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Exploring the Frontiers of U.S.-China Strategic Cooperation:

Visions for Asia-Pacific Security Architecture

Edited by Melanie Hart November 2014

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Introduction: United States and China Have Different Visions for the Asia-Pacific Regional Security Order

Regional security issues loom large in the U.S.-China relationship. The Asia-Pacific region is a hot zone of security challenges, and the United States and China play a role in all of them. The two nations sometimes have different views about how those challenges should be managed and what the respective roles and responsibilities should be. That can lead to bilateral tension, which can also spill over to undermine other, more cooperative areas of the bilateral relationship.

In October 2014, the Center for American Progress convened a group of U.S. and Chinese foreign policy experts to discuss these and other difficult issues in the bilateral relationship. This report includes essays from the Asia-Pacific regional security portion of that dialogue. For more detail on critical themes that emerged during the October 2014 closed-door discussions, see "Expanding the Frontier of U.S.-China Strategic Cooperation Will Require New Thinking on Both Sides of the Pacific."

These essays highlight some of the most important security challenges the United States and China are facing in the Asia-Pacific region. These essays also offer suggestions for how the two sides can work together to manage sensitive issues today and begin building a more sustainable regional security order for the future.

One of the key themes that emerged from the October conference discussions is the fact that communication is sometimes the biggest stumbling block. U.S. and Chinese leaders come from very different political systems with different historical and cultural contexts. **Sheena Chestnut Greitens,** assistant professor at the University of Missouri and nonresident senior fellow at the Brookings Institution, begins this essay collection by identifying core elements of U.S. messaging that send inaccurate or confused signals to Chinese observers about U.S. intentions in the region. She points out, for example, that Chinese observers view the "Thucydides' trap" metaphor as a lesson about alliances that Americans do not similarly emphasize. Similarly, Chinese observers interpret the U.S. Asia-Pacific rebalance as an effort to balance against China's rise and contain China, which is not the stated intention of U.S. policymakers who use the term as a financial met-

aphor for global asset reallocation. Clarifying the intentions behind U.S. strategy and the metaphors used to frame it could help dial down China's suspicion of the United States and manage opposition to some of its key policies in the region.

In their respective essays **LIU Feitao,** deputy director for American Studies at the China Institute of International Studies, and **William Norris**, assistant professor at Texas A&M University Bush School of Government and Stanton Nuclear Security Fellow at the Carnegie Endowment for International Peace, point out that despite recent advances in military-to-military relations, this area remains one of the most fragile links in the U.S.-China bilateral relationship and that fragility is fast becoming a major strategic risk in the Asia-Pacific region. With so many potential flashpoints in the region, it is becoming increasingly critical to create a broader array of routine cooperation channels similar to those for energy and climate cooperation. Feitao and William offer concrete suggestions, including elevating the strategic security dialogue to make military-to-military interaction an official third leg of the strategic and economic dialogue, or S&ED, and involving the Chinese navy in multilateral efforts to secure regional sea lanes of communication, or SLOCs.

ZHA Wen and Ely Ratner examine third-party relationships between the United States, China, and Southeast Asian nations. **ZHA Wen**, assistant professor at China Foreign Affairs University, points out that many Chinese observers view U.S. alliance relationships in Southeast Asia as a destabilizing factor, and the Chinese security community is debating how their nation should respond. China has traditionally used economic ties to dampen conflicts with neighboring countries, but recent challenges with the Philippines are triggering doubt in Beijing over whether economic leverage is enough to address provocative behavior from U.S. allies. Some Chinese scholars believe China needs to up the ante and use its military might to counteract that behavior. Wen compares China's economic relationships with the Philippines, Thailand, and Vietnam and finds that punitive economic measures can be effective, but only in cases where the counterpart nation's economy is significantly dependent on China. The Philippines case, for example, shows the limits to what China can accomplish through economic ties alone. In third-party challenges where that dependence does not exist, she advises China and the United States to enhance cooperation and use diplomatic measures to dial down security tension.

They are more likely to see U.S. alliances as crucial to maintaining regional stability and instead express concerns about Chinese behavior in the maritime domain. **Ely Ratner**, senior fellow and deputy director for Asia-Pacific Security at the Center for a New American Security, argues that in recent years, China has

become not only more assertive but has also been increasingly engaging in unilateral coercion to advance its claims in the South China Sea. He points out that during President Barack Obama's first term, Chinese leaders generally framed their assertiveness as necessary responses to the provocations of other nations. More recently, however, Chinese coercion has been unprovoked and Chinese officials are framing their actions to revise the prevailing territorial status quo as a response to what they view as the injustices of the past 30 years. In Ely's view, China's shift toward proactively and unilaterally attempting to redraw regional boundaries is inherently destabilizing and already starting to trigger counterbalancing actions from countries throughout the region. He encourages the United States to work with China to find off-ramps away from its current revisionist path.

WANG Fan, vice president at China Foreign Affairs University, concludes this essay collection by examining U.S.-China differences and opportunities for cooperation on the Korean Peninsula. Washington and Beijing have a common interest in North Korean denuclearization, but U.S. and Chinese leaders tend to disagree about how to effectively reach that goal. In Fan's view, the United States wants to use military coercion to force the North Koreans to abandon their weapon's program. But he sees a coercive approach as more likely to feed North Korea's existing security fears and trigger conflict escalation rather than de-escalation. Instead, he recommends that the United States work more collaboratively within the six-party framework to offer security protections to North Korea that will enable North Korean leader Kim Jong Un to shift his attention from national defense to economic growth. In Fan's view, the United States should apply the same logic to the North Korea issue that the Nixon administration applied to China decades ago—reach out to build new economic ties that will speed development and trust that as a nation grows economically, its interests will naturally become more in line with U.S. and other developed economies' interests.

The October 2014 Center for American Progress U.S.-China dialogue also covered energy, climate change, and global security challenges. For essay collections on those topics, see:

- Exploring the Frontiers of U.S.-China Strategic Cooperation: Energy and Climate Change
- Exploring the Frontiers of U.S.-China Strategic Cooperation: Roles and Responsibilities beyond the Asia-Pacific Region

Lost in Translation: Problematic Metaphors in Contemporary U.S.-China Relations

By Sheena Chestnut Greitens

In order to manage their differences and find constructive areas to cooperate, it is important that the United States and China think and communicate as clearly as possible about their interests and intentions. Two of the key terms that the Obama administration has used to conceptualize America's vision for U.S.-China relations are contributing to confusion in the bilateral relationship: "Thucydides' trap" and the "Asia-Pacific rebalance."

