

Learning to Live with the Hegemon: evolution of China's policy toward the US since the end of the Cold War

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This paper is designed to review China's efforts to adapt to the post-Cold War world dominated by the United States and to analyze the underlying factors that have shaped such efforts. It attempts to make three points: (1) the adaptation process has been an eventful and difficult one; (2) China's gradual appreciation of the new international reality, the daunting domestic challenges China faces, and China's growing awareness of the implications of its rise for its developmental prospects have helped shape its efforts of adaptation; and (3) in the foreseeable future, if the US does not treat China as an enemy and if the two countries can effectively manage the Taiwan problem, China is likely to continue its efforts to accommodate and cooperate with the US.

During the past two years, China received an unusual amount of praise from the Bush Administration for its foreign policy behavior. In particular, the Administration commended China for its cooperation with the US in the war against terror and for its efforts to help seek a peaceful resolution to the Korean nuclear crisis. The Administration has also vowed to expand cooperation between the two countries. The fact that these and other favorable comments come from the Bush Administration is of particular interest. Less than three years ago this same Administration vowed to change its predecessor's alleged toothless China policy and vowed to get tough with China. Among other things, it publicly

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labeled China as a strategic competitor instead of a partner and promised to ‘do whatever it takes’ to help defend Taiwan. Several factors have contributed to this development. Among these, China’s efforts to adapt to US hegemony since the end of the Cold War deserve special attention.

This paper is designed to review China’s efforts to adapt to a world dominated by one superpower and analyze the underlying factors that have shaped such efforts. It attempts to make three points: (1) the adaptation process has been an eventful and difficult one; (2) China’s gradual appreciation of the new international reality, the daunting domestic challenges China faces, and China’s growing awareness of the implications of its rise for its developmental prospects have helped shape its efforts of adaptation; and (3) if the US does not treat China as an enemy and if the two countries can effectively manage the Taiwan problem, China is likely to continue its efforts to accommodate and cooperate with the US. It is hoped that this short piece will help contribute to our understanding of the complex and dynamic relationship between these two very important countries.

Difficult adaptation

The collapse of the Soviet Union in 1991 left the US the only superpower in the world. Moreover, contrary to the pessimistic predictions about the US economy at the beginning of the 1990s, the US went through a long period of sustained economic growth during the better part of the 1990s. As a result, by the turn of the century, the US was not only the only superpower in the world but also a beefed up and rising one. This new international reality has broad implications for international relations. With unrivaled power, the US found unprecedented opportunities to shape the world. Confronted with the huge gap in power between the US and other major powers, China, like other countries, did not have much choice but to make necessary policy adjustments in its search for security and prosperity.

In retrospect, China’s adaptation to the post-Cold War reality has gone through three phrases: (1) seeking to restore official relations with the US (4 June 1989 and June 1994); (2) trying to sustain the relationship (June 1994–11 September 2001); and (3) seizing new opportunities to expand and deepen the relationship (11 September 2001–date).

Seeking restoration of the official relationship (4 June 1989–June 1994)

The unexpected outbreak of the 4 June Incident in 1989 left China internationally isolated and friendless. Led by the US, the Western community harshly condemned the Chinese Government for its rough handling of the incident and quickly imposed a series of sanctions against China. Among other things, it discontinued high-level official contacts with the Chinese Government. It also publicly demanded that the Chinese Government release the people arrested for organizing the Tiananmen demonstrations and that it give in to domestic pressures for political liberalization and democratization.

Confronted with the acute domestic crisis and harsh international pressures, the Chinese Government realized that it was facing a critical historical moment.

Whatever it did would have a serious impact on the fate of the party and the country's future.¹ After careful analysis of the situation, the Chinese Government decided that it could not accept Western demands. Surrender meant nothing short of political suicide. The only thing it could do was to step up efforts to stabilize the situation at home and resist the pressures for political liberalization from abroad. Accordingly, it publicly and vehemently rejected Western demands while defending its handling of the Tiananmen incident.

