

A New Strategic Landscape: Changes, Challenges and Consequences

Karlis Neretnieks, Editor

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A New Strategic Landscape: Changes, Challenges and Consequences

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Introduction

The third joint conference between the People's Liberation Army Academy of Military Science (China) and the Institute for Security and Development Policy (Sweden) was held in Stockholm from October 11–12, 2010. The topic was "A New Strategic Landscape: Changes, Challenges and Consequences." Presentations were given by ten invited guest speakers with military and academic backgrounds from the United States, China, India, Sweden and Turkey. The audience consisted of professionals, academics and government officials from a number of Swedish ministries, government agencies and affiliated organizations.

Day 1, Monday October 11

The conference was opened by the principal organizer from ISDP, Major General Karlis Neretnieks. Speeches of welcome were made by Dr. Niklas Swanström, the Director of ISDP, and by Major General Ren Liansheng from the PLA Academy of Military Science. Each day of the conference was composed of two sessions with either two or three speakers, each responsible for a roughly 30-minute presentation, followed by 30 minutes of questions and answers.

The first session on Monday afternoon featured Senior Colonel Bao Bin from the PLA AMS and General (retired) Çevik Bir, formerly Chief of Staff of the Turkish Armed Forces. Senior Colonel Bao's presentation was entitled "Changing Aspects of World and Chinese Security" and outlined some pressing concerns for world security with a special focus on China. General Bir, drawing on his extensive international experience, followed with a presentation regarding the future of global energy security, "The Transformative Nature of Global Energy Strategy: Future Horizons." General Bir surmised that the post-9/11 New World Order will have significant effects on international relations, especially between the current economic great powers, such as the United States and Japan, and emerging powers like India and China.

In the second session, Mr. Mark Stokes of the Washington DC-based think-tank Project 2049 gave an overview of the current situation relating to weapons development and the growth of the aerospace industry in East Asia in his presentation, “Evolving Aerospace Trends in the Asia-Pacific Region.” Next, Commodore (retired) Uday Bhaskar, formerly of the Indian Navy and now Director of the navy’s National Maritime Foundation, a New Delhi-based think tank, gave a speech entitled “India and the Emerging Global Calculus” His central thesis was that our perceptions of time and the way in which we build dialogues between states have fundamental flaws that will continue to play a divisive role while fostering future conflict unless something is done to alter the situation. This concluded the first day.

Day 2 Tuesday, October 12

The morning session began with three speakers, Professor Bo Huldtt from the Swedish Defense College, Major General Yao Yunzhu from the PLA AMS and Professor Suisheng Zhao from the University of Denver. Professor Huldtt’s speech on the “Global Power Shift in a Historical Context” gave the historical background to the current world order seen from a European perspective. Major General Yao, gave a talk on the “Evolving International Landscape and Sino–American Relations.” Concluding the morning session was Professor Suisheng Zhao, Executive Director of the Center for China–US Cooperation at the Josef Korbel School of the University of Denver. Professor Zhao delivered a paper on “U.S.–China Relations under President Obama’s Watch.”

The second and final session of the day began with a presentation on “The EU and its Strategic Partners” by Ambassador Lars-Gunnar Wigemark, Head of the Security Policy Unit for the European Commission’s DG of External Affairs. In his speech he dealt with the development of EU relations—as opposed to individual member states’ relationships—with emerging regional powers in Asia, from political and economic perspectives. Professor Su Hao of the China Foreign Affairs University gave a comparative account of the decline of Europe and the rise of Asia and the overcoming of colonialism and post-colonial forms of control in his speech “The Tragedy of Europe and the East Asian Tragedy.”

The last speaker of the conference, Professor Tomas Ries, senior lecturer at the Swedish National Defense College and a specialist on Nordic affairs,

gave a talk on the emergence of a multipolar world divided between the regional powers and their spheres of influence. The United States position as the sole superpower is threatened as China and other Asian states continue to grow and take their place on the world stage. Thus, the end of the unipolar status quo is facing a gradual if not sudden end. Professor Ries' presentation, entitled "Multipolarity: Hard or Soft?" was followed by concluding remarks from Director Swanström and Major General Ren. The speakers met for a closed-door roundtable discussion after lunch.

We would like to extend our deep appreciation and thanks to all speakers and participants for their contributions. Our fourth annual conference is scheduled to be held next year in Beijing at the PLA Academy of Military Science. We hope to see you there.

