

Introduction

Challenges and Opportunities for China's "Peaceful Rise"

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Introduction

China's rapid development has attracted worldwide attention in recent years. The implications of various aspects of China's rise, from its expanding influence and military muscle to its growing demand for energy supplies, are being heatedly debated in the international community as well as in the United States. Facing a rising China, there have been increasing wariness, fear, and suspicion from the world, particularly from the United States. The Bush Administration has been advised to adopt a new containment strategy to counterbalance the "China Threat."¹

In response to the "China Threat" and U.S. pressure, the Chinese government proposed "peaceful development" (*heping fazhan*), which has become a new thinking (*xinsiwei*) in Chinese foreign policy under the Fourth Generation Leadership. The concept "heping fazhan" was derived from the Chinese academic debate on the term "peaceful rise" (*heping jueqi*) which was officially introduced at the 2003 Bo'ao Forum by Zheng Bijian, Chairman of China Reform Forum.² "The only choice for China under the current international situation is to rise peacefully, namely, to

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1 Robert D. Kaplan, "How We Would Fight China," *The Atlantic Monthly*, vol. 295, no. 5, June 2005, pp. 49–64, <http://www.theatlantic.com/doc/prem/200506/kaplan>.

2 The concept, "China's rise" or "the rise of China," was first used by a Chinese distinguished scholar, Yan Xuetong of Tsinghua University, in his controversial book titled *International Environment of China's Rise* published by Tianjing Renmin Chubanshe in 1998, and then in his English article titled "The Rise of China in Chinese Eyes" published in *Journal of Contemporary China* (vol. 10, no. 26, 2001, pp. 33–44). The concept was developed not only in terms of the Chinese history and the international environment but also from the perspective of China's foreign policy strategies under the new generations of Chinese leadership at the present and in the future. However, the concept of "China's rise" caused internal debates in China after the book was published in 1988. The Chinese government under Jiang rejected this concept and the word "rise" (*Jueqi*) was forbidden to appear in official documents. The concept "peaceful rise" was later re-introduced at the 2003 Bo'ao Forum by Zheng Bijian, Chairman of China Reform Forum.

develop by taking advantage of the peaceful international environment, and at the same time, to maintain world peace through its development," explained by Zheng in his speech at the 2003 Bo'ao Forum.³ However, there was continued disagreement on use of the term "peaceful rise" both in the Chinese government and academia, particularly about possible misinterpretation of the term "rise" that could boost the "China Threat." As a result, at the 2004 Bo'ao Forum, Hu Jintao changed the terms, calling for "peaceful development." Since then, "peaceful development" has set the tone for Beijing's official statement of its foreign policy.⁴

The adoption of "peaceful development" foreign policy strategy is a continuity of Deng Xiaoping's concept "*taoguang yanghui*" (keep a low profile and never take the lead) but a break away from Jiang Zemin's "*duoji shijie*" (multipolar world). Under Jiang, building a multipolar world implies to "multipolarize" the American unipolarity and counterbalance the U.S. hegemony. This "peaceful development" foreign policy strategy is, in fact, to accept the unipolar structure of international system and that the U.S. will continue to be the hegemonic power in the long term. It proposes that China must avoid direct confrontation with the U.S. in order to secure a favorable external environment for its rise, although China can adopt a multilateral and bilateral diplomatic approach in the unipolar world dominated by a single hegemony.⁵

"Peaceful development" thus seeks to reassure the U.S. and other countries that China's rise will not be a threat to peace and stability in the region and the world and that the U.S. and other countries can benefit from China's peaceful development. China's development is mutually beneficial to China and the world in the process of globalization. The new policy emphasizes "economic development first" and breaks away from ideological doctrines in Chinese foreign policy. China's foreign policy in the Asian Pacific regions has become more flexible and cooperative with multilateral organizations, such as the ASEAN+3 and ASEAN+1, Shanghai Cooperation Organization (SCO), EU, NATO, G7, and UN. The new policy also seeks negotiated settlement of regional problems such as the nuclear crisis on the Korean peninsula and South China Sea dispute with Vietnam and Malaysia.⁶

The new foreign policy stresses that China is a peace-loving, people-based (*yiren weiben*), cooperative, tolerant, confident, and responsible power. However, China also recognizes that its "soft power" – "1.3 billion population + 1 purchase order," international trade and cooperation, economy, and culture – can be used to enhance

3 "China's Road of Peaceful Rise," *China View*, http://news.xinhuanet.com/english/2004-04/23/content_1436850.htm.