American policymakers who reference Thucydides' trap often intend the term to signal their desire to construct a cooperative relationship with China. But on the Chinese side, the story is interpreted as a cautionary tale about why American alliances in Asia are destabilizing and dangerous to regional security. Similarly, American policymakers use the term "rebalance" as a financial metaphor to indicate that the United States is realigning its global portfolio of assets to pay appropriate attention to the strategic importance of Asia. But the Chinese side hears the phrase in terms of balance-of-power politics and concludes, unsurprisingly, that the term stands for a not-so-veiled attempt at balancing *against China*.

Fixing terminology is certainly not a panacea for the obstacles in U.S.-China relations. Achieving clarity in American thinking and discourse, however, is important both internally and abroad. Clarification of U.S. intentions in using these meta-

phors, therefore, would be a helpful step in resolving some of the questions and confusion surrounding American policy in Asia, reinvigorating American leadership in the region, and achieving the promise of the rebalance.

Thucydides' trap

It is in vogue in U.S.-China relations today to speak of the need to avoid "Thucydides' trap." Thucydides—the Greek historian—tells readers that the Peloponnesian War between Athens and Sparta was caused by Sparta's fear of the rise of Athens. Both American and Chinese public intellectuals and policymakers have referenced the story to indicate their awareness of the need to manage the geopolitical tensions and avoid the risk of conflict that has historically accompanied the rise of a new great power.

American and Chinese analysts, however, mean two different things when they talk about Thucydides' trap.[1] American policymakers generally focus on the need to construct a good bilateral relationship and on the role that building strategic trust between Washington and Beijing can play in mitigating insecurity and lowering the risk of conflict. Chinese analysts, on the other hand, correctly note that war in Thucydides' account was actually triggered not by a bilateral dispute, but by a conflict between allies. They therefore interpret Thucydides' trap as a cautionary tale about allied entrapment: the risk that smaller actors such as the Philippines could drag the United States into an unnecessary confrontation with China.

These two different invocations of Thucydides point to a deeper underlying difference in American and Chinese views of the current power structure in Asia: divergent views about what function U.S. alliances serve and different expectations about what would be happening in Asia if the American alliance system did not exist.

U.S. leaders and scholars generally believe that American alliances have dampened insecurity and heightened stability in the Asia-Pacific and will continue to do so as China rises. Chinese thinkers, on the other hand, contend that the American military presence and alliance structure has emboldened smaller powers—primarily Japan and the Philippines—to challenge China. These powers would be more accommodating of Chinese behavior and interests without American backing, Chinese thinkers argue, which suggests that American alliances are a destabilizing rather than a stabilizing force.

Given the divergence in how the two sides interpret Thucydides' trap, it would be helpful to banish the term entirely from American foreign policy discourse. Absent that, the United States should clarify that by invoking the term, it does not mean to concede that its alliances in Asia place it at increased risk of conflict with China. They should make clear that America's regional alliance commitments go hand-in-hand with a good U.S.-China relationship, rather than conflicting with it, and that Washington sees both components as necessary to achieve America's vision of a peaceful and prosperous region.

The "rebalance"

In autumn 2011, the Obama administration announced a new policy of rebalancing or "pivoting" to the Asia-Pacific region.[2] The administration has insisted that the rebalance is complementary to a strong U.S.-China relationship, and at times, has even incorporated discussion about cooperation with China in its definition of the rebalance itself, describing it as one of four to six pillars of the policy.[3] U.S. officials have expended a great deal of effort to explain why the rebalance is not a policy directed at containing China.

China, however, remains unconvinced, and its rhetoric around the U.S. rebalance has grown increasingly critical.[4] Support for the rebalance is far lower in Beijing than throughout the rest of Asia: while support for the rebalance among non-governmental foreign policy experts in Asia averages nearly 80 percent, only 23 percent of Chinese experts reported support.[5] A major reason for this skepticism is the belief that the rebalance is, in fact, targeted at China.[6]

As with Thucydides' trap, part of the issue is that the two sides are using the same term, but with different concepts underlying them. American policymakers use the term "rebalance" as a financial metaphor: the United States is reweighting its global portfolio of assets to bring their allocation into alignment with American priorities and goals. In this use of the term, America is rebalancing *itself*.

Chinese analysts and foreign policy thinkers, however, associate the term "rebalance" with balance-of-power politics. Under this interpretation, it is the equilibrium between the United States and China in Asia that has gotten off-kilter and must be restored; scales that are tipping too far toward Beijing must be evened out. The United States is balancing against China, not just recalibrating itself.

Clarifying terminology is unlikely to assuage Chinese discomfort with—and even opposition to—the American rebalance or American alliances in Asia. The underlying differences in American and Chinese views of the region and what needs to happen there are more than metaphorical.

The execution of and rhetoric around the rebalance, however, have raised questions almost everywhere—in the United States and overseas, among allies and in China. It is therefore incumbent upon the United States to resolve some of the questions that have surrounded the pivot or rebalance since the policy's announcement several years ago. Achieving that strategic clarity will help to revitalize America's role in the region and fulfill the original purpose of the "rebalance" policy—a peaceful and prosperous Asia-Pacific region.

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Managing China-U.S. Military Differences

By LIU Feitao

In 2013, Chinese President Xi Jinping called for the establishment of a new type of military-to-military relations between the United States and China to supplement the new type of major power relations both nations were already pursuing. Since then, bilateral military exchanges have remained stable and have even gained new momentum. However, in contrast with the expanding military activities that both sides consider a positive development, mutual distrust has actually deepened over this same time period. This paradox highlights the fact that careful management is still needed in Sino-U.S. relations, particularly in the military realm where differences and disagreements continue to plague the relationship. Both sides should carefully assess current military-to-military differences and find ways to manage them properly so that they do not trigger mutual suspicion and lead to unwanted conflict.

What does military-differences management mean?

The purpose of "military-differences management" is to prevent divergent interests from triggering an actual conflict. The U.S. and Chinese militaries operate under different assumptions and strategic doctrines. If the two militaries are facing a common challenge, they are likely to see it differently. If they see the same action, they are likely to interpret it differently. Those differences create operational risks that must be managed.

From a Chinese perspective, the concept of "managing differences" with other nations dates back to the early days of the People's Republic when "seeking common ground while reserving differences" meant that "disputes and differences over the social system and ideology should be put aside so that different countries can find common ground to coexist peacefully."[1] During the Cold War, it was this very concept that enabled China and the United States to normalize their bilateral relationship in a world-shaking way, thus leading to more than 30 years of peaceful coexistence. In the United States, this concept is rooted in the idea of competition management and the theory of crisis control in international relations. Whether from a Chinese perspective or a U.S. perspective, the concern is that differences between nations may trigger unhealthy competition and then lead to unwanted and unexpected crises.