Karlis Neretnieks

Editor and Head of the Organizing committee

Guest Speakers

Dr. YAO Yunzhu, Major General, PLA Academy of Military Science

Major General Yao joined the PLA in 1970. She holds a masters degree from the PLA's Foreign Languages Institute, and obtained her PhD in military science from AMS. She spent one year at the School of Oriental and African Studies at the University of London (1995) and another at Harvard University in 2009. She has also published and translated a number of books and articles on military and security issues. In 2007 she was elected as a member of the 17th CCP Congress and was also chosen as one of the "Top Ten Outstanding Women in China." Currently she is a senior researcher in the Asia-Pacific Office of the Department of World Military Studies at AMS.

BAO Bin, Senior Colonel, PLA Academy of Military Science

Graduate of Beijing Teacher's College in 1984. Bao joined the PLA the following year, as a platoon leader. From 1986–88 he worked as an instructor at the NBC Defence College and was then transferred to the PLA Academy for Military Science. He worked in the Department of Foreign Military Studies until 1993 before joining the Department of War Theory and Strategic Studies. Senior Colonel Bao has also acted as a UN military observer in Iraq and from the mid-90's became involved with national and regional security studies. From 2006–2008, he was Deputy Director of the Office for National Security at AMS.

Professor SU Hao, China Foreign Affairs University

Professor Su Hao is one of China's leading experts on Chinese foreign policy, security and international relations in the Asia-Pacific region. In 2001 and 2002 he was a Fulbright Scholar at the Institute of War and Peace at the School of International and Public Affairs, Columbia University. He also made academic visits to India, the United Kingdom, France, Sri Lanka, Malaysia, South Korea and Sweden. He has written extensively on cooperation in East Asia and is currently working on the position and role of China in the region of the Post-Cold War era. He is also the co-author of

two volumes analyzing the diplomatic history of China. Prior to his current position, he was the Acting Chairman of the Department of Diplomacy and Director of China's Foreign Relations Section as well as the China Foreign Affairs University. In 2004 he was a visiting fellow at the Silk Road Studies program.

Commodore (ret) Uday BHASKAR, VSM, Director of the National Maritime Foundation

Commodore Bhaskar is currently Director of the National Maritime Foundation in New Delhi. He retired from the Indian Navy in 2007 after 37 years of service and is Contributing Editor for South Asia Monitor and a Reuters columnist. He was formerly associated with the Institute for Defence Studies and Analyses (IDSA), where he served as the Deputy Director (1996–2004), and later headed the Institute until late 2005. He was subsequently appointed a Member-Secretary of the GOI Task Force on “Global Strategic Developments,” a report submitted to the Prime Minister of India. Commodore Bhaskar has edited books on nuclear and international security related issues and has contributed over 60 research articles to journals in India and abroad. He is a guest lecturer at the Indian NDC and other military colleges. A lifetime member of the USI, he is on the Governing Council of the NMF and the RIS and is also on the Advisory Panel of the India Habitat Centre (IHC) in New Delhi.

Professor Bo HULDT, Swedish National Defence College

Professor Bo Huldts received his PhD in 1974 from the Department of History at Lund University. He has worked as an associate professor and researcher at the Secretariat for Futures Studies and was an attaché to the Prime Minister's Office from 1975–79. In the same year he began as a researcher at the Swedish Institute of International Affairs, where he continued on until 1997. During this time he was also Director of the Institute from 1988–97 and on leave to be director of the prestigious London-based International Institute for Strategic Studies (IISS) 1992–93. In 1994 Professor Huldts began his association with the Swedish National Defense College, first heading the Strategic Department before becoming a professor of Security Strategy in 1996 and later Head of the Graduate Institute of National Defense

Education in 1997. His major fields of interest are contemporary history, European and global security, Swedish foreign and security policy, and the UN. His works include “Three Worlds: World History 1945–65,” translated into seven languages.

Dr. Tomas RIES, Senior Lecturer, Swedish National Defence College

Dr. Tomas Ries was formerly Director of the Swedish Institute of International Affairs. His main area of interest is the global security environment. He was a Senior Researcher at the National Defense College in Finland from 1997–2004, focusing on globalization and security and EU and NATO affairs. From 1992–1997 he was Director of the International Training Course in Geneva, Switzerland. He has also worked as a Researcher and then Senior Researcher at the Norwegian Institute of International Affairs and the Institute for Defense Studies in Oslo, where his focus was Nordic security and defense policies. Dr. Ries has written two books and over one hundred articles and research studies. He holds a BSc (Econ) from the London School of Economics and Political Science, and a PhD from the Graduate Institute of International Studies at Geneva University. He is currently Senior Lecturer at the Swedish National Defence College.