4 Hu Jintao replaced the term "peaceful rise" with "peaceful development" also because of Jiang's opposition to the term "rise" (*jueqi*). Hu's final decision is that the rise of China should be discussed freely by scholars in their writings but the term of "rise" is no longer used in government statements.

5 Xiaoxiong Yi, "Chinese Foreign Policy in Transition: Understanding China's 'Peaceful Development'," *The Journal of East Asian Affairs*, vol. 19, no. 1, 2005.

6 *Ibid.*

China's role as a rising power in the regional and world affairs and to facilitate China's economic development and modernization.

The "peaceful development" strategy has also had an obvious impact on Beijing's Taiwan policy. Beijing has quietly shifted its Taiwan policy to "*budu buwu*" (no independence, no war) – aimed at maintaining the status quo and putting aside the "*tongyi*" (unification) for the time being. Deng Xiaoping made the unification one of the central tasks for the Chinese government, and Jiang Zemin pressed Taiwan for the unification by declaring that the resolution of the "Taiwan issue" would not be delayed indefinitely. However, Hu Jintao declared during his visit to Canada in September 2005 that the resolution of the Taiwan issue was complicated and would take a long time, and that "*fangtaidu*" (struggle against the "Taiwan independence") would be a long fight – without setting a time table for the unification. This is a departure from Jiang's "*jitong*" (hasty unification) to a new thinking in the Taiwan policy that seeks "peace," "reconciliation," "cooperation," and "win-win situation" (*heping, hexie, hezuo, shuangying*) across the Taiwan Strait that could lead to a future of "peaceful development" and "common prosperity."⁷ In the year 2005, Beijing invited Taiwan's two top opposition leaders, Lien Chan (KMT) and James Soong (FPF), to visit mainland China, accompanied by Taiwanese legislators, politicians, businessmen and media leaders, and embarked on the first major historical dialogue and political interaction across the Taiwan-Straits since 1949. The new shift in the Taiwan policy is an integral part of Beijing's "peaceful development" strategy.

Apparently, the Chinese leaders have made clear to the world that China has no interest in seeking regional hegemony or a change in the existing world order and China is committed to "peaceful development." However, is the "peaceful development" possible given existing domestic and international conditions? This is the central question this book attempts to address. In what follows, we will highlight how each of the chapters addresses this central question and related issues from different perspectives and to what extent the authors as a whole contribute to our understanding of the issues related to the rise of China and the significant implications for the world in the 21st century. Finally, we will conclude the chapter with an overall assessment and prediction into the future.

Domestic and International Conditions

The central theme of all chapters of the book is centered on the question of whether it is possible for China to have "peaceful development" given domestic and international challenges, including American efforts to "constrain" or "contain" it. Chapters in Part 1 address the domestic dimension and what factors could affect the peaceful development while chapters in Part 2 discuss the international challenges and how China can meet these challenges. In world history, no major power has risen

7 <http://www.ccforum.org.cn/archiver/?tid-36534.html>; <http://www.huaxia.com/zt/rdzz/05-020/2005/00303455.html>; http://news.xinhuanet.com/taiwan/2005-04/29/content_2895458.htm.

"peacefully." From the early colonial powers Spain and Britain, to late industrializers, Germany and Japan, all new powers fought their way to their power status. "The history of the United States is the history of confrontation, even conflict, with the other great powers of the earth," first with Britain and France in the 19th century and then with Germany, Japan, and then Russia in the 20th century, not to mention many wars fought by proxy.⁸ Moreover, the past experience of great powers suggest that dominant powers have typically seen rising powers as potential threats and have sought to thwart their rise. Containment, however, has often produced a nationalist backlash in the rising power that has intensified its desire to revise the status quo. The rapid economic development associated with rising power also tends to produce complex domestic political pressures that can prove destabilizing. China's "peaceful development," therefore, will only occur if both external power relationships and internal political changes are carefully and skillfully managed. Otherwise peaceful development could end up in instability and conflict. The pre- and post-Second World War experiences of Germany and Japan have provided both positive and negative lessons for China. Globalization, economic interdependence, and changes in the post-Cold War international system have brought new opportunities and challenges for China. Therefore, the authors of this book believe that the peaceful rise could be possible if China can strategically overcome challenges and leverage opportunities at both domestic and international fronts.