Rejecting Western demands, however, does not mean that the Chinese Government did not wish to maintain and develop relations with the West. On the contrary, the Chinese Government was keenly aware of the fact that it badly needed a peaceful international environment for domestic reforms and development. In its efforts to seek a peaceful international environment, the Chinese Government decided to take a low-key posture on international affairs so as to minimize external attention on China and interference to China's developmental and reform process. Specifically, Deng Xiaoping proposed three principles for China's foreign policy: (1) *Lengjing guancha* (carefully assess the situation); (2) *Wenzhu zhenjiao* (consolidate China's positions); and (3) *Chenzhuo yingfu* (calmly cope with the challenges).²

In line with the three principles, the Chinese Government took a moderate and low-key approach in foreign affairs. It took every opportunity to explain to the world how important political stability was for China and how determined China was to adhere to its policy of opening up to the outside world. In the mean time, it moderated its efforts to punish the people who had participated in the demonstrations and released most of the people detained for organizing the Tiananmen demonstrations.³ It even cut a deal with the US Government to allow Fang Lizhi, who had sought refuge in the US Embassy in Beijing following the 4 June Incident to leave China for the US.

Given the paramount influence of the US in the world, the Chinese leaders realized that the key to changing its difficult international situation was the US. Despite the official rhetoric about the allegedly pernicious role of the US Government in the outbreak of the 4 June Incident, the Chinese leaders privately urged the Bush Administration to take steps to rescue the rapidly sinking relationship between the two countries. In his meeting with former president Richard Nixon in October 1989, Deng Xiaoping asked him to convey to President Bush that he hoped the latter would take the initiative to restore the relationship.⁴ In his talk with President Bush's special envoy and National Security Advisor Brent Scowcroft on 10 December, Deng Xiaoping also made a personal appeal to President Bush urging the latter to take measures to improve relations between the two countries. He said that despite the current problems, China and the US must improve their relationship because world peace and stability demanded it.⁵ The Chinese Government expected that the US

1. Deng Xiaoping, *Deng Xiaoping Wenxuan* [Selected Works of Deng Xiaoping] (Beijing: Renmin Publishing House, 1993), p. 311.

2. *Ibid.*, p. 321.

3. Hong Shi, 'China's political development after Tiananmen: tranquility by default', *Asian Survey*, (December 1990), pp. 1206–1213.

4. *Ibid.*, pp. 331–332.

5. *Ibid.*, pp. 350–351.

would eventually realize that it was also in its interests to restore official relations with China.

The opportunity to restore official relations finally came when Iraq invaded Kuwait on 2 August 1990. Immediately after the invasion, the Bush Administration denounced it and decided to use force to get the Iraqis out of Kuwait. In order to rally international and domestic support for such an effort, it needed a resolution from the UN Security Council to authorize the use of force against Iraq. Because China is a permanent member of the UN Security Council and had long rejected the use of force in international affairs, it was speculated that China could veto the resolution. In order to secure China's cooperation, the Bush Administration decided to lift the sanctions prohibiting high-level official contacts with China imposed in the wake of the 4 June Incident and invited Chinese Foreign Minister Qian Qichen to visit Washington.⁶

The resumption of high-level contacts between China and the US represented an important step to restore official relations between the two countries. However, it did not make the relationship any smoother. The collapse of the Soviet Union had produced great confidence among Americans that they would be able to change the rest of the world to become democratic. To many Americans, the Chinese Government stood in the way of such efforts and the US should do its best to bring it to its knees. Against this backdrop, Bush's pragmatism in dealing with China became an object of public ridicule and condemnation in the US. During the presidential election campaign, the Democratic presidential candidate Bill Clinton condemned President Bush for 'cuddling' the dictators in Beijing. He promised that he would get tough with China if he became the master of the White House.⁷ The subsequent democratic victory gave little comfort to China about its relationship with the US.

One of the first things Clinton did upon coming into office was to take a high-handed approach to demand that China improve its human rights record. On 28 May, the White House came up with a list of demands and threatened to invoke China's most favored nation status (now called normal trade nation status since such a status does not accord any privilege to concerned countries) if China failed to meet his demands.⁸ Confronted with Clinton's public threats, the Chinese Government felt cornered. The Clinton Administration was essentially asking the Chinese Government to tell the world as well as the Chinese people that its efforts to restore political order at home were wrong and, even worse than that, that the US Government had a better idea as to how to govern China. No government would accept such demands. Accordingly, the Chinese Government did what it deemed politically necessary: it publicly rejected Clinton's demands.