General (ret) Çevik BIR

Çevik Bir graduated from the Turkish Military Academy in 1971, from the NATO Defense College in 1972 and from the Armed Forces Academy in 1973. From 1973 to 1976, he served at SHAPE, NATO’s headquarters in Belgium. He was promoted to Brigadier General and commanded an armed brigade and division in Turkey. From 1987 to 1991, he served as Major General. Bir became the commander of UN forces in Somalia in 1993. He became a four-star general and served three years in Istanbul as vice chairman of the Turkish Armed Forces and then commander of the Turkish First Army. While he was vice chairman of the TAF, he signed the Turkish–Israeli Military Coordination agreement in 1996. He retired from the army in 1999.

Mr. Mark Stokes, Executive Director of Project 49

Mark Stokes is the founder and formerly the president of the international consulting firm Quantum Pacific Enterprises. He has served as executive

vice president of Laifu Trading Company; senior associate at the Center for Strategic and International Studies; and member of the Board of Governors of the American Chamber of Commerce in Taiwan. As a 20-year U.S. Air Force veteran, Stokes also served as team chief and senior country director for the People's Republic of China, Taiwan and Mongolia in the Office of the Assistant Secretary of Defense for International Security Affairs. He holds a BA from Texas A&M University, and graduate degrees in International Relations and Asian Studies from Boston University and the Naval Postgraduate School. He is fluent in Mandarin.

Professor ZHAO Suisheng, Executive Director of the Center for US–China Cooperation, Josef Korbel School of International Studies, University of Denver

Professor Zhao is a founding editor of the *Journal of Contemporary China*, as well as a member of the Board of Governors of the U.S. Committee of the Council for Security Cooperation in Asia-Pacific (USCSCAP). He holds honorary professorships at a number of Chinese universities, including Beijing University and the Shanghai Foreign Studies University. He has also been a Campbell National Fellow at the Hoover Institute at Stanford University and has worked as an Associate Professor at Washington College in Maryland and Colby College in Maine. Professor Zhao is the author of ten books and numerous academic publications.

Ambassador Lars-Gunnar Wigemark, Head of Security Policy Unit, DG External Relations, European Commission

Lars-Gunnar Wigemark attended Harvard University 1980–84, graduating with a Bachelor of liberal arts with honors. In 1986 he enrolled in Fletcher's School of Law and Diplomacy, where he attained a Master of Law and Diplomacy. From 1988–90 he was an adviser on disarmament and armament control for the Swedish Ministry of Foreign Affairs. In 1990 he was appointed Second Secretary at the Swedish Embassy in Belgrade and from 1992–95, First Secretary of the Swedish Embassy in Washington, D.C. In 1995 he became Chief of the subdivision of the relations with NATO, the United States and Canada and in the same year was appointed the Chief of the Ministry of Foreign Affairs of Sweden. From 1996–99 he was the Chief

Administrator of the Directorate General of Foreign Affairs of the European Commission, Brussels. In 1999, he took on the role of consultant to the Special Representative of the EU in Afghanistan and also became a Councilor of the Permanent Representation of Sweden in the EU in Brussels. In 2003 he was assigned the post of Plenipotentiary Minister of the Embassy of Sweden in Russia. He is currently the Head of the Security Policy Unit for the Directorate General of External Relations with the European Commission, the European Union's executive branch.

The Evolving International Landscape and Sino–American Relations

Major General Dr. Yao Yunzhu, Academy of Military Science, PLA

The last decade has witnessed a fast evolving international landscape against which three developments stand out. First, a new multipolar order is taking shape as a result of power diffusion. Second, global non-traditional security threats are emerging as the common enemy of the world. Third, traditional security problems between nation states have not been effectively solved and some have even deteriorated. This paper will discuss the opportunities and challenges in Sino–American relations against such a background.

I. Multipolarity and Sino–American Relations

In the first decade of the 21st century, the European Union further integrated into not only an economic, but also a political entity that plays an ever-increasing role in international affairs. A group of new market economies, the so called BRIC and VISTA countries, enjoy success of various levels, elevating themselves to the status of regional or global power centers. The replacement of the G-7 by the G-20 as the informal steering committee of the world's economy signals a growing trend toward pluralism. China, sustaining the fastest growth and undergoing unprecedented changes, is one of the drivers of this trend. The financial crisis that started in the U.S. and swept the world has had an impact on the balance of power between the major power centers. Facing these developments, China and the U.S. have had to redefine themselves and each other in dealing with the challenges and opportunities of their relationship.

A Change in the Balance of Power?