In Chapter 1, "The Dialectic Relationship between Peaceful Development and China's Reform," Guoli Liu examines the connection between China's domestic politics and foreign policy orientation. In recent years, there have been significant debates about the rise of China and its implications for international relations. One of the key issues is whether China's rapid rise will be peaceful or will disrupt the international order. Liu argues that China's deep reform, i.e., profound political and socioeconomic changes, requires a peaceful international environment while a largely peaceful environment has contributed to China's successful economic reform. However, without meaningful political reform, China's growth may not be sustainable. If socioeconomic development runs into deep trouble, China might not be able to maintain its peaceful orientation in foreign policy. China's deep reform and peaceful development are thus mutually dependent. If deep reform fails, China's peaceful development will be interrupted. If peaceful development is blocked or interrupted, deep reform will suffer a serious setback. The symbiotic relationship between peaceful development and deep reform requires China to simultaneously deepen its domestic reforms and pursue a peaceful diplomacy. The ultimate success of this new grand strategy of peaceful development, therefore, demands not only the persistent hard work of many generations of Chinese people but also a true spirit of cooperation from the other great powers.

In Chapter 2, "China's Peaceful Development, Regime Stability, and Political Legitimacy," Baogang Guo examines regime stability and political legitimacy as

8 James P. Pinkerton, "Superpower Showdown," *The American Conservative*, November 7, 2005.

the domestic preconditions of China's peaceful development. The relationship between regime stability and political legitimacy is analyzed by developing an analytical framework of Chinese system of legitimation. A number of hypotheses are then examined through analyses of changes in the regime's political ideologies, official ethics, and eudemonic appeals, which demonstrates how the Chinese system of legitimacy has helped the regime enhance state capacity and maintain stability. However, he also argues that the extent to which the Chinese Communist Party can sustain its regime stability and achieve its goal of peaceful rise is dependent upon its ability to bring up to date its system of legitimation and turn itself from an authoritarian power to a democratic one. A failure to continue to modernize its bases of political legitimacy at home may compromise its stability, and consequently undermine the peaceful nature of its development.

In Chapter 3, "Corruption, Economic Growth and Regime Stability in China's Peaceful Development," Shawn Shieh looks at the threat that corruption poses to economic growth and thereby regime stability by surveying the comparative literature on corruption and state-business relations, focusing primarily on countries in East and Southeast Asia. Shieh identifies those conditions in which clientelism and corruption have had a harmful effect on economic growth and stability in these countries. He then uses these conditions to assess the danger that corruption poses to the market reforms and peaceful development in China.

In Chapter 4, "Strategic Repression and Regime Stability in China's Peaceful Development," Andrew Wedeman documents the strategic nature of repression in contemporary China showing that whereas the regime continues to crack down hard on separatist movements and overt challengers such as Falun Gong, it has adopted a mixed policy toward other heterodox groups, suppressing them in some instances but coexisting with them in other instances. Although this shift toward strategic repression does not foretell an imminent end to repression, Wedeman suggests that by helping to maintain regime stability, it is a necessary condition for the success of "peaceful development" strategy.

In Chapter 5, "Hybrid Regime and Peaceful Development in China," Zhengxu Wang argues that politically China is evolving into a "hybrid regime," that is, a regime that is neither democratic nor strictly authoritarian. Facing increasing pressure for political opening and increasing difficulty in maintaining legitimacy, the Party is considering expanding elections from local to upper level governments and opening more channels for political participation. Such incremental reforms are intended to alleviate public pressures and help the Party renew its rule. Nevertheless, such changes, with expanded political rights and political resources for citizens, are transforming the regime into a hybrid regime, and will continue to push the regime toward democracy. This direction should help the goal of "peaceful development."

In Chapter 6, "The International Conditions of China's Peaceful Rise," the focus shifts from the domestic to international. Li Qingsi explores the advantages and disadvantages of the international conditions China faces as a rising power and how China will be able to rise peacefully facing external challenges. The author attempts to simplify the international environment as a U.S.-centered world system,

constituted by the United States, its allies, and the rest of the world. Since the world is highly interdependent, China would be able to navigate through the complex international relations to attain the goal through peaceful means, for nations not only compete with but also rely upon each other in the age of economic interdependence and globalization.

