with human rights and the mainland’s troubled assessment of the relationship between human rights and sovereignty.

Beijing’s approach to human rights undermines its agenda on sovereignty over Taiwan. The different political systems on the two sides of the strait and the absence of basic values of human rights and democracy on the mainland are key factors that have dissuaded Taiwanese people from considering political integration in the future to be acceptable, even though they do not object to economic integration.

Beijing’s reaction has not been helpful to its own aims. The weak support for unification in Taiwan has made Chinese leaders even more suspicious of Taiwan’s true intention in pursuing the relaxation of relations across the strait, which some on the mainland see as merely an effort to buy time to stall the unification process. Thus, even with improvement of cross-strait ties, Beijing has continued to follow its old practice of protesting vehemently every one of Taipei’s weapons procurements from the United States., in the most recent case suspending military to military exchanges with the United States and other aspects of bilateral strategic dialogue. Such Chinese reactions are not well-received in Taiwan. The DPP-led Pan Green worries that, lacking the ability to fight, Taiwan will face forced incorporation into China. The KMT-led Pan Blue sees arms procurement as necessary for maintaining confidence among the Taiwan populace to continue cross-strait dialogue without fear that it will accelerate into a coerced settlement of sovereignty issues. Beijing’s harsh line on arms sales suggests Beijing may not fully recognize that, even though mainland/Chinese identity is still very low and support for unification remains unenthusiastic in Taiwan, it is likely in Beijing’s interests to see Ma’s government remain in power. A Pan Blue government is at least willing to provide China an opportunity to win back the island while a Pan Green government would not. Beijing’s seemingly still-lacking understanding of Taiwan’s political dynamics and social fabric increase the risk that Beijing’s stance on arms sales and other cross-strait-related issues can start what are, from Beijing’s perspective, vicious cycles in Taiwan’s domestic politics.

What, then, should the mainland authorities do? They should more fully recognize the universality of human rights and take steps toward adopting a more human rights-protecting and democratic

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<sup>4</sup> Minzhong dui zhiwo rentong de kanfa (View of People on Self-Identity), in Niandu zonghe fenxi baogao (Annual Analysis of Composite Report), see years 2008 and 2009, at <http://www.mac.gov.tw/public/Attachment/973944270.pdf> and <http://www.mac.gov.tw/public/Attachment/012517312648.pdf>

<sup>5</sup> Zhonghua minguo Taiwan diqu minzhong dui liang’an guanxi de kanfa (View of People in Taiwan Area, the Republic of China, on Cross-Strait Relations), at <http://www.mac.gov.tw/public/Attachment/11718424319.pdf>

system on the mainland. Beijing should recognize that protection and promotion of human rights in the mainland would help improve China's standing among the Taiwanese people and thus advance Beijing's goal of national unification. Even if China became as prosperous as Taiwan and evolved into a democratic system that respects basic human rights, this still would not guarantee the necessary increase of support for unification in Taiwan. But if Beijing continues to insist on maintaining authoritarian rule and claiming the legitimacy of its different human rights standards, the likelihood of peaceful unification (and protection of what Beijing considers its core interest in sovereignty) is unlikely to increase.

The Chinese leadership needs to recognize that criticism from the United States, other Western nations, Taiwan and elsewhere is not the assault on Chinese sovereignty that such sources' recognition or assertion of Taiwan's status as a separate state or their unqualified rejection of China's claim to sovereignty over the island would be. The Washington summit showed both the potential of, and the persisting limits to, such an approach from Beijing. Hu Jintao, in responding to a question at the two presidents' joint press conference, proclaimed that China "recognizes and also respects the "universality of human rights" and indicated that China will continue its "efforts to promote democracy and the rule of law" in China. But Hu also maintained there is a "need to take into account the different and national circumstances when it comes to the universal value of human rights."<sup>6</sup> While this acknowledgement of the universality of human rights, democracy and the rule of law is still to be applauded, its seriousness is open to doubt (as a reporter's follow-up question at the press conference illustrated) and the qualifying language that Hu added gives reason for skepticism. It is still regrettably far from clear that China's leaders understand that it is in China's national interest to do more to embrace the human rights values urged by Western critics and that doing so also serves China's identified core national interest in peaceful unification with Taiwan. Hu and his successors should understand that pursuing *zhuquan* (sovereignty) in human rights and in territorial integrity and promoting *renquan* (human rights) need not be a non-zero sum game after all.

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<sup>6</sup> See Press Conference with President Obama and President Hu of the People's Republic of China, January 19, 2011 at <http://www.whitehouse.gov/the-press-office/2011/01/19/press-conference-president-obama-and-president-hu-peoples-republic-china>.

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