In the 21st century, China's rise is now creating new challenges for the difference-management framework established in the early years of Sino-U.S. relations. To the Western observers, the 2008 global financial crisis was a watershed moment that demonstrated to the world how the balance of economic power was beginning to shift from the United States to China.[2] Then, in 2010, China became the world's second largest economy after only the United States.[3] Since then, China-U.S. relations entered a typical power transition period where there appeared to be a major emerging power—China—living side by side with the major established power—the United States. When these new dynamics appeared, they triggered new suspicions. Many observers in both nations began to doubt whether China and the United States could avoid Thucydides' trap, as described in Sheena Chestnut Greitens' essay. They began to talk about the possibility that China's rise would lead to a major Sino-U.S. conflict. In that context, Chinese leaders put forward the notion of "managing differences" in hopes that the principle that worked so well before could once again keep Sino-U.S. relations on a healthy and stable track.

Why is military-difference management needed?

Power transition theories tell us that strategic trust is always scarce between an emerging power and an established power.[4] In the case of Sino-U.S. relations, the different political, social, cultural, and historical backgrounds make strategic trust even harder to achieve. That lack of trust severely limits the scope and depth of exchanges and cooperation between the two armed forces. In the absence of strategic trust, difference management can help the two militaries maintain risk awareness and properly handle sensitive issues.

Furthermore, there are currently multiple risks of strategic miscalculation at a scale that is almost unprecedented in Sino-U.S. relations. China's continued rise and the continued U.S. policy of "rebalancing" to the Asia-Pacific are putting the strategic differences on a dangerous path of convergence. The United States clearly sees China's military modernization as a major threat to the security of the Asia-Pacific region. The 2014 U.S. Quadrennial Defense Review claims that "the rapid pace and comprehensive scope of China's military modernization continues," that there is a "relative lack of transparency and openness from China's leaders regarding both military capabilities and intentions," and that the net result is a "greater risk that tensions over long-standing sovereignty disputes or claims to natural resources will spur disruptive competition or erupt into conflict, reversing the trends of rising regional peace, stability, and prosperity" in the Asia-Pacific region.[5] The United States also views China's effort to strengthen its navy as an attempt to break the existing regional maritime order. U.S. observers worry that China is trying to repel the United States out of Asia and establish its own sphere of influence.

From China's perspective, the United States appears to be "rebalancing" to the Asia-Pacific with China as the obvious target. The U.S. Department of Defense strategic guidance issued in 2012 clearly defines China as a potential "adversary" against which the United States should pursue the strategy of "anti-access and area denial."[6] Furthermore, the United States is taking positions favoring its allies in territorial disputes involving China. Although the United States claims that it takes no position on those sovereignty disputes, in reality, it tries to leverage U.S. alliance treaties, the U.N. Convention on the Law of the Sea, and freedom of navigation principles to oppose Chinese actions. In February, U.S. Assistant Secretary of State Daniel Russel publicly questioned the legitimacy of China's "nine-dash line" in the South China Sea.[7] To many Chinese observers, that was a clear signal that the United States had already taken a stance against China.

Is military-difference management feasible?

Despite these growing security risks in the Asia-Pacific, China and the United States do share a wide range of security interests and should leverage those macro-level commonalities to manage some of our micro-level differences. Both sides require a peaceful and stable international environment to promote their national development agenda. Both sides demand the safeguarding of regional security. Both carry on the tasks of nonproliferation and the fight against terrorism. Both face global challenges such as climate change and energy security. Those commonalities create a strong foundation for cooperation.

Some of the previous flashpoints are becoming more manageable. Although the Taiwan issue is undoubtedly China's core interest, it is not as threatening as it once was with cross-Strait relations improving. The United States and China now have a tacit understanding of each other's bottom line on the issue of arms sales to Taiwan. The Obama administration sold arms to Taiwan in January 2010 and September 2011 in large scale, but it did not sell attack submarines or F-16CD fighters.[8] It was reported that U.S. officials communicated with Chinese counterparts before the 2011 arms sale, and as a result, China did not suspend the military-to-military exchange program in retaliation as it had done in the past.

There also appears to be some room for compromise on the issue of close military surveillance and reconnaissance, which has long been a sore spot for China. In November 2013, when China established an Air Defense Identification Zone, or ADIZ, in the East China Sea, the United States gave a three-not response saying that the United States will "neither recognizes nor accepts China's declared East China Sea ADIZ, and the United States has no intention of changing how we conduct operations in the region."[9] But on the other side, the U.S. military said clearly that "it's not that the ADIZ itself is new or unique. The biggest concern that we have is how it was done so unilaterally and so immediately without any consultation or international consultation."[10] General WU Shengli gave a firm but positive response to that messaging when he remarked that America would not be America any more if it agreed to stop close reconnaissance.[11] So the two sides appeared to reach a détente whereby China would not stop the interceptions of aircraft entering the ADIZ, but it also absolutely would not pay the cost of another WANG Hai, the Chinese pilot who lost his life in 2001 when a U.S. spy plane crashed with an intercepting Chinese fighter jet near China's Hainan Island. China retained the right to intercept, and the United States retained the right to enter the zone. Neither side succeeded in changing the other side's behavior. What was needed was some 'rules of road' that both sides would accept.

Finally, the Chinese military is beginning to show great interest in bilateral and multilateral exchanges. Overall, the Chinese military is becoming increasingly confident and open, and now the biggest obstacle to military exchanges is coming from the American side. The U.S. National Defense Authorization Act for Fiscal Year 2000 forbids China-U.S. military exchange in more than 12 critical fields.[12] This law poses severe limitations to the bilateral military relationship: Exchange can increase in quantity and frequency but not in quality or depth.

How should the military differences be managed?

At the strategic level, both sides should aim to follow a set of critical principles that include:

- **Strategic prudence:** Each nation should assess the other nation's intentions and capabilities in a cautious manner without exaggeration.
- **Strategic restraint:** Neither nation should risk treading on the other nation's bottom line.
- **Mutual understanding and accommodation:** The two nations should compromise with each other.
- **Self-reflection:** No one is always right, so both nations should always be open to criticism from the outside.

At the operational level, the United States and China should make the military-to-military relationship a more prevalent pillar in the bilateral relationship. The authority of current military-to-military dialogue mechanisms needs to be enhanced. That can be done by upgrading the strategic security dialogue to make it the official third leg of the Strategic and Economic Dialogue framework, or S&ED. That would turn the current two-track S&ED into a tri-leg dialogue mechanism that includes strategic, economic, and security components—a "3 + 3" dialogue mechanism.