6. Richard Solomon, who served as the Assistant Secretary on East Asian and Pacific Affairs of the State Department, said in an interview: 'After the Iraqi invasion of Kuwait [August 1990], it was evident that if we were going to have a UN coalition, or at least the UN sanction of some collective effort to deal with Saddam [Hussein]'s aggression, we would have to work with the Chinese, given their veto position on the Security Council'. See Nancy Tucker, ed., *China Confidential: American Diplomats and Sino-American Relations 1945-1996* (New York: Columbia University Press, 2001), p. 453.

7. Jia Qingguo, 'Shilun kelindun zhizheng yilai de zhongmei guanxi' ['On Sino-American relations since Clinton assumed office'], in Liang Shoude *et al.*, eds, *Mianxiang 21 shiji de zhongguo guoji zhanlue* [*China's International Strategy Facing the 21st Century*] (Beijing: Zhongguo Shehui Kexue Publishing House, 1998), p. 42.

8. *Ibid.*, p. 95.

On 29 May, in reaction to Clinton's decision to attach conditions to the renewal of China's MFN status in the following year, the Chinese Ministry of Foreign Affairs issued an official statement. In the statement, the Chinese Government protested against the US decision on the grounds that it had violated the three communiqués and trade agreements between the two countries and that it constituted a serious interference in China's internal affairs. The Chinese Government pointed out that politicization of the trade issue, especially attaching conditions to the renewal of China's MFN status, was an unacceptable practice. It claimed that such a practice could only seriously damage economic and trade cooperation between the two countries. Ultimately it would also hurt important interests of the US itself. Accordingly, it urged the Clinton Administration to revoke the decision in the best interests of the two countries.⁹

China's fierce resistance coupled with the Clinton Administration's realization of the futility of its efforts to link trade with human rights eventually led the Clinton Administration to abandon the linkage policy. President Clinton publicly acknowledged that his policy of linking trade and human rights issues had not achieved its purpose and that he stopped believing that suspending China's MFN status would facilitate American objectives and interests. Accordingly, he said that his Administration would discontinue the linkage policy from now on. In an article to explain his decision, Clinton wrote that the linkage policy had reached its logical end. The annual debate on renewal of China's MFN status might hinder the necessary progress on security and economic questions. And it was unlikely to lead to any significant progress including ameliorating the human rights situation in China. The Administration believed that the best way to promote human rights in China was to increase contacts, promote trade, enhance international cooperation and seek extensive and frequent dialogues on the question of human rights.¹⁰ As pragmatism prevailed in the Clinton Administration's efforts to deal with China, the seriously damaged official relationship between the two countries became fully restored.

Sustaining the relationship (June 1994–September 2001)

The restoration of normal official relations between China and the US turned out to be fragile at best. American media continued to churn out bloody images of or refer to the Tiananmen suppression in news coverage on China. Influenced by the media, the American public had little idea about what was going on in China let alone the development and progress China had made since the 4 June Incident. Therefore it took an increasingly negative view of China. Taking advantage of this situation, American politicians stepped up their efforts to condemn China with every excuse they could think of to advance their causes and interests. As a result, one heard many largely unsubstantiated accusations against China in subsequent years: proliferation of nuclear and missile technologies to Pakistan and North Korea, selling banned chemicals abroad, systematic murder of handicapped orphans, massive trade of

9. *Ibid.*, p. 121.

10. Liu Liandi ed., *Zhongmei Guanxi Zhongyao Wenxian Zi Liao Xuanbian* (selected Important Documents of Sino-American Relations) (Beijing: Shishi Publishing House, 1996), pp. 375–378.

prisoner's organs, stealing top secret weapon information from American labs, making illegal campaign contributions to the Democratic Party, etc.

Confronted with this situation, the Chinese Government did all it could to consolidate and improve its relationship with the Clinton Administration. It tried to explain to the latter that it had done none of the above. It agreed and took serious steps to tighten its control on arms sale and to ban proliferation of technologies of weapons of mass destruction and delivery systems.¹¹ On top of all this, it repeatedly expressed willingness to develop closer ties with the US.