Chinese and Americans are trying to figure out how much the balance of power between them has changed. Is the U.S. in decline? Or at least on a declining course? Has China risen so much as to take over from the U.S.? Conclusions differ widely. Robert Fogel, a 1993 Nobel Prize winner in

economics, predicts that by 2040, “the Chinese economy will reach US\$123 trillion,” which is almost “three times the economic output of the entire globe in 2000.” And China will contribute 40 percent of world’s GDP, which “will dwarf that of the United States (14 percent) and the European Union (5 percent).” He then declares, “This is what economic hegemony will look like.”¹ Similar arguments can also be heard in China. Senior Colonel Liu Mingfu published a book entitled *The China Dream* (中国梦), which calls for China to seek the status of the world’s champion country.² When China’s GDP became the third largest by surpassing that of Germany in 2008, the media published articles talking about China “in Chair No. 3 and looking at Chair No 2” (坐三望二). However, after China took over from Japan as the second largest economy earlier this year, discussions in China took a new turn and became more somber than before. Not only experts but also the public know how far away from the U.S. China is. China’s GDP is just a little more than one-third that of the U.S. Its share of the global economy is less than 7% (6.96%), compared with 26.66% for the U.S. Its per capita GDP is only one-sixteenth that of the U.S. (US\$2,500, versus US\$42,000). China is still far behind the U.S., not only in the economic domain, where China may close the gap fairly quickly, but also in such aspects as science and technology, education, social development, culture and international influence, and military power. Even though the U.S. is engaged in two wars and suffering from the financial crisis, its superpower status has not been shaken. The Obama administration makes it clear that the U.S. will not accept second place in the world.³ And even though China has sustained high speed development and risen to be one of the global poles, Premier Wen Jiabao told the UN General Assembly that the Chinese “are clear-headed about the fact that we face many unprecedented challenges. China is still in the primary stage of socialism and remains a developing country. These are our

¹ Robert Fogel, “\$123,000,000,000,000,” *Foreign Policy*, Jan./Feb. 2010, <http://www.foreignpolicy.com/articles/2010/01/04/1230000000000000>

² Liu Mingfu, *中国梦*, (The China Dream), 中国友谊出版公司, Beijing, Jan. 2010. The author asserts that it should be China’s grand objective to seek the No. 1 status in the 21st century.

³ In President Obama’s State of the Union Address delivered on Jan. 27, 2010, he stated that he would not accept second place for the United States of America, http://abcnews.go.com/Politics/State_of_the_Union/state-of-the-union-2010-president-obama-speech-transcript/story?id=9678572

basic national conditions and this is the real China.”⁴ China also rejected the ideas of “G-2” and “Chinamerica,” realizing that the balance of power between the two countries has not changed.⁵

However, there has been some subtle change in public opinion and mentality: the U.S. is more anxious about China’s continued rise and uncertain about China’s future. China is less tolerant of the U.S.’s consistent neglect of its national interests and more proactive in international affairs. Recent tensions in bilateral relations (arms sales to Taiwan, the Dalai Lama’s meeting with President Obama, Secretary Clinton’s statement about the South China Sea, and suspension of military to military relations) reflect these anxieties, uncertainties and lack of tolerance.

Partners or Rivals?

China’s economy took off in the context of the global institutions developed after World War II. By incorporating itself into the existing international institutions, China has been able to rise peacefully. China’s success on the one hand exemplifies the feasibility of its approach, and on the other illustrates the flexibility of the global system. As a beneficiary of the current system, China will join efforts to improve the system but will not question its basic legitimacy.

Some Chinese experts suggest that China should behave the same way as the second son in a traditional Chinese family, who usually has a difficult part to play. He has to face the anxiety of the eldest son, who has the right to inherit, and the jealousy and expectation of all the younger sons at the same time. The second son has to be responsible but not challenging, contributing but not demanding, and take an assisting instead of a replacing posture. However, the metaphor of the second son forgets to answer one basic question: are China and the United States really brothers in the

⁴ Wen Jiabao, “Getting to Know the Real China,” speech delivered at the 65th General Debate of the UN General Assembly, <http://www.fmprc.gov.cn/eng/topics/wenjibao-chuxi65jieUNdh/t755848.htm>

⁵ Chinese Premier Wen Jiabao made it clear on several occasions that he does not agree with the idea of the G-2. When he met with President Obama on Nov. 19, 2009 in Beijing, he expressed his disagreement by citing three reasons: first, China has a long way to go before it can be built into a modernized country; second, China adopts an independent and peaceful foreign policy and will not come into alliance with any country; and third, China calls for decisions in international affairs to be made by all countries, not only by one or two.

same family? A leading Chinese expert on Sino–American relations recently argues: “Even though some Chinese say that the U.S. is No. 1 and China is No. 2 by national power and international influence, I would rather say that in the U.S. perspective, China is No.1 among “the others.” It has never been regarded as No. 2 in the international community.”⁶ To stretch the Chinese family metaphor a little further, this means that China is the eldest son of “that” family, whose relation with “this” family needs some defining.