The United States and China should also conduct a joint assessment of their military differences. Issues regarding military form and function are sensitive, so this assessment can be initially carried out as a track II workshop. The workshop should focus primarily on identifying military disagreements and potential risk, assisting the military to determine risk management priorities, and making practical proposals.

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Security Mistrust in the U.S.-China Relationship

By William Norris

The security dimension of the U.S.-China relationship suffers from a great deal of mistrust, particularly in the Asia-Pacific region.[1] Realistically, this mistrust is unlikely to be dispelled in the short term. However, improved contact and transparency can lead to a deeper understanding of each country's perspective and underlying strategic rationale. This essay will focus on specific military and strategic areas that could improve U.S.-China relations. In particular, this essay highlights three specific areas of misunderstanding that ought to be raised in the context of the U.S.-China strategic relationship. This essay then discusses three spheres that ought to be the focus of efforts to enhance U.S.-China cooperation. The final portion of this essay highlights some innovative ideas for pursuing concrete, realizable cooperation between the United States and China.

Three areas of misunderstanding

First, it is important for the United States to officially counter the emerging Chinese narrative that America's "strategic rebalance to Asia" is part of an effort to "contain" China's rise.[2] This unfortunate interpretation seems to have taken root and flowered in the absence of a vigorous denunciation from official U.S. channels. Although publically mentioned by Obama administration officials, the message that the United States is not in fact seeking to "contain" China does not seem to

have adequately gotten through to Chinese officials.[3] The simple fact of the matter is that the United States welcomes a stable, prosperous China that constructively contributes to making the world a better place.

Second, absent evidence to the contrary, the United States will perceive China's recent efforts to establish alternative regional multilateral forums as an effort to displace the United States from the region. China recently announced a series of new multilateral organizations and China-led initiatives such as the Asia Infrastructure Investment Bank, the New Development Bank—established by Brazil, Russia, India, China, and South Africa, or the BRICS nations—and the Xiangshan Forum. The United States viewed this type of institution building as a design to displace or compete with already existing bodies. President Xi Jinping's May 2014 speech at the Conference on Interaction and Confidence-Building Measures in Asia helped to feed these suspicions.[4] It will be important for China to design new institutions in an inclusive way, premised on fair and equal treatment of all sovereign states. It will also be important for the United States to understand that the Chinese side in the Center for American Progress dialogue stressed that this alternative institutional strategy was designed specifically to avoid a direct confrontation with the United States over what the Chinese viewed as deadlocked congressional dynamics and stalled reforms of the existing global and regional architecture that would include a greater say for China within the existing multilateral bodies. The creation of competing multilateral forums risks carving the region into smaller enclaves, which may work against expressed goals of greater regional integration.

Third, there is an important need for each country to better understand each other on the military dimension. In recent months, this aspect of the U.S.-China relationship has finally shown some limited progress.[5] China accepted an invitation to participate in the Rim of the Pacific Exercise, or RIMPAC, for the first time in 2014.[6] While China's use of the exercise to collect intelligence seemed to cut against the spirit of inclusion, China's participation was still hailed as a strong symbol of improving relations between the two nations' militaries.[7] But much remains to be done in this area. For example, there may be interest to conduct more grassroots exchanges, to build on and jointly exercise standard protocols for U.S.-China military encounters in the air and on the high seas, and to forge better professional working relationships between the two militaries.

Aspects of the U.S.-China relationship that are likely to foster greater cooperation

There were three areas from our multi-day discussion that seem ripe for cooperation.

First, focus efforts on developing the elements of the U.S.-China relationship that are most naturally conducive to positive relations such as economic cooperation.[8] In many ways, the business community has soured on China.[9] When China lost the U.S. business community, China lost an important counterweight in the U.S. domestic political landscape that previously advocated for a positive, productive relationship with China. To the extent that this is an area that China can ameliorate through President Xi's reform effort, the country would be well served to do so. Conclusion of a meaningful bilateral investment treaty and perhaps eventual Chinese accession to the Trans-Pacific Partnership, or TPP, would go a long way toward improving the business climate for foreign investors.[10]

Second, despite the rather gloomy outlook for marked progress in the more sensitive strategic and military realm, participants in our conference discussions seemed to agree that deeper U.S.-China cooperation was a real possibility in the climate and energy space. The key development in this arena seems to have been a growing realization on the Chinese side of the necessity of taking action to address the increasingly daunting environmental challenges facing both China and the world. To the extent that many of these challenges will require international cooperation, China's leadership seems to have discovered a new found political will to move forward in important areas that may have previously not been feasible.

Finally, just because the security dimension of the relationship may present particularly thorny problems, this does not imply that all hope of progress regarding this dimension of U.S.-China relations should be abandoned. Indeed, it is precisely because the relationship is so rocky along this sensitive dimension that both sides must remain committed to continuing to engage and tackle the difficult challenges facing both countries.

As we look to build common ground, five areas of existing—and in some cases stalled—collaboration warrant further cooperation efforts. First, in the nuclear realm, there is a fairly robust track II dialogue that is helping to establish a common language and conceptual space surrounding the use and strategy of nuclear weapons. The potential for a catastrophic outcome along this dimension ought to inspire both sides to remain committed to continuing fruitful, high-level engagement.

The space and cyber domains both represent two other growing, complex elements of the U.S.-China military relationship that seem too big to fail. As Chinese and American capabilities continue to develop in both of these realms, it will be important to coordinate rules of the road and maintain open channels for addressing dangerous dynamics before they can spiral out of control in real time under crisis conditions. These three topics—nuclear, space, and cyber—are simply too important for both countries not to have sustained, meaningful track II engagement and a parallel official dialogue.

In addition, there seems to have been some indication that humanitarian aid and disaster relief efforts represent another area in which the United States and China might find common ground for fruitful military cooperation.

Finally, as China's own sense of its vulnerability to terrorism grows, a fifth venue for possible U.S.-China military cooperation may emerge in the counterterrorism area. However, there are still a number of important human rights and political considerations that would need to be addressed before deep U.S.-China cooperation on counterterrorism could become a reality.

Each of these five areas offer something of a track record for providing common ground against shared security challenges that the United States and China both face. But our conference group was also charged with ferretting out new ideas and areas for potential U.S.-China cooperation.

Creative, concrete ideas for furthering U.S.-China military cooperation

During our conference discussion, several provocative ideas for greater U.S.-China cooperation in the security and military sphere stood out for both their originality and creativity. These ideas may not be politically feasible—or perhaps even desirable—for either side to pursue. Still, these ideas seemed to meet the need for creative thinking to move the ball forward on concrete areas for U.S.-China cooperation:

- The first of these is the suggestion to include the Chinese Navy in multilateral efforts to help secure the regional sea lanes of communication, or SLOCs. This effort would likely build on current Chinese involvement in the anti-piracy operations in the Gulf of Aden. By and large, the anti-piracy experience seems to be a positive one. The Gulf of Aden model might be used as a basis for coordinating cooperative SLOC patrols in areas of the South China Sea.