The Chinese efforts to improve relations with the Clinton Administration, however, met with serious challenge from the Taiwan authorities. Headed by Lee Teng-hui, the Taiwan authorities changed their previous policy stance on national reunification and opted for an independence course. It began to push aggressively for the idea of a separate and sovereign status for Taiwan in international society. Through careful political maneuvers buttressed with the promise of sizable financial contributions, it managed to get Cornell University to invite Lee Teng-hui to visit the university and to get the US Congress to pass resolutions to pressure the Clinton Administration to give permission for Lee's visit. After initial resistance to the pressures to let Lee visit the US, the Clinton Administration reversed its previous position and decided to approve Lee's visit though in an unofficial capacity. The Clinton Administration's about-face damaged China's perceived core national interests and led to a crisis in the Taiwan Strait and in the relationship between the two countries. Eventually, after missiles were fired and US Aircraft Carrier groups dispatched to the Taiwan Strait, the Chinese Government and the Clinton Administration managed to come out of the crisis. With efforts from both sides, Chinese President Jiang Zemin and American President Bill Clinton exchanged visits in 1997 and 1998. The leaders of the two countries stressed the importance of developing good relations with each other and vowed to build toward a constructive strategic partnership. Official relations between the two countries assumed a positive momentum.

However, the Taiwan Strait crisis of 1995 and 1996 highlighted the potential for military conflicts between the two countries and helped to enhance the claim that China was the next challenger to US power and influence in the world. A group of American strategists of realist persuasion had taken notice of China's rapid economic development and increasing national capabilities. Proceeding from the realist assumption that the interests of the rising power and established power inevitably collide, they argued that the US should start to contain China rather than facilitate its development. This group of people was known as the blue team. Following the Taiwan Strait crisis, they stepped up their efforts to publicize their views and publicly condemned the Clinton Administration's China policy.¹²

The Chinese public outrage with the US bombing of the Chinese Embassy in Belgrade in 1999 provided fresh ammunition for the blue team to advance their views. The strong anti-US feelings held by the Chinese public, they argued,

11. In an interview, Winston Lord, the Assistant Secretary of State East for Asian and Pacific Affairs of the Clinton Administration, gave a list of the actions the Chinese Government took in this regard. See Tucker, ed., *China Confidential*, p. 469.

12. For a discussion of the blue team and its views on China, please refer to J. Michael Waller, 'Blue team takes on Red China', <http://www.insightmag.com/archive/200106047.shtml>

demonstrated that the Clinton Administration's policy of engagement was doomed to fail. Given their respective positions and interests, China and the US could not be friends. The US should abandon the idea that it could make a friend out of a strong China democratic or not.¹³ Although the Clinton Administration resisted the blue team's ideas, such ideas gradually found ways to influence policy considerations of the US Government.

With the change of guard in the White House in the year 2001, the blue team's ideas on China finally gained the upper hand in the US official deliberations of the China policy. During the presidential election campaign, George W. Bush vehemently denounced Clinton's engagement policy. He argued that, given China's ideological preference and ill-conceived ambitions, it was inappropriate for the US to regard it as a strategic partner. Rather, China should be labeled as a strategic competitor to the US.¹⁴ He lashed out at the alleged Clinton Administration's preference to deal with China rather than with Japan, the most important ally of the US in Asia, claiming that such a practice compromised American security interests in Asia.¹⁵ He also announced that the policy of strategic ambiguity with regard to Taiwan had been out of date. If he got elected to be the president, he would clarify the policy so that the US would be more effective in helping Taiwan defend itself.¹⁶

Upon entering the White House, President Bush honored his campaign promise by assuming a tougher position on China than his predecessor. He 'telephoned every major world leader but Chinese President Jiang Zemin'. His Administration reportedly planned to 'target more US missiles against China'. It gave serious consideration to 'prioritizing preparation for conventional war in East Asia against China and has promoted enhanced strategic cooperation with India and Japan'. It 'encouraged Japan to loosen its restraints on a more active regional military presence' and 'proposed development with US allies South Korea, Japan and Australia of a "regional" dialogue'. It 'stressed cooperation with Russia on missile defense seemingly at the expense of China'. It decided to bar Chinese-made products and essentially stopped contacts between the Pentagon and the Chinese military. It 'reversed a twenty-year US policy by agreeing to sell submarines to Taiwan' and 'allowed high-profile visits to the United States by Taiwanese President Chen Shui-bian and the Dalai Lama'. On top of all this, the administration did not appoint 'a specialist on China to any senior position in the government'.¹⁷

Confronted with the new unfriendly Bush Administration, the Chinese Government decided to make the best out of the difficult situation and tried to pull the relationship back on track. Soon after Bush went to the White House, the Chinese Government sent a stream of officials to meet the Bush team in Washington, including Vice Premier Qian Qichen.¹⁸ Chinese leaders also made other gestures to

13. John Mearsheimer, *The Tragedy of Great Power Politics* (New York: W.W. Norton & Company, 2001), p. 4.

14. GOP Debate on the Larry King Show, 15 February 2000.

15. James Conachy, 'Bush visit to Japan cements closer ties against China', <http://www.wsws.org/articles/2002/mar2002/jap-m01.shtml>, (1 March 2002).