In Chapter 7, "Maintaining an Asymmetric but Stable China-U.S. Military Relationship," Guo Xuetao argues that China-U.S. military relationship has maintained an asymmetric but stable status quo for about 30 years. However, the asymmetric and stable relationship could become uncertain in the early 21st century if the Bush administration shifts its military focus toward China, deploying a missile defense system in the West Pacific region, strengthening its military alliance with Japan and even encouraging Japanese remilitarization and involvement in a potential Taiwan military conflict. According to Guo, the United States has begun preparing militarily for a worst case scenario involving a confrontation with China. It has thus made military deterrence and prevention a core of its strategic thinking. And yet, there is a non-confrontational dimension to the Sino-American relationship that provides opportunities for bilateral military exchanges and cooperation. Guo explains the sources of American military strategy toward China and efforts to maintain an asymmetric but stable China-U.S. military relationship that affects the overall bilateral relationship and the peaceful development in China as well.

In Chapter 8, "A Rising China: Catalysts for Chinese Military Modernization," Bang Quan Zheng points out that the world is increasingly concerned about China's emerging military power and its impact on regional stability in the Asia-Pacific. Contrary to structural realism, which argues that a stronger China will strive to change the current international system, Zheng argues that even although China has embarked on a program of military modernization, it does not have the ambition and capability to rival the United States or challenge the established international order. Although China has one of the largest armed forces in the world, its weaponry systems are obsolete, and it is "natural" for China to upgrade it for the national defense purpose. However, the main factors that have stimulated China's military modernization are Washington's global efforts to counter a rising China by deepening its military and security cooperation with Japan, and a perceived American tilt toward Taiwan. Fear of a tightening of American containment, in other words, has compelled the Chinese military to upgrade its weaponry systems and enhance its deterrence capabilities.

In Chapter 9, "China's Peaceful Rise and Sino-Japanese Territorial and Maritime Tensions," Jean-Marc F. Blanchard observes that China's peaceful rise depends upon a variety of factors including a good working relationship with Japan. Unfortunately, Sino-Japanese relations are quite frigid these days as a result of frictions over history, China's military modernization, Japan's quest for a permanent seat on the U.N. Security Council, and an ongoing competition for friends in South and Southeast Asia. A highly important source of tension is the Sino-Japanese dispute over ownership of the Diaoyu (Senkaku) Islands as well as the delimitation of the East China Sea. Blanchard argues that the Sino-Japanese

dispute over Diaoyu/Senkaku Islands has the potential to generate serious conflict because of its links to national identity, energy, and national security. This territorial quarrel, he argues, could escalate as both Japan and China has historically used force to resolve territorial disputes. In this study, Blanchard examines the likelihood that Sino-Japanese territorial and maritime tensions may erupt in militarized conflict. To provide a basis for this analysis, he develops a three-variable analytical framework, using both the history of the quarrels as well as the literature on boundary disputes (particularly institutionalist-statist theory). This analytical framework focuses on China's interests in its boundaries with Japan, China's capability to pursue these interests, and the politico-economic environment in which Chinese leaders construct policy towards the disputes. He concludes that there is both good and bad news. In the short- to medium-term, the likelihood of violent boundary conflict is low. In the long run, however, the potential for militarized conflict could increase if conditions and factors were to change. Therefore, the escalation or resolution of Sino-Japanese tensions could handicap or promote China's "peaceful rise."

In Chapter 10, "China's Rise and Contemporary Geopolitics in Central Asia," Oliver Lee observes that, since the collapse of the Soviet Union, and especially since 9/11, American power has penetrated into Central Asia for the first time. The U.S. has thus encroached on areas that both the Chinese and Russians have traditionally considered their backyards. Lee observes that because both China and Russia place a greater strategic value on Central Asia and the U.S. remains a seapower, it is unlikely that the U.S. will fight major landpowers in Eurasia or make serious inroads in this region. He thus concludes that given careful implementation of the peaceful development strategy China will likely continue to enjoy sufficient leverage in the region and this will afford China the access to Central Asian oil and gas it needs for continued rapid economic development.

All the ten chapters, five on domestic conditions and five on international conditions, address the significance of both the domestic and international conditions for China's "peaceful rise." The five chapters on domestic conditions address major factors and problems that could significantly impact China's peaceful development: reform, legitimacy, corruption, repression, and regime type. The five chapters on international conditions address another set of major factors and problems: general international conditions, China-U.S. military relations, China's military modernization, Sino-Japan relations, and Central Asian geopolitics. All the factors constitute the most important challenges faced by China in the 21st century and will affect the general conditions for China's peaceful development although the book might not address all of the factors and issues that could affect China's future development.