- Domestic political demands in China for increasing the country's power projection capabilities will likely grow as China's regional and global commercial footprint grows. Already, the regime faces pressure—and criticism—for not being able to protect Chinese citizens working abroad. In light of this, China can get out ahead of this pressure by being more clear and transparent regarding its plans and vision for the country's aircraft carrier program and overseas basing strategy. Both elements represent potentially provocative developments in the U.S.-China relationship that ought to be considered collaboratively well in advance.

- China's development and fielding of the Jin-class nuclear-powered ballistic missile submarine presents another opportunity for both sides to engage in a deeper discussion of the conventional nuclear divide, issues related to 21st century deterrence, and strategic stability in the U.S.-China relationship.

- There still seems to be a good deal of misunderstanding surrounding the role, disposition, and command and control of the Second Artillery Corps among American scholars. Clarifying topics like this offers an opportunity to develop a deeper understanding of Chinese thinking about nuclear weapons and to help avoid inadvertent escalation of a conventional conflict into the nuclear realm.

- More generally, there seems to be a good deal of cooperative work to be done to further clarify what an ideal nuclear deterrence strategy should look like in the U.S.-China context. For better or worse, American strategic thinkers bring a wide range of concepts and formative experiences drawn from the U.S.-Soviet Union nuclear dynamic. China's most prominent nuclear threat was likewise focused on the U.S.S.R. for much of the Cold War. Now, both sides are beginning to apply those strategic legacies to emerging 21st century challenges. It might be productive to maintain an ongoing theoretical dialogue that cooperatively seeks to avoid a nuclear exchange of any kind.

- As the Strategic and Economic Dialogue framework has taken root and greatly improved U.S.-China contact and coordination across multiple bureaucratic channels, there have been parallel efforts to deepen that government-to-government contact through multiple ancillary dialogues and implementation efforts. Some of these have met with frustrating obstacles on both sides. It might be helpful to launch complementary track II efforts, particularly in the military-military arena, that serve to augment these official channels. One major advantage of track II venues is that they can be useful for creatively working through ideas and conversations that might be too politically risky to address at the official

level. Where official channels discover roadblocks, track II engagement can help break logjams and facilitate productive innovation that can be later tapped by the appropriate official channels.

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Managing Provocative Reactions to the U.S. Asia Pacific Pivot

By ZHA Wen

China and the United States have for many years played a complementary role in Southeast Asia: the United States is the primary security partner for many Southeast Asian nations, and China is the primary economic partner. The U.S. pivot or rebalance to the Asia-Pacific region is undermining that complementarity. A key feature of the U.S. rebalance is a U.S. move to strengthen its alliance relationships in the region.

Unfortunately, that extra U.S. security guarantee has emboldened some of those alliance nations to take provocative actions against China. Recent actions by the Philippines, in particular, are forcing China to re-examine its strategy in the region. On May 6, 2014, the Philippines seized 11 Chinese fishermen, marking the latest in a string of incidents that has escalated tensions in the South China Sea.[1] Faced with that new provocation by U.S. allies in the region, Chinese foreign policy experts are now increasingly questioning the effectiveness of China's economic diplomacy. Many believe that economic diplomacy will not be enough to counter the growing U.S. security presence in the region. Those scholars are calling for China to use its military strength to expand its own security presence in Southeast Asia and take more punitive measures against the Philippines and other Southeast Asian nations that are encroaching on China's interest. If the U.S. rebalance leads China to switch from economic diplomacy to a more military approach in line with what the United States is doing, that may lead to future intensification of Sino-U.S. competition.

This essay examines how three Southeast Asian nations—the Philippines, Thailand, and Vietnam—are reacting to the U.S. rebalance and how their economic relationships with China factor in to that reaction. It is clear that economic relations with China do play an important role in determining whether U.S. alliance partners respond to the U.S. rebalance by taking provocative actions against China. The Philippines has been the most provocative, and its economic ties with China are also the weakest. China has made an effort to strengthen economic ties with the Philippines, but there are domestic factors at play in the Philippines that make it very difficult for China to deter provocative behavior using economic channels. The Philippines case demonstrates that there are limits to what China can do through economic ties alone. Although American scholars maintain that the alliance system will not drag the United States into an unwanted war with China, when U.S. allies provoke China, those actions may force China to respond with security measures that increase Sino-U.S. mistrust. China and the United States have a common interest in restraining opportunist leaders in Southeast Asia.

Economic diplomacy not always enough to counter U.S. rebalance

Thailand and Vietnam are more economically dependent on China than the Philippines, which is reflected in their reactions to the U.S. rebalance. Mainland China is Thailand's largest export market. If exports to Hong Kong are added, Thailand's exports to China exceed Thailand's exports to the United States by 76 percent.[2] (See Figure 1) A consensus among Thai policymakers is that "Thailand must look beyond the U.S. alliance, which was more advantageous during the Cold War, and strengthen engagement with China."[3]The cordial Thailand-China relationship has proved stable over time. The 2006 coup and former Prime Minister Yingluck Shinawatra's removal from office did not result in dramatic changes in Thailand's China policy.[4]Although Thailand is a Major U.S. Non-NATO Ally, it was more ambivalent than the Philippines about the U.S. rebalance, especially on military matters. This is not only because the two countries have no territorial disputes but also because the Thai economy is more dependent on China, and economic interests are given a privileged place in Thai foreign policy.

Although both of Vietnam and the Philippines are admament in resisting China's territorial claims over the South China Sea, Vietnam always seeks to repaire relations with China after major incidents. Economic integration adds ballast to the Sino-Vietnam relationship and contributes to Vietnam's reticence on the U.S. rebalancing strategy.[5] China is a major market for Vietnam's agricultural products.

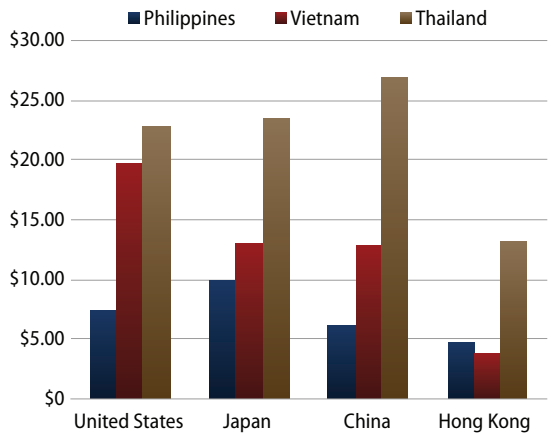
According to Vietnam's estimation, China bought 23.9 percent of Vietnam's rice exports in the first quarter of 2014.[6] Vietnamese producers also rely on China as sources of cheap manufacturing equipment and raw materials.[7] According to a Vietnam Center for Economic and Policy Research report released in June 2014, due to the deteriorating relationship with China, Vietnam's economic growth will drop from 5.42 percent in 2013 to roughly 4.15–4.88 percent this year.[8] In August 2014, Hanoi sent a special envoy to visit Beijing and rebuild bilateral ties.