16. *The New York Times*, (26 February 2000), p. A10.

17. Robert S. Ross, 'The stability of deterrence in the Taiwan Strait', *The National Interest*, (Fall 2001), pp. 67–68.

18. 'Cong Qian Qichen fangmei kan weilai de zhongmei guanxi' ['Assessing future Sino-American relations from Qian Qichen's visit to the US'], <http://www.shunde-daily.com>, (21 February 2001).

demonstrate its willingness to work with the Bush Administration to develop relations between the two countries.¹⁹ While it protested against the Administration's rough handling of the Taiwan problem, it did nothing except publicly condemn it. The Chinese Government hoped that with the passage of time, the Bush Administration would come to realize the importance of the relationship, as in the case with the Clinton Administration, and the two countries would find good reasons to cooperate with each other again.

China's hope to improve relations with the Bush Administration diminished over time as the latter refused to moderate its position on China. The rough interactions between Beijing and Washington in the wake of the E-P3 Incident in April 2001 highlighted the intensity of the mistrust and tension between Washington and Beijing. In the wake of the incident, both sides raised voices and went to the public to blame the other side for the collision. Popular emotions in both countries ran high. To many in Washington, China's objection to US spy missions along the Chinese coast constituted an early warning of China's international strategic orientation: as it grows in power, it will expand its security perimeters and deny American access to an ever larger area in the Asia-Pacific region.²⁰ To many in Beijing, the incident showed that the US harbored ill intentions on China and how unreasonable it could be when it comes to getting its way around.²¹

However, Beijing suppressed its frustration and managed to reach a compromise with Washington. It decided not only to return the captured American intruders but also the reconnaissance plane to the US. In the mean time, it asked the Chinese people to calm down and focus on building their country stronger to avoid such humiliation in the future again. The eventual resolution of the problem did not help produce any good feelings on either side. Even the successful July visit on the part of the US Secretary of State General Powell did not fundamentally change the situation.²² Confronted with an Administration that regarded China largely as a potential threat, the Chinese Government braced for the worse, even though it still wanted to develop good relations with the US out of considerations of its own national interests.

Seizing the opportunities (September 2001–date)

Ironically, the attacks on America of 9/11 brought fresh hopes for a better relationship between the two countries. In the wake of the incident, the Chinese Government quickly expressed its condolences for the casualties and support for the

19. Zhu Rongji said at a press conference on 16 March 2001 to the effect that the Chinese Government had maintained good communications with the Bush Administration and that the Chinese Government was willing to work with the Bush Administration to develop Sino-American relations. See www.zaobao.com.sg, (16 March 2001).

20. Jake Tapper, 'Critics: Bush caved to China', www.Salon.com, (13 April 2001).

21. 'Jiujing shuizai weifa: cong guojifa jiaodu toushi zhongmei zhuangji shijian' ['Who violated international law: examining the Sino-American plane-crash incident from the perspective of international law'], www.sina.com.cn, (15 April 2001); 'Zhongguo qunqing fenkai: Jiang Zemin cumei tingzhi diandao shifei' ['Widespread anger in China: Jiang Zemin asked the US Government to stop confusing right and wrong'], www.zaobao.com, (5 April 2001).

22. Bates Gill, 'Powell's Asia visit: a chance to shape American thinking toward the region', *Newsweek Korea*, <http://www.brook.edu/views/op-ed/gill/20010725.htm>, (25 July 2001); Anne Meijdam & Ellen van Dalen, 'Powell visits Beijing', <http://www.rnw.nl/hotspots/html/china010727.html>, (27 July 2001).

US in its fight against terror. Seeing that the US needed help, the Chinese Government told the Bush Administration that it was willing to help out. It did not only say so but also did it. Among other things, it voted in favor of anti-terrorism resolutions in the UN Security Council, supported Pakistan's efforts to cooperate with the US to oppose Bin Laden and the Taliban regime of Afghanistan, and provided the US with intelligence information it had on terrorist networks and activities in the region. It also agreed to freeze the accounts of terrorist suspects in Chinese banks at the request of the US Government and let the US use the Shanghai APEC Summit platform to promote the anti-terrorist cause.²³ Contrary to the expectations of some Americans hostile to China, China did all this without attaching any conditions.