Conclusion

One of the central questions in the discussion of China's peaceful rise is therefore whether "peaceful development" is possible given the domestic and international

challenges China faces in the 21st century? The rise of past great powers has led the realists or realpolitik pessimists to believe that China's rise will inevitably collide with the existing great powers and China and the United States are likely to engage in an intense security competition with considerable potential for war.⁹ Liberal theorists, however, argue that in an era of deepening globalization, integration, and democratization, peaceful development may be possible but only if China can overcome the challenges and leverage the opportunities at both domestic and international fronts.

To many realists world history suggests that "global power shifts happen rarely and are even less often peaceful."¹⁰ Thus they assume that China's rise will inevitably collide with the existing great powers, particularly the United States, and China and the United States are likely to engage in an intense security competition with considerable potential for war.¹¹ This assumption, however, seems contradicted by the peaceful rise of Japan, Germany, and Europe after World War II. Because they were fully integrated into the international system and economy, these "new" powers did not emerge as aggrieved, anti-status quo revisionist power, but instead they emerged as status quo powers and key supporters of the established world order and contributed heavily to the stability of international financial, monetary, trade, and security systems. China could also become a status quo power and play a similar role in the international system if it is allowed to be fully integrated into the established international system and economy.

From a constructivist perspective, the Chinese leaders have moved toward a more comfortable embrace of liberal values, norms and institutions in their contacts with the Western countries since China's reform and open door policy, and shifted away from cognitive rigidity and dogmatism to flexibility and pragmatism in Beijing's foreign policy thinking and behavior. China's embrace of the "peaceful development" policy suggests that its leaders have learned from historical lessons that China must avoid the path of pre-World War II Germany and Japan and the Soviet Union in the Cold War and proceed on the path of peaceful development.¹² As Robert G. Sutter points out, "Chinese leaders reviewed the negative experiences of China's past confrontations with neighbors and other powers, and the negative experiences of earlier rising powers, such as Germany and Japan in the twentieth century, to conclude that China cannot reach its goal of economic modernization and development through confrontation and conflict."¹³ They believe that China has directly benefited from the past two decades of international stability and that

9 John Mearsheimer, "Better to Be Godzilla than Bambi," *Foreign Policy* (FP), January/February 2005, http://www.foreignpolicy.com/story/cms.php?story_id=2740&page=2.

10 James F. Hoge, "A Global Power Shift in the Making," *Foreign Affairs*, July/August 2004.

11 John Mearsheimer.

12 Huang Renwei, "Zhongguo heping jueqide daolu xuanze he zhanlue guannian," *Jiefang Ribao* (Liberation Daily), April 26, 2004.

13 Robert G. Sutter, *China's Rise in Asia: Promises and Perils* (Lanham, MD: Rowman & Littlefield Publishers, 2005), p. 266.

China's ability to sustain rapid economic development depends on sustaining a peaceful international environment that has enabled China to focus on an export-led strategy of rapid economic growth and allowed for massive inflows of FDI and ready access to export markets in the developed world.¹⁴ Thus rather than seeing China as disadvantaged by the established international system dominated by the U.S. superpower, the new leadership under Hu Jintao believes that China can take advantage of the benefits and public goods provided by the existing world order. In short, peaceful development defines a rising China as a status quo power, not a threat to the status quo. As Avery Goldstein points out, "China's foreign policy behavior continues to conform closely to that typical of a status quo state."¹⁵

However, although the Chinese leadership may believe that it is possible for China to rise peacefully, in reality China faces a series of challenges, both at home and in the international system, that if not properly and skillfully handled could lead China down the revisionist path associated with previous rising powers. China does not, of course, entirely control the fate of peaceful development and even if it embraces peaceful development, a containment policy directed by the dominant powers against China could derail even the best intentions. As Avery Goldstein points out, "even if both China and the United States strive for cooperation, missteps by either or conflicts provoked by third parties that neither controls (such as North Korea or Taiwan) may ultimately foil the attempt to nurture a Sino-American *modus vivendi* for the twenty-first century."¹⁶

The Taiwan issue could be a potential peace breaker that could frustrate China's peaceful rise. The forces for independence on the island have grown and sought an independent political and cultural identity for the island. If Taiwan declares independence, peace across the Taiwan Strait could breakdown, a cross-strait conflict could, in turn, escalate into war between China and the United States. Maintaining peace across the Taiwan Straits is thus an important precondition for China's peaceful rise. Separatist movements in Tibet and Xinjiang have constantly sought independence from China, and it also poses challenges to China's political stability and international images.