In comparison with Thailand and Vietnam, the Philippine economy is less dependent on trade with China. (see Figure 1 and Table 1) Although China is the Philippines' third largest export market, a close look at the bilateral economic relationship reveals that China in fact lacks punitive economic measures that can effectively tilt Manila's cost-and-benefit calculations. Nearly 50 percent of the Philippines' exports to China are electronic products,[9]which originate from plants owned by Japanese, Taiwanese, and South Korean companies. Intermediate products are shipped to plants in China owned by the same company for assembly.[10] Sanctions imposed by Beijing on Philippine electronics are likely to hurt China more than the Philippines—operations and employment will be most impacted in China since the production lines are there. In 2012, China tightened entry rules for Philippine bananas after the escalation of tensions over the Scarborough Shoal. However, bananas only accounted for 1.24 percent of the Philippines' total merchandise exports in 2012.[11] Despite the quasi-sanction, Philippine banana exports increased from 472.4 million dollars in 2011 to 646.7 million dollars in 2012 due to growing Philippine trade with other markets including Japan, Hong Kong, New Zealand, and South Korea.[12]

FIGURE 1

Exports from the Philippines, Vietnam, and Thailand by destination, 2012

In billions of dollars



Source: United Nations, "UN Comtrade Database," available at http://comtrade.un.org/ (last accessed October 2014).

TABLE 1

Trade by the Philippines, Thailand, and Vietnam, 2012

In billions of dollars

Country	GDP	Trade	As a percentage of GDP	Export	Import
Philippines	$250.2	$117.3	46.9%	$52.0	$65.3
Vietnam	$385.7	$477.1	123.7%	$229.5	$247.6
Thailand	$155.8	$228.3	146.5%	$114.5	$113.8

Source: United Nations, "UN Comtrade Database," available at http://comtrade.un.org/ (last accessed October 2014).

The lack of Sino-Philippine economic integration makes it difficult for China to dampen the impact of the U.S. rebalance on Philippine foreign policy. One case that Chinese scholars frequently cite is current Philippine President Benigno Aquino III's visit to Beijing in September 2011. During the visit, the two sides reached a series of agreements on economic cooperation, including a $13 billion Chinese investment package in the Philippines.[13] Yet, heated economic cooperation did not prevent the escalation of tensions in the South China Sea. Many Chinese scholars believe that economic concessions can no longer reduce tensions over political and security issues in the future.[14]If China becomes less confident of its economic influence, it may feel compelled to build up the military dimension of its clout, which may intensify Sino-U.S. rivalry.

Domestic political factors within the Philippines further complicate the situation. The Philippines' China policy underwent a dramatic change within Aquino III's term from 2010 to present. During President Gloria Macapagal Arroyo's term from 2004 to 2010, China and the Philippines made some concrete progress toward the joint-development of the South China Sea. In 2004, the two sides reached an agreement on a Joint Marine Seismic Undertaking, or JMSU, in the disputed areas of the South China Sea; this later developed into a tripartite agreement after Vietnam joined. Yet, the three-year agreement was allowed to expire in 2008 when the impeachment movements against Arroyo gained momentum due to a series of electoral and corruption scandals.[15] In this context, Aquino III campaigned on the promise of stamping out corruption and won the 2010 elections. To expand its domestic support base, the Aquino administration depicted Arroyo and her political allies as traitors who sold out Philippine sovereignty in exchange for commercial benefits and kickbacks.[16] The U.S. rebalancing strategy allows Aquino III to pursue an assertive South China Sea policy. Such a policy serves Aquino III's interests by setting him apart from the Arroyo administration and assisting the Aquino administration in setting up an image of clean government. Yet, it is worth emphasizing that the anti-corruption and nationalistic rhetoric adopted by the Aquino administration is a double-edged sword. It will continue to restrain the Philippine government from softening its stance in the South China Sea and participating in joint development.

In the short run, Aquino III's domestic political considerations lead to a convergence of interests between the United States and the Philippines. Yet, for the United States, the Philippines' enthusiastic support comes at a price. Many American scholars—such as Ely Ratner is his essay—argue that U.S. allies will not drag the United States into an unwanted war with China. However, the

Philippines' forceful position in the South China Sea has become a major source of mistrust between China and the United States. It lends credibility to the conspiracy theory—which is prevalent among Chinese nationalists—that the United States is attempting to create instability within and around China to divert China from economic development. Now, U.S. discussions about its foreign policy in the Asia-Pacific are increasingly framed from the perspective of its allies. A frequently asked question is whether the United States will defend the Philippines once China uses force in the South China Sea. It is difficult to tell whether the United States is gaining the pivotal position in the region or losing it. It seems that a small power is driving great power competition.

China and the United States agree that the two countries' common interest lies in the maintaining of regional stability. It is worth pointing out that regional stability is in turn contingent on the stable and moderate foreign policy of each country in the region. Many American observers emphasize that the United States' vital interests lie in maintaining the credibility of the alliance system, which is the foundation of U.S. global power. It is clear that the U.S. alliance system does not necessary lead to an antagonistic relationship between China and U.S. allies in all cases. The cordial Thailand-China relationship serves as an example on this point. Not all U.S. allies follow the Thailand model, however—as shown with the Philippine example. When cordial relationships do not exist, China and the United States need to cooperate to manage the competition that can result. To achieve this goal, it is crucial for China and the United States to establish a degree of mutual understanding that measures should be taken to discourage opportunist leaders from adopting adventurous foreign policy and pivoting great power relations.

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Can China Make Peace in the South China Sea?