Yan Xuetong, another well-known expert on Sino–American relations, triggered the most recent debate by arguing that the two countries are more enemies than friends. He criticizes the clichéd description of “a more cooperative than confrontational relation” as false and wishful thinking, and blames it for raising unrealistic expectations about a basically confrontational relationship. In his view, efforts to cover the fundamental conflict of interests between China and the U.S. have brought about instability in the relationship.⁷

Similarly, we have seen the labeling of “dragon fighters” and “panda kissers,” the “red” and the “blue” teams in the China policy debate in the United States. We have watched the catchphrases changing from “engagement versus containment,” “hedging versus containing,” “responsible stakeholders,” “strategic competitors,” “constructive cooperators,” “strategic reassurance,” and so on. At the heart of the issue is how each perceives the other in their respective grand strategy. Are they partners or rivals? Or are they potential enemies or friends? Debates on how to define the other have been going on in both countries for more than two decades. No consensus has been reached and none should be expected, for there are simply too many uncertainties.

The uncertainty and hesitation in defining the relationship can be shown in the joint statements released after summit meetings between heads of state. In 1998, when Jiang Zemin visited the U.S. at “the best time in bilateral relations” of that decade, the phrase used in the joint statement was “a relationship of constructive strategic partnership,” which was preceded

⁶ Interview with Wang Jisi, “国关学者解读中美关系:最大潜在冲突点是海上军事碰撞,” *国际先驱导报*, June 28, 2010.

⁷ Yan Xuetong, “中美关系敌大于友” (China and America Are More Enemies than Friends), *国际先驱导报*, March 23, 2010, http://news.xinhuanet.com/herald/2010-03/22/content_13221096.htm

and downplayed by "build toward."⁸ The relationship described was not an accomplished fact, but a desirable future that both sides should make efforts to achieve. More than a decade later, in the joint statement after President Obama's visit to China in Nov 2009 (also considered the best time for the relationship in this decade), the bilateral relationship is again described as "a positive, cooperative and comprehensive U.S.–China relationship for the 21st century," which again is preceded by "committed to building" and followed by "take concrete actions to steadily build a partnership to address common challenges."⁹ The conditioning in wording indicates the large amount of existing uncertainties, against which both sides are taking prudent hedging measures. The current relationship, which Chinese experts regard as a mixture of enemy and friend (亦敌亦友) will continue until it evolves into something either between rivals or partners.

Policy Change?

American experts have found more assertiveness in Chinese international behavior. Chinese experts have found less responsiveness in America's China policy. People in both countries are talking about possible policy changes and the inevitability of a U.S.–China confrontation.¹⁰ However, if the perceived balance of power remains unchanged, and the perceived nature of the relationship remains unchanged, there is no reason to expect major policy changes in either country. For two decades, the only superpower and the most rapidly growing power have learned to deal with each other in a rational, pragmatic and forward-looking way. They agreed to disagree on issues involving conflicting interests and cooperate wherever they have common interests. Their prudent interactions have helped to keep the bilateral relationship basically stable and healthy.

Following the deterioration in relations after arms sales to Taiwan last January, both governments are taking measures to improve relations.

⁸ The document reads: "Both sides agreed to build toward a relation of constructive strategic partnership."

⁹ The whole sentence reads: "The two sides reiterated that they are committed to building a positive, cooperative and comprehensive U.S.–China relationship for the 21st century, and will take concrete actions to steadily build a partnership to address common challenges."

¹⁰ See Wang Jisi, "中美重大战略较量难以避免" (It Is Difficult to Avoid a Major Confrontation between China and the U.S.), *国际先驱导报*, Aug. 9, 2010.

Chinese Premier Wen Jiabao explained China's peaceful development strategy at the recently held UN assembly, and promised that China will never follow in the footsteps of those big powers that sought hegemony once they grew strong.¹¹ In addressing his American hosts at a welcome dinner in New York, he said: "The China–U.S. relationship is not always easy, but dialogue and cooperation have always been the mainstream of the bilateral relationship. The two countries are not competitors, but partners. Cooperation benefits both sides, while confrontation results in harm, and mutual trust brings progress, while suspicion causes setbacks."¹² His reassurance was followed by the announcement that U.S. Secretary of Defense Gates had been invited to visit China, an indicator that military-to-military relations would be back on track after a seven-month suspension. President Obama also invited President Hu Jintao to visit the U.S. early next year.