Border and territorial disputes with the neighboring states have created additional threats to China's national security and sovereignty, particularly the Sino-Japanese tension over the gas and oil reserves beneath the East China Sea and territory quarrel over the Diaoyu/Senkaku Islands. While China and Japan are major trading partners, Sino-Japanese political relations have deteriorated recently, causing suspicion and rivalry between the two Asian powers to grow. Some analysts have used the phrase, "economically hot and politically cold," to describe the current Sino-Japan relations. As Jean-Marc F. Blanchard discussed in his chapter, the Sino-Japanese dispute over the Diaoyu/Senkaku Islands has national identity, energy, and national security

14 Ibid., p. 4.

15 Avery Goldstein, *Rising to the Challenge: China's Grand Strategy and International Security* (Stanford, CA: Stanford University Press, 2005), p. 213.

16 Ibid., p. 219.

dimensions, and the presence of a territorial quarrel between China and Japan has the potential to worsen. Escalation is, however, not favorable for China because it would face the combined forces of Japan and the United States and hence a high probability of significant geopolitical turbulence if the tensions and conflicts cannot be resolved but get escalated into armed conflicts. The success or failure in the resolution of these disputes and conflicts could handicap or promote China's "peaceful rise."

Managing the "American factor" could be the most crucial factor in China's peaceful rise. The United States has in fact long maintained a security circle or a strategic hedge against China not only along the Asian Pacific rim through bilateral military agreements with Japan, South Korea, and other Asian Pacific countries. As Oliver Lee suggests, more recently the United States has begun building a new network of military partnerships in South Asia and Central Asia. To many Chinese, the U.S. has already begun constructing a new containment structure whose purpose is to block China's rise. To some Americans, however, China's military modernization is viewed as a harbinger of a more aggressive China, leading the American strategic planners to adopt policies aimed at containing the potential threat from China. At the same time, economic ties between the U.S. and China have deepened, thus creating a situation of complex interdependence that has, on the one hand, drawn the two economies together while at the same time creating new friction over trade. Competition for access to energy has also increased in recent years as China's military upgrading efforts and global search for oil and resources are perceived to be assertive and threatening to the U.S. interests in the region and around the globe. Mutual suspicion and misperception could, therefore, destabilize Sino-American relations and jeopardize the goal of "peaceful development." If China were to find its access to U.S. and its Western allies' markets, capital, and technology, worsened Sino-U.S. relations would have a negative effect on China's economic and military modernization.

Despite the real or potential conflicts, the United States and China also has significant common interests and most of these shared interests correspond with China's interest in maintaining a peaceful international environment. Both countries have tremendous shared interests in many global issues (terrorism, nuclear proliferation, energy, environmental protection, and public health), regional security issues (nuclear crisis on the Korean peninsula and peace across the Taiwan Strait), and bilateral economic, business and market benefits. Thus, challenges and opportunities co-exist in China's foreign relations, and advantages and disadvantages also co-exist in its foreign policy, which could be utilized by the Chinese leadership to advance China's peaceful rise, as discussed by Qingsi Li. Aaron L. Friedberg recently points out, "the contemporary U.S.-China relationship is clearly mixed, consisting of an array of cooperative and competitive elements."¹⁷ There are two opposing sets of causal forces at work that are pushing the relationship toward conflict and peace. But, the two opposing causal forces tend to be "mutually offsetting," and the forces

17 Aaron L. Friedberg, "The Future of U.S.-China Relations: Is Conflict Inevitable?" *International Security*, vol. 30, no. 2, Fall 2005, p. 40.