By Ely Ratner

It is widely acknowledged that China has been more assertive on maritime issues since the surge of nationalism and triumphalism that accompanied the 2008 Beijing Olympic Games and the subsequent perception that the global financial crisis had accelerated the relative decline of the West. Even scholars who argue against the narrative of increased Chinese assertiveness have conceded that the maritime domain is "the one area" where China has been demonstrably coercive.[1]

But the character of that assertiveness has changed. During the first Obama administration, discrete acts of Chinese coercion were tethered to what Beijing perceived as the provocations of others. China attributed its dramatic escalation at Scarborough Shoal in April 2012 to the Philippines's deployment of a naval vessel to arrest illegal Chinese fisherman. Likewise, China explains its persistent interventions into Japanese-administered waters around the Senkaku or Diaoyu Islands, as a necessary response to Tokyo's "nationalization" of the islands in November 2012.[2]

In the context of these events, Chinese officials and experts argued that increased instability in maritime Asia resulted from two related sources. The first set of arguments took a conspiratorial approach to the U.S. rebalance to Asia as designed to contain China. From this perspective, the United States was "sensationalizing" maritime disputes and encouraging countries to challenge China in order to foment instability and discord on China's periphery.[3]

The second version of this argument states that the U.S. rebalancing was—even if not intended by Washington—emboldening states to confront China because they believed the United States would support their efforts diplomatically and, if necessary, militarily. A commentary in the *People's Daily* in 2012 argued that "the reason why some countries are so unbridled may be related with the adjusted geo-strategy of the United States."[4]

The dominant view in Washington during this period was that China was engaging in "reactive assertive" behavior that was troubling and destabilizing—and often highly escalatory—but reactive nonetheless.[5] Optimists surmised that perhaps Beijing was just trying to teach the region a lesson that it would not tolerate any such provocations—and by implication that careful and responsible alliance management would erase China's impetus for assertiveness.

Unfortunately, we now know that these hopes were misplaced. Arguably the most significant recent development in Asia's security landscape is China's move away from this reactive approach toward taking steps to revise Asia's territorial status quo in the absence of provocations from neighboring countries.

The subsequent litany of China's unilateral actions has included: the pronouncement of an Air Defense Identification Zone, or ADIZ, that covered areas administered by Japan; the announcement of new fishing regulations in disputed waters; land reclamation likely for military purposes in the South China Sea; and the placement of an oil rig in waters claimed by Vietnam.[6] None of this could be honestly explained as a response to actions of other countries.

As a result of this shift toward a more proactive approach to advancing maritime claims, Chinese diplomats have started to change their rationale. Whereas Chinese officials once pointed to the specific actions of others, they are now starting to argue that China is responding to the many injustices of the past 30 years. According to this view, the story of the past three decades is that China has been standing on the sidelines pursuing a diplomatic course while others in Southeast Asia have been advancing and consolidating their claims.

U.S. officials are probably too polite to say so, but the implication of this new approach is that China has gone from reactive assertiveness to acting like a classic revisionist power, spurred by historical grievance and seeking to alter the territorial status quo in the region.[7] The reason this matters is because revisionist rising powers have been a principal driver of major power conflict in modern times.

It's worth being explicit about this: There is no contemporary historical pattern of conflict between rising powers and established powers. In fact, of all the major power transitions since the invention of the light bulb or the telephone, less than half have led to war.[8]

This means that there is actually no question of whether a rising power and an established power can peacefully co-exist—we have seen many recent examples of that, and peace has been maintained more often than not. Instead, the critical uncertainty that will determine the fate of the region is what kind of rising power China wants to be.

What we have learned from the past century is that conflict is far more likely to occur when rising powers are revisionist in trying to redraw territorial maps. In this case, if China continues along its current course, it will at some point compromise the region's existing alliances, partnerships, and institutions in ways that are ultimately intolerable to the United States and several regional countries.[9]

There has already been near-uniform reaction throughout Asia to China's assertiveness. Whereas Beijing could have plausibly argued in 2012 that Japan and the Philippines were relatively alone in expressing concerns about Chinese behavior, today, that list has grown to include Vietnam, Malaysia, Indonesia, Australia, and India. All of these states have taken concrete actions to engage in unprecedented security cooperation with the United States, Japan, and each other.[10]

So will China rethink its assertive approach given that the region has begun coalescing amidst a heightened sense of insecurity? Unfortunately, there are several reasons to be pessimistic that Beijing will recalibrate away from its revisionist trajectory. For one thing, its foreign policy apparatus is under-institutionalized with a low-ranking Foreign Ministry and a lack of bureaucratic mechanisms to share information and coordinate between agencies. The recent centralization of decision making, combined with the anti-corruption campaign, have—by most accounts—further limited the willingness and ability of high-level officials and outside experts to criticize or second-guess current Chinese policy.[11]

Furthermore, despite paying lip service to peripheral diplomacy, President Xi Jinping and other Chinese officials have backed themselves into a corner by highlighting the centrality of these territorial and maritime disputes to China's "core interests."[12] This will only make it more difficult for Beijing to accept the kind of compromises necessary to find peaceful and diplomatic solutions. Precisely to this

point, China has already rejected a wide range of reasonable and widely supported proposals to stabilize maritime Asia, including a code of conduct, international arbitration, and a multilateral cessation of provocative activities.

Nonetheless, the United States and the region must continue engaging with Beijing to help China find off-ramps from its current path, which is already creating precisely the kinds of counterbalancing coalitions that China has so assiduously tried to avoid. Stepping away from this approach will first require the recognition in Beijing that China is the primary source of regional instability. Blaming others might make for good propaganda and domestic politics, but it is leading China down a dangerous course.

The critical question Beijing needs to answer is: Are there acceptable end-states short of China administering all of the waters and land features it currently claims? To that aim, what would constitute an acceptable de-escalation in which China would be willing to cease building military installations in the South China Sea, encroaching upon Japanese-administered waters, and extracting resources in disputed areas?

To ensure regional peace and stability, Beijing will have to answer these questions in ways that can be embraced by capitals throughout the region.

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New Thinking Needed on North Korea

By WANG Fan

The North Korean nuclear problem is one of the biggest security challenges in the Asia-Pacific region. North Korea's ongoing attempt to develop an intercontinental nuclear missile, its repeated nuclear and missile tests in the Asia-Pacific, and its weapons sales to potentially unstable third-party nations all pose a direct threat to Chinese and U.S. security interests. China and the United States therefore share a common interest in working together to convince the North Korean ruling regime to abandon its weapons program and proliferation activities. Unfortunately, U.S. and Chinese leaders have some different views about how to achieve that objective. There is agreement on the long-term end goal of nonproliferation, but there is not agreement on the steps needed to get there. That lack of strategic alignment has prevented the United States, China, and the other six-party framework nations—namely, South Korea, Russia, and Japan—from taking concrete actions to address this problem.