These and other cooperative efforts on the part of China eventually evoked favorable reactions from the Bush Administration. Secretary Colin Powell said in Shanghai during October 2001 that the US had been encouraged by the support from the Chinese Government. He said that despite the problems of the E-P3 incident earlier in the year, Sino-American relations were back on track.²⁴ In his meeting with President Jiang Zemin in Shanghai in October 2001, President Bush thanked China for its speedy reaction in expressing its clear and firm support for the US and for its efforts to cooperate with the US in the war against terror. He stressed that his Administration attached high importance to US-China relations. He also said that China was a great country and was by no means an enemy of the US. On the contrary, he viewed China as a friend. And his Administration is committed to developing candid, cooperative and constructive relations with China.²⁵ 'The Chinese share our resolve to shut down the global terror network linked to Osama bin Laden', said General Frank Taylor, the State Department's ambassador at large for counter-terrorism after his retirement from the Air Force. 'We're pleased with the cooperation we have received from China since Sept. 11'.²⁶

The Chinese Government did not only stop at helping out in the war against terror. It also tried to help out on other issues. Among other things, the Chinese Government has tried to enhance its efforts at combating proliferation of weapons of mass destruction and missile technologies. In addition, China has made many efforts to seek a peaceful resolution of the Korean nuclear crisis. More recently, in response to US domestic pressures on the Bush Administration to address the trade deficit problem with China, the Chinese Government has sent several delegations to the US to make significant purchases of US airplanes, cars and agricultural produce and made significant concessions in the recent negotiation on phasing out tax benefits to computer chip makers in China.

On top of all this, the Chinese Government has tried to limit the damage to Sino-American relations concerning issues about which the two countries do have

23. Bonnie S. Glaser, 'Northeast Asia after Sept. 11: testimony on US-China relations and the Taiwan Strait', FDCH Congressional Testimony, (15 November 2001), Record: 1, 32y401591370920011115.

24. 'Baowei'er cheng 911 hou mei dui laizi zhongguo de zhichi gandao guwu' ['Powell said that the US was encouraged by the support from China'], www.peopledaily.com.cn, (19 October 2001).

25. 'Xiang xun: Jiang Zemin zhuxi yu bushi zongtong juxing huitan' ['Detailed report: President Jiang Zemin and President Bush held talks'], www.peopledaily.com.cn, (19 October 2001).

26. Erik Eckholm, 'Official praises China for its cooperation in rooting out bin Laden's terror network', *The New York Times*, (7 December 2001).

significant conflicts of interests and views. Among other things, it did not react strongly to the US withdrawal from the ABM treaty; it did not make a big issue out of the US bugging of President Jiang's plane; it did not take a strong position against the US invasion of Iraq; and it has not let the US arms sales to Taiwan, or even the increasing contacts between the US and Taiwan militaries, to seriously affect its cooperation with the US on other issues.

Primarily because of these and other Chinese efforts to cooperate with the US and manage its relationship with the US, the Bush Administration has found the relationship between the two countries in its best shape since the normalizations of relations between the two countries.²⁷

Explaining Chinese behavior

Reviewing Chinese efforts to improve relations with the US, one cannot avoid asking the question: why has China behaved like this? Given the fact that the Chinese Government was known to raise voices in conducting relations with the US and the fact that the Bush Administration was by no means friendly to China, this is a legitimate question. Analysis shows that at least the following three factors have contributed to the evolution of China's behavior.

Gradual acceptance of the power reality

To begin with, despite initial resistance, the Chinese Government gradually accepted the post-Cold War international reality and decided that it was not in China's interests to challenge the most powerful country unless China's own core national interests are involved. Until the early 1990s, the Chinese Government still found it difficult to appreciate the full implications of the US becoming the only superpower in the world. Chinese think tanks were debating whether US power was on the rise or on the decline.²⁸ Chinese officials and foreign policy experts were wondering aloud whether the world was unipolar or multipolar or something else. Against this background the Chinese Government was not entirely clear about what kind of world it was to face during the early 1990s. It did what it did because of its concern for political survival.