From the very beginning of his administration, President Obama has taken a more engaging posture towards China in an effort to seek extensive cooperation in coping with the financial crisis and other issues. His administration assures China that it welcomes "a strong, prosperous, and successful China that plays a greater global role."¹³ Or to be more precise, it welcomes "a China that takes on a responsible leadership role in working with the United States and the international community to advance priorities like economic recovery, confronting climate change and nonproliferation." At the same time, it will "monitor China's military modernization program and prepare accordingly to ensure that U.S. interests and allies, regionally and globally, are not negatively affected."¹⁴ President Obama recently praised China for having effective cooperation with the U.S. within the Group of 20 (G-20) and for joining hands with the U.S. in fighting the international financial crisis.¹⁵

However, to deal with the subtle change in public mentality and to relieve the intensified anxiety, the governments and people of both countries

¹¹ Wen Jiabao, "Getting to Know the Real China," speech delivered at the 65th General Debate of the UN General Assembly, <http://www.fmprc.gov.cn/eng/topics/wenjibao-chuxi65jieUNdh/t755848.htm>

¹² Chinese Premier Wen Jiabao met with U.S. President Barack Obama in New York on Sep. 23, 2010, <http://www.mfa.gov.cn/chn/gxh/tyb/zyxw/t755299.htm>

¹³ *Quadrennial Review Report*, issued by the U.S. Department of Defense, Feb. 2010.

¹⁴ *National Security Strategy*, issued by the President of the United States, May 2010.

¹⁵ "Meeting with Chinese Premier Wen Jiabao," Sep. 23, 2010, <http://www.mfa.gov.cn/chn/gxh/tyb/zyxw/t755299.htm>

have much more to do than just make statements. Strategic trust comes with everyday cooperation in the field.

II. Non-traditional Security Threats and Sino-U.S. Relations

The September 11 terrorist attacks brought the dangers of non-traditional security threats to the world's attention in a sudden and tragic way. Terrorism, transnational crime, cyber attacks, WMD proliferation, climate change, the drying-up of energy and resources, the global financial crisis, natural disasters, epidemic diseases, etc. have since become the world's common enemy. China and the U.S. have more common interests and some new challenges in dealing with non-traditional security threats.

Counter-terrorism

China and the U.S. have cooperated in counter-terrorism by sharing information, enforcing financial sanctions, conducting joint anti-terrorist exercises, setting up a bilateral consultation mechanism, working together on the security of the 2008 Olympics and signing the Global Initiative to Combat Nuclear Terrorism (GICNT). The potential for further cooperation in this field is unlimited. However, China is concerned when the U.S., using human rights excuses, refrains from supporting China's action against extremists who also launched attacks against air flights using human bombers. This application of double standards would have a negative impact on cooperation in counter-terrorism efforts.

Cyberspace Security

As a newly emerged and weakly governed global domain, cyberspace offers a chance for both joining hands and kicking under the table. China has been blamed for many alleged cyber attacks against targets in the U.S. and other Western countries, no matter how strongly China has denied such allegations. In fact, with more than four hundred million netizens, China itself has long been the victim of cyber attacks. There are few areas in which China and the U.S. share more interests than in cyber security. The two countries can work together to regulate cyberspace behavior by shaping global institutions and setting up international rules and norms. It would be counter-productive for either country to turn an area of cooperation into a field of

conflict. There are some contentious issues in cyberspace that might loom larger in the future, including freedom of information (Google's withdrawal from the Chinese market), intellectual property and the use of cyber technology as a weapon of mass disruption (a new type of WMD).

Climate Change

At present, developing clean energy and reducing greenhouse emissions offers the best potential for Sino–American cooperation. In natural disaster relief operations, such as the Haiti earthquake rescue and Indian Ocean tsunami rescue missions, Chinese and American rescuers can work together. And the Chinese will not forget that U.S. military aircraft landed on a Chinese inland airport with disaster relief materials for the earthquake stricken people of Sichuan in 2008. However, as a late developer, China would have to weigh what share it can take and refuse to accept responsibilities that would negatively affect its development.

Combatting Transnational Crime

In addition to cooperation in fighting drug and human trafficking, and stopping money laundering and copyright piracy, the Chinese Navy joined the international counter-piracy efforts off the Somali coast in the Indian Ocean. Chinese and American task force commanding officers have exchanged several on board visits. There will be a great need for both sides to cooperate in protecting SLOCs and ensuring the safe flow of goods and resources. However, it takes time for the Americans to decide how much it would like to see the Chinese PLAN ships sailing on international waters. And it also takes time for the Chinese to decide how much international responsibility it really wants to assume and how to develop the relevant capabilities.