The United States and China share a responsibility to play a leading role in the North Korean nuclear issue. From a Chinese perspective, however, the United States has not been an ideal partner. The United States does not appear to have a long-term North Korea strategy at all. Instead, U.S. leaders take actions that are hasty, shortsighted, and do not reflect a deep understanding of what is driving the Kim Jong Un regime. The United States needs to up its strategic game on North Korea. In recent years, the United States has focused on showing its military strength. The United States has strengthened its military presence in Guam, for

example, and has signed strategic missile defense treaties with Japan and South Korea.[1] A simple show of force will not succeed in convincing North Korean leaders to abandon their weapons. In reality, U.S. posturing tends to have the opposite effect: When the United States increases its military presence around the Korean peninsula, those actions play into North Korean security fears, and the North Koreans' natural instinct is to hold their weapons even tighter, not to let them go.

Since its own strategy has not been effective, in recent years, the United States has also tried to subcontract the North Korean nuclear problem to China. But that also is not a workable approach. China does not have the ability on its own to convince North Korean leaders that they can safely abandon their weapons program without risking attack and potential invasion from the United States or other nations. From a North Korean perspective, those risks come from multiple angles—and from the United States in particular—so there is nothing China can do to address those fears through Sino-North Korean bilateral channels.

U.S. leaders need to change their approach and adopt a "nut-cracking" strategy on the North Korea problem. North Korea is cocooned inside a hard shell composed of layer upon layer of security fears. To crack the shell, the United States, China, and other nations must apply pressure jointly from multiple angles. Before the United States and China can work together more effectively, however, the United States will need to adjust its North Korea strategy in three ways.

First, the United States needs to develop a clear strategic vision for the long term. That vision should take as its starting point the assumption that there will be a long period of co-existence with the current North Korean ruling regime. Current U.S. leaders appear to assume that the North Korean regime can be removed if the United States applies enough of the right type of security pressure. U.S. leaders appear to be trying to "smoke out" the current regime with hopes that the next regime or will be easier to deal with. That assumption is misguided. As U.S. policy in Iraq makes clear, regime change is a messy process and always difficult to predict. Instead of applying security pressure with no clear plan for what might happen if the regime falls apart, the United States should follow the strategy it used with China in the Nixon administration: reach out to proactively engage the North Korean regime and start pulling away their layers of security fear. By first accepting that the current regime is not going away in the near term and that security pressure alone is not enough to trigger change, the United Sates can then focus on how to bring about a shift in the regime's position on its weapons program.

Second, to lay the groundwork for disarmament over the long term, the United States, China, South Korea, Japan, and Russia—five parties in the six-party talks on North Korea—should provide a multilateral security umbrella for North Korea, the sixth party. We will not make progress toward convincing the North Korean regime to give up its weapons program unless security fears are addressed. Those fears are not baseless. North Korean leaders feel insecure because there are military exercises, missile deployments, and military adjustments taking place just outside its borders. Earlier this year, for example, the United States and South Korea conducted joint naval exercises—including joint aerial attack drills and landing drills—in the maritime area along the Korean Peninsula that were clearly designed as a practice run for a potential future conflict with North Korea.[2] The six-party mechanism has run into obstacles, but there is no better replacement in terms of effectiveness and functionality. The six parties should band together to issue a 5- to 10-year multilateral security guarantee for North Korea. The guarantee could be preconditioned on North Korea freezing its nuclear weapons or putting them in custody.

Third, the United States should recognize that the ultimate resolution to the North Korean nuclear issue hinges on economic reform. If North Korean leaders give away their weapons, they can always re-arm again in future, potentially in a very short timeframe. If they take the necessary steps to reform their economy, however, that shift will be irreversible, and once the economy opens up and begins to develop, that will eliminate one of the primary incentives for nuclearization. It is important to recognize that nuclear security and economic security are interrelated from a North Korean perspective. One of the main goals of the North Korean nuclear weapons program is to bide time and space for economic revitalization. The potential for economic development in that nation is enormous. All of its neighboring countries are more developed and modern. All can and should provide development assistance. Once North Korean leaders adjust key economic policies, remarkable economic growth can occur very quickly and bring about a fundamental change in the regime's interest.

At present, some observers question whether North Korean leaders are truly capable of economic reform and opening, since the regime previously believed reform would lead to its demise. However, the reform experience in China and in Vietnam demonstrates that as long as the nation moves gradually and does not immediately open its markets to the world, the current regime can co-exist with an increasingly liberal and open economic system. When North Korea's economy becomes interdependent and its overall societal conditions improve, its desire

and motivation for possessing nuclear weapons will wane as the North Korean citizens will no longer support it.

If the United States can abandon its current short-term tactical approach toward North Korea in favor of a more strategic approach that utilizes multilateral frameworks to provide security guarantees and economic support, it is likely that North Korea will give up its nuclear weapons. It is time for the United States to start behaving as a major power on this issue. In recent years, the United States has not wanted to take any positive or conciliatory actions for fear that such actions would embolden North Korea. The reality, however, is that North Korea has very little room to maneuver and no remaining leverage to up the ante. The United States, on the other hand, is a major power with plenty of room for strategic maneuvering and a wide range of strategic options at its disposal. The United States should recognize that initial compromises are procedural in nature and do not constitute real concessions, nor would the United States need to include recognition of North Korea's nuclear status or encouragement of its bad behavior. A major power such as the United States is more than capable of restricting North Korea's behavior and deterring repeated mistakes by making the cost of misconduct very high. There are many mechanisms to limit North Korea's appetite that are easy to devise and carry out.

Progress on this issue would diffuse a major source of China-U.S. tension in the Asia-Pacific region. Currently, some Chinese observers suspect that the United States is trying to drive a wedge between China and North Korea. For example, if China suspends or cuts off aid to North Korea, the United States may step in to start up its own aid relationship or go through South Korea to offer economic assistance. That would send Sino-North Korean relations in a negative direction that would be hard to reverse. That would also fragment the six-party mechanism and make the North Korean nuclear problem even harder to resolve. To protect its own interests, China must hedge against the possibility that a hidden U.S. objective in pressing China to curtail aid flows is to replace China as an aid provider.

The North Korea situation should not be a zero-sum game for China and the United States, but Chinese observers are worried that it may become one. For example, the United States may want to continue to manage Korean Peninsula affairs alone and see its leadership rights as zero sum and unilateral. The United States may think that if other nations—including China—increase their influence over Korean Peninsula affairs, that may negatively impact the U.S. leadership position. The United States may want other nations to only act when they can do so according to U.S. wishes or stay on the margins rather than play a critical role in solving the nuclear crisis.

North Korea is a small, backwards country. It is also relatively isolated. And yet, because of its strategic location, policy changes by North Korea can dramatically impact the region as a whole and the United States. The United States is the one nation that absolutely must be at the table for North Korean security guarantees and economic support to be effective. China and the other remaining five parties can and should also do more by agreeing at the strategic level to jointly assure, persuade, and press North Korea on economic reform and by showing greater patience, tolerance, and willingness to help out that process.

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Endnotes

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