However, since the mid-1990s, it became clear to the Chinese Government that the US power was on the rise and the world was unipolar.²⁹ As the Chinese Government increasingly saw the world as a unipolar one, it became increasingly reluctant to have head-on conflicts with the US. This is the case especially when it sees other major powers courting favors with the US. This could be seen on a whole range of issues, including arms trade, arms control, Iraq, Korea etc. China might have different ideas as to how these issues should be handled and might even openly express its

27. Many Chinese scholars and foreign policy experts do not share such a view because of the US handling of the Taiwan problem.

28. Wang Jisi, 'Gaochu bu sheng han' ['It is cold at the height'], in Zhao Baoxu, ed., *Kua Shiji de Zhongmei Guanxi* [Sino-American Relations at the Turn of the Century] (Beijing: Dongfang Publishing House, 1999), pp. 18–19.

29. For various reasons the Chinese Government still refuses to use the word unipolarity to describe the international distribution of power even today. However, in practice, it actually proceeded on that basis in formulating its policy toward the US.

reservation about the way the US has dealt with these issues. However, the Chinese Government has chosen to minimize and if possible avoid conflicts with the US on these issues as demonstrated in the previous passages.

Tough domestic challenges

As a country undergoing rapid economic changes and fundamental reforms, China is facing a whole array of tough domestic challenges. Broadly speaking, over the past 20 years, China has been undergoing three historical transitions namely modernization, systemic transformation from a central planned economy to a market economy, and leadership transition from a generation of charismatic leaders to one of techno-bureaucratic leaders. All of these transformations are drastic and fundamental. And they have been generating tremendous challenges to China's political stability.

By nature, modernization is a very destabilizing process. According to Ted Gurr, the author of *Why Men Rebel?*, as economy takes off in a country, people's expectations in life tend to grow much faster than they can actually obtain in reality. As a result, they tend to develop a strong sense of deprivation and become restless and often rebellious in their behavior in the process of modernization.³⁰ The fundamental changes in social structures and value orientation in the process of modernization make the situation even more unsettling, providing the most fertile ground for social unrest and political rebellions.

Compared with modernization, the systemic transformation is no less psychologically traumatic and politically destabilizing. During the systemic transformation, the central planned economy and the market economy exist side by side. Consequently, people are confronted with two sets of very different distribution principles and codes of moral conduct. Whereas many in the state sectors complain about the 'obscenely' high income people in the private sectors get and deplore the moral corruption associated with the market economy, many in the market sectors complain about the 'unearned' privileges (job tenure, free or subsidized housing, free medical care, as well as power) people in the state sectors enjoy and ridicule the mores of the old days. As a result, literally everyone feels frustrated and unhappy. In addition to this, as the reforms deepen, official corruption worsens, the gap between the rich and the poor widens and an increasing number of people in the state sectors lose their jobs. All this has led to escalating frustration and resentment to the government and its policies.

If modernization and systemic transformation generate increasing social frustration and political tension, the leadership transition undermines the authority of the government to meet the challenges. Charismatic leaders derive power from either their blood or their legendary feat in founding the state. They are the creators of the institutions rather than the other way around. Accordingly, under charismatic leadership, individuals in leadership positions are strong and institutions weak. Techno-bureaucratic leadership, on the other hand, represents a different relationship between individual leaders and institutions. Having been

30. Ted Robert Gurr, *Why Men Rebel?* (Princeton, NJ: Princeton University Press, 1970).

promoted into leadership positions through various institutional channels, techno-bureaucrats derive their power from the institutions. In contrast to the case with charismatic leadership, institutions create individual leaders. Accordingly, under the techno-bureaucratic leadership, individuals are weak and institutions strong. Political stability is possible under either type of leadership. However, this is not the case when they are in transition from one to the other. This is because when charismatic leaders pass away, they leave behind them a set of weak institutions. Since techno-bureaucratic leaders are weak by nature and depend on institutions for power, their authority and powers are very vulnerable to political challenges.