tending toward cooperation appear stronger than those pointing toward competition.¹⁸ In fact, there is ample evidence of increasing cooperation. As Guo Xuetang points out, even as the United States has adopted policies aimed at military deterrence and prevention, there exists a non-confrontational dimension to Sino-U.S. military relations that would provide opportunities for bilateral military exchanges and cooperation. The coexistence of challenges and opportunities for cooperation are also evident in regional and bilateral hot issues. Even though Taiwan poses a most serious security challenge to the U.S.-China relations, both countries have sought to avoid conflict across the Taiwan Strait, and have made clear that both oppose a change in the status quo across the Taiwan Strait. The nuclear crisis on the Korean peninsula could be potentially an explosive security issue for China and the United States, but once again we have found the two countries have worked together for years to manage the crisis and bring all parties to the negotiating table. Economic and trade conflicts have recently increased between the two countries. Nonetheless, both sides have sought to avoid a trade war, looking instead to negotiations to resolve bilateral economic conflicts. The U.S.-Japan security alliance poses a threat to China, and to Chinese people, it encourages Japan to adopt a tougher position toward China. Yet at the same time, a stable and constructive Sino-U.S. relationship would provide opportunities for maintaining stable Sino-Japanese relations because postwar Japan has maintained strong security ties with the U.S. and become dependent upon the U.S. for its security shield which places constraints on Japanese foreign policy making. In fact, the United States has historically played a vital balancing role in this region, and will likely continue to play such a role. The extensive mutual dependence of Sino-American and Sino-Japanese commercial relations and interests has created common interests which could shield each of them from excessive offensive actions and military adventurism that could put peace and economic growth at risk, particularly in the nuclear age in which each major actor has a significant nuclear deterrent. As Zbigniew Brzezinski put it, “the nuclear age has altered power politics in a way that was already evident in the U.S.-Soviet competition.”¹⁹

As a matter of fact, all five major powers involved in this region, the United States, China, Japan, Russia, and India, could find common interests, and these common interests would provide opportunities and incentives for each power to maintain a stable and constructive relationship, if not strategic partnership, with the other great powers of this region. The United States, which would continue to play a role of balancer, could be an important stabilizing factor in maintaining peace in Asia. China itself can also be a stabilizing factor in the region since it is also in China’s fundamental interest to maintain the stability and prosperity in Asia. As Bang Quan Zheng argues in his chapter, China’s “peaceful development” is based on the stability of current international economic, political and security orders, and thus the rise of China need not be a threat to the U.S. and the international system.

18 Ibid., pp. 40–45.

19 Zbigniew Brzezinski, “Nukes Change Everything,” *Foreign Policy* (FP), January/February 2005.

In a fundamental sense, in fact, China's adoption of a new "peaceful development" foreign policy strategy suggests that Chinese new leadership already recognizes the importance of maintaining peace with all actors involved in this region for China's further development and modernization. In the December 2005 White Paper, titled "China's Peaceful Development Road," published by the Information Office of China's State Council, Beijing explains the inevitability for Beijing to pursue "peaceful development," outlines the major policies the Chinese government has taken to achieve the goal, and demonstrates its resolve to stick to the road of "peaceful development" now and in the future.²⁰ Therefore, the new foreign policy strategy is defensive in nature, aimed at decreasing the fear of a "China Threat," promoting good neighbor relations and multilateral relations in the region and around the globe, and creating a peaceful and stable external environment for its economic development. According to Robert Sutter, "even Chinese leaders seem to understand this in their acceptance of U.S. leadership in Asian and world affairs as part of China's recent long-term strategy to develop 'peacefully' without upsetting the United States. This represents a sharp reversal from China's post-Cold War efforts to wear down the U.S. superpower and seek to create a 'multipolar' world."²¹

The domestic challenges facing China during the next few decades are also enormous. China faces serious corruption, increasing mass unrest, enlarged polarization in the personal and regional income distribution, increased unemployment and an insufficient social safety net, shortages of energy and key resources for economic modernization, massive migrations from rural areas to urban areas, extensive bad debt held by state banks and deep problems in the financial sector, excessive public debt, environmental deterioration, etc. All these problems and obstacles could lead to political instability and disrupt economic growth. As Shawn Shieh argues, although corruption in China is less harmful to economic growth than in countries like Indonesia and the Philippines, a failure to combat corruption would endanger market reforms and "peaceful development" by undermining public confidence in the regime, weakening bureaucratic competence, and aggravating social inequality. Thus a more transparent and democratic political system is needed in reducing corruption in China. The resolution of the above problems, as Guoli Liu discusses, depends on China's deepening domestic reform and peaceful international environment. This is described as the dialectical relationship between the two aspects of Chinese politics: China's peaceful development is a necessary condition for domestic political and economic reforms while deeper reforms and open-door policy ensure the continuity of "peaceful development" policy.