Non-Proliferation

This is another area where cooperation is already well underway. China and the U.S. are either members of or signatories to most non-proliferation treaties, agreements and protocols. They share a common interest in achieving non-proliferation goals. Chinese President Hu Jintao supported President Obama's "nuclear free world" initiative and participated in the UN Security Council summit on nuclear non-proliferation in September 2009 and the

Nuclear Security Summit in April 2010. However, some differences remain: the U.S. asks China to be tougher against the DPRK and Iran on nuclear issues, while China thinks it is a double standard for the U.S. to tolerate nuclear proliferation by India and Israel, based on the logic that the good guys can have them.

In general, the potential for Sino–American cooperation is greater than the potential for conflict in non-traditional security areas. It is also where China and the U.S. can go beyond differences in their bilateral relations and seek cooperation and support in multilateral, regional and even global settings.

III. Traditional Security Issues and Sino–American Relations

The first decade of the 21st century saw not only the continued existence, but also the deterioration, of some traditional security issues, such as local armed conflicts, arms races, territorial disputes and flare ups of regional hotspots. These issues can lead China and the U.S. to cooperation as well as to conflict.

Taiwan

Taiwan has been, is and will be the biggest obstacle and the most difficult issue between China and the U.S. As China's core national interest, there is not much room for the government to maneuver, especially when the Chinese public takes the separation of Taiwan from China as a national sore point that has lasted more than a century. The U.S. government has tied itself to the defense of Taiwan in an ambiguous way through the *Taiwan Relations Act*. However, both China and the U.S. do share a common interest in keeping cross-Strait peace and stability by stopping the independence force on the island from going too far. In the second term of the DPP leader Chen Shui-bian (2004–2008), the U.S. government took measures to rein him in to avoid a dilemma in which it would have to decide whether to confront China militarily or leave the island on its own. Since 2008, tension has relaxed across the Taiwan Strait and there has been an opportunity for both sides to build trust and confidence. The U.S., while supporting more and closer cross-Strait interactions and CBMs, kept selling arms to Taiwan, saying it would give the present Taiwan leadership more confidence

in improving relations with the mainland, thus serving the interest of the mainland. This logic is just beyond the ordinary Chinese capacity to understand. The Taiwan issue has gone well beyond a bilateral relationship, and is having an impact on trilateral (China–U.S.–Japan) relations, regional (East Asia) security and even global affairs. Prudent and skillful crisis management is necessary so that cooperation in other areas will not be hampered by the Taiwan issue.

The U.S. Role in China's Territorial Disputes with its Neighbors

China has solved all its land border disputes, except those with India and Bhutan. It calls for peaceful solution of sea territory and EEZ disputes with its neighbors. If it is hard to achieve this right now, China prefers to put them on the shelf. The U.S. takes no position on these disputes. However, the increased air and maritime surveillance and reconnaissance activities against China triggered several crises in China's EEZ, causing tension and distrust in the relationship. Secretary Clinton's recent statement about the South China Sea is interpreted as an indicator that the U.S. is using the concerns of some ASEAN countries over territorial disputes with China to assert its own right of free navigation in the South China Sea. The U.S. role in the Sino–Japanese dispute over the Diaoyudao Islands (Senkaku Islands) is another source of distrust. In the recent conflict over the islands, the U.S. reiterated its position of not taking sides in territorial disputes, but acknowledged Japan's administrative control over them, therefore covering the islands by the U.S.–Japan Defense Treaty. The positions taken by the U.S. in China's territorial disputes might present new sources of tension in the relationship in the future.

Regional Hotspots

China and the U.S. have worked together in dealing with regional security issues. A good example is the Six-Party Talks, a mechanism set up to solve the DPRK nuclear issue. Even though the mechanism has not yielded many results, its success depends very much on future cooperation and coordination between China and the U.S. There are opportunities for the two to work together in solving the Iranian nuclear issue and promoting the peace process in the Middle East. However, China's geographical as well as energy

interests might not totally conform with those of the U.S., which is a factor limiting cooperation.

Conclusion

In conclusion, China is dealing with the external world by taking a multi-level approach: its relationships with major international players, its relationships with neighboring countries and its relationships with developing countries. On the first level, the top priority has always been given to its relationship with the United States. The U.S. is the most powerful country in the world and the creator and guardian of the present international order, to which China has made tremendous effort to conform itself. For three decades, China has regarded the stability of that relationship the single most important foreign policy consideration, overriding all other considerations. Meanwhile, China's importance grows in American eyes and relations with China have become one of the most important parts of its foreign policy. Although the relationship has undergone many ups and downs in the past three decades, both countries have managed to move it forward. The amount of interests China and the U.S. share, the benefit from their cooperation and the consequences from their confrontation, are so huge that it would be irresponsible for either side to overlook the relationship with the other.

The “Tragedy of Europe” and the Big Powers: A Comparative Study of Ways from History to the Future in Two Continents

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Since the end of the Cold War, the future development of East Asian international relations has been sentenced to an indeterminate state. Sometimes the conflicts and contradictions covered by the Cold War within East Asia bring people the feeling that East Asia is the birthplace of a future world conflict. Sometimes people look at the promotion of regional cooperation in East Asia and see the dawn of a regional integration process; sometimes people look at the rise of China and strengthening of U.S. hegemony caused by conflicts and feel there must be a Sino–U.S. war. On whether the future of East Asia has something to do with its historical development, we may properly consult the historical development of Europe. We may regard the history and reality of Europe and East Asia as having an interlinked history and relationship that can be described by the term “tragedy”. Winston Churchill once used the phrase “European tragedy” to describe the European historical experience, and pointed to the future of Europe. The author believes that Asia, especially East Asia, also has its “tragedy.” We may seek a new future for East Asia through the study of tragic East Asia. The author tries to discuss these issues by comparison and finds out some valuable ideas.

I. The Ending of the “Tragedy of Europe” and the Bright Future of Europe

Soon after the end of World War II, the British leader Winston Churchill put forward the concept of “the tragedy of Europe,” alerting war-stricken Europe to the difficulties it was facing. Enlightened by his concept, Europe found a way to end its tragedy and began the process of regional unification, bringing a brand-new future for Europe. What Europe has experienced is of great significance to today’s East Asia.

On September 19, 1946, Churchill delivered an important address in Universität Zürich of Switzerland, aiming to analyze the lessons Europe has learned from its history and propose new directions for development. In this address, he put forward a grave concept: "the tragedy of Europe." In the meantime, he called on European countries to get rid of the strange circle of "the tragedy of Europe" and to usher in the rebirth of Europe.

What does "the tragedy of Europe" mean? Churchill maintained that the conflicts among European countries since modern times as well as during World War II were a "series of frightful nationalistic quarrels, originated by the Teutonic nations in their rise to power, which we have seen in this twentieth century and even in our own lifetime, wreck the peace and mar the prospects of all mankind."¹ The conflicts in Europe in the past few hundred years and during the two world wars in the 20th century threw the European people in a strange circle of competition, fighting, conflict and battle. This was a tragedy of European people fighting against and destroying each other.

If we use the concept of "the tragedy of Europe" to analyze the European history from the beginning of modern times to the first half of the 20th century, we can find an obvious feature, that is, countries were seeking hegemony—one country trying to establish absolute dominance over other countries in order to build an empire of its own. Since modern times, European countries have been constantly fighting for hegemony: Portugal and Spain dividing the world in the early phase of modern times, the Thirty Years War, Holland's sea coachmen's dominance over the seas, the first worldwide hegemonic war—the Seven Years War between the UK and France—Napoleon's empire sweeping through Europe, the Franco-Prussian war smashing the "Concert of Europe," World War I—a war among the big powers to carve up colonies, and World War II—a massacre conducted by the fascist militarists in order to conquer the entire world.

In fact, "the tragedy of Europe" is not just limited to Europe, but has expanded to other areas of the world. East Asia, for example, was jeopardized by the tragedy as well, and was even turned into "mortuary objects" for the tragedy. East Asia was once the extension, a compensation for, and even the direct target of fights among European big powers. As a result of

¹ Winston S. Churchill, "The Tragedy of Europe," <http://www.ellopos.net/politics/churchill-europe.asp>

the continuous occurrence of the tragedy of Europe, East Asian countries and peoples have been invaded and slaughtered again and again by European countries.

We can sum up the following features when we further explore the roots of "the Tragedy of Europe":

Firstly, nation states are the only actors in foreign relations activities. Since the signing of the Treaty of Westphalia, nation-states became the only actors in foreign relations in Europe. As the representatives of nation-states, the state governments, however, serve only their own nations.

Secondly, the interests of nation-states are absolute and exclusive. In the course of pursuing and expanding the interests of their nations, they are playing a competitive zero-sum chess game.

Thirdly, the ultimate goal of hegemonic powers. Since modern times, European big powers have been fighting in the strange circle of pursuing hegemonic powers and interests. When an old hegemonic power declined, a new superpower would replace the old one through battles and wars. It is in the natural logic of European foreign relations to transfer supremacy through replacement of hegemony.

Fourthly, the pursuit for supremacy was based on conquest and ruling. European hegemonic countries always establish their direct or indirect domination by means of force, through expansion to other nations, control and invasion of other peoples, and slaughtering the defiant and the disobedient.

Fifthly, nations regarded military expansion as an effective means of extending their interests. Whenever there were disagreements or disputes, the European nations would always resort to force in order to achieve their interests and benefits.