Both from a comparative and a historical perspective, any one of the three transitions poses serious threat to political stability and has the potential to cause political collapse. China has been undergoing all three simultaneously. It is precisely because of this that the Chinese Government has attached high importance to political stability. Successive Chinese leaders Deng Xiaoping, Hu Yaobang, Zhao Ziyang and Jiang Zemin have all repeatedly stressed the need for maintaining political stability. They argue that political stability is the most important condition for China's development and reforms. Without political stability, China would not be able to accomplish anything, not economic development, let alone social and political progress.³¹

These and other domestic challenges require China's full attention. To do so, China badly needs a peaceful international environment. Since the US is the country that is critical for China to obtain such an international environment, the Chinese Government naturally did all it could to seek improvement of its relations with the US. If the Chinese Government did not have much of a chance to do so before 9/11 because the strong US pressures undermined its legitimacy, it began to have the chance after 9/11. This also explains why China became so accommodating to the US after 9/11.

Growing awareness of the implications of the rise of China

By 1994, China's rapid economic development had caught the world's attention. Many outside China began to reverse their previous assessment that China would disintegrate or collapse. Instead they began to argue that China was rising and its rise would have profound implications for world affairs. Some even claimed that China was going to challenge the US power and privileges.

At the beginning, the Chinese Government dismissed the idea as pure fallacy. More than anyone else it knew how backward many parts of China still were and how many difficult problems China was facing. It publicly expressed doubt about the motivation of those behind the idea of the rise of China. Some Chinese even speculated that the real reason that those people advocated the rise of China was that they wanted to disqualify China as a recipient of the soft loans from the World Bank.

31. As Jiang Zemin, the General Secretary of the Chinese Communist Party and the President of the People's Republic of China, put it: 'China cannot accomplish any thing without political stability'. Jiang Zemin, 'Gaoju dengxiaoping lilun weida qizhi, ba jianshe you zhongguo tese de shehuizhuyi shiye quanmian tuixiang qianjin' ['Uphold the great banner of the Deng Xiaoping theory and carry forward the course of building socialism with Chinese characteristics into the 21st century'], *Shiwuda baogao duben* [Reader of the Reports at the Fifteenth Party Congress] (Beijing: Renmin Publishing House, 1998), p. 18.

However, as China's economy continued to grow at a high speed and as the world showed more respect for China because of its perceived achievement and influence, the Chinese Government began to realize that China was indeed rising. Moreover, it gradually began to appreciate the fact that China's rise would have serious implications for other countries, especially the US. And as China rises China is likely to confront with growing suspicion and even resistance on the part of some countries especially the US. Under the circumstances, China needs to do all it can to alleviate such concerns through cultivating understanding and trust between China and other countries. It is with such an understanding that some Chinese like Zheng Bijian, former Executive Vice President of the CCP Central Committee Party School, proposed the idea of the peaceful rise of China. The idea received official endorsement later.

Although the idea is still being debated, it is already an important component of the foreign policy deliberations of the Chinese Government. Peaceful rise of China among other things requires seeking understanding from and cooperation with the US so as to avoid confrontation between the two countries as predicted by some realists in Washington.³² This idea also underlines China's efforts to enhance cooperation and minimize conflicts with the US in recent years.

Future prospects

Since the end of the Cold War, China's policy toward the US has been evolving toward more accommodation and cooperation. While it wished to develop good relations with the US all the time out of consideration of its own national interests, its policy has shifted from one of securing political survival to brinkmanship in the mid-1990s to actively promoting the relationship in recent years. China's appreciation of the post-Cold War international reality, pressing domestic challenges, and growing awareness of the implications of the rise of China on its developmental opportunities have underlined such changes.

How likely is China going to adhere to its new US policy? Given the fact that the three underlying factors are not going to change soon, the chance for China to continue the current policy is quite high. However, two factors may seriously affect or even change this process. One is the Taiwan problem. If the Taiwan authorities continue to push for independence, it could make it politically necessary for the Chinese Government to use force to defend China's territorial integrity and sovereignty. And this may lead to US intervention and even a Sino-US military confrontation.

The other factor is a significant change in the US policy toward China. Should the US revert back to a policy that treats China as an enemy or potential enemy as it practiced during the initial period of the Bush Administration, this may force China to treat the US as such. Between the two factors, the Taiwan problem is more likely to affect China's policy toward the US in the immediate future.

32. Peaceful rise, however, does not mean that China would sacrifice its core national interests, nor does it suggest that China would abandon efforts to enhance its defense capabilities. It rests on the assumption that it is possible and desirable to develop cooperation through efforts to facilitate understanding and cooperation. However, it also demands precautionary measures such as enhancing military capabilities to defend China's core national interests should such efforts for various reasons fail to achieve the desired results.

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