It is evident that considerable changes in economic, cultural, social, and legal areas have taken place in China, and an open-minded leadership has contributed to such changes. Politically, however, both Chinese and foreign scholars on China have pointed out the contradiction between China's "peaceful development" foreign policy and its lack of significant democratic and liberal reforms in domestic politics.

20 http://news.xinhuanet.com/english/2005-12/22/content_3955754.htm.

21 <http://www.apcss.org/Publications/Ocasional%20Papers/OPChinas%20Rise.pdf>.

A well known China analyst, Willy Wo-Lap Lam, wrote on CNN online quoting Cao Siyuan, a constitutional scholar and ardent reformer, who has raised queries about the viability of *heping jueqi* in the absence of real liberalization in domestic politics, “it is doubtful that foreign countries will be convinced about China’s peaceful ascendancy if it sticks to a non-transparent and undemocratic political system,” and “a leadership’s commitment to global fraternity and solidarity will be called into doubt if it is so reluctant to give its own people adequate human rights.”²² Cao thus implies that “peaceful development” would be impossible without fundamental democratic reforms because the regime faces increasing domestic unrest and challenges from various social groups. Increasing mass unrest would undermine the regime stability that is vital to China’s “peaceful development.”

However, Andrew Wedeman, in his chapter on regime stability and repression, points out that regime stability lies less in the level of unrest, than in how the regime responds to the proliferation of challenges. In his observation, the Chinese government has strategically differentiated among a variety of emerging groups, threats and challenges, and adopted different policies toward dissident groups. While it continues to crack down on prominent dissident groups and eminent challengers, the regime has adopted more tolerant and flexible policy toward more benign heterodoxies and local incidents. Wedeman concludes that this reflects a shift away from a strategy of comprehensive control to one of unrest management. This also suggests that the regime has attempted to make a shift from a revolutionary party to a ruling party that attempts to manage the crises and unrest situations rather than harshly suppress them all as it did in the earlier time.

Zhengxu Wang has observed that some significant grassroots political changes have taken place, and that the party leadership is considering expanding the scope of local elections and opening more channels for political participation. Such incremental reforms are transforming the regime into a hybrid regime and as such would continue to push the regime toward democracy. If this trend continues, it should help the goal of “peaceful development.”

Moreover, Baogang Guo argues that the Chinese system of political legitimation based on the Chinese Confucian tradition and the ruling party’s successful economic performance and efforts to renew its “mandate” to govern has strengthened rather than weakened the regime. This renewed legitimacy has helped the regime maintain political stability and enhance state capacity, which could also help China achieve the goal of “peaceful development.” However, he also argues that the past success can not guarantee future success. Therefore, the extent to which China can maintain long-term stability and fulfill its promise of becoming a peaceful power depends on its ability to update its system of legitimation and turn itself from an authoritarian power to a democratic one.

To ensure a “peaceful rise” for China, it would be in Beijing’s fundamental interest to deepen its political reform and move China toward a more transparent

22 Willy Wo-Lap Lam, “China aiming for ‘Peaceful Rise’,” <http://edition.cnn.com/2004/WORLD/asiapcf/02/02/willy.column/>.

and democratic political system. This does not necessarily mean that “democracy with Chinese characteristics” would be exactly the kind of liberal democracy found in the west. But even an “illiberal” Chinese democracy would look less threatening or more acceptable to the United States and other great powers. Thus even limited political reforms would reduce the possibility that China’s rise would intensify fears and suspicions of a “China Threat” and fuel efforts to contain and constrain it. “Peaceful development” could degenerate into wishful thinking if China cannot dispel suspicion and concerns about the rise of China in an undemocratic political context and thus about the kind of role a more powerful China would play in the region and in the world affairs. As Evan S. Medeiros put it, “the future evolution of China’s new external strategy of peaceful rise is unclear. . . . Regardless of how peace-loving the Chinese people feel they are, Chinese leaders need to take into account the legitimate concerns of its Asian neighbors and major powers in the region. Whether Chinese leaders can translate this new expression into tangible policies and deeds of reassurance remains an open question.”²³

23 Evan S. Medeiros, “China Debates Its ‘Peaceful Rise’ Strategy,” *YaleGlobal*, June 22, 2004, <http://yaleglobal.yale.edu/display.article?id=4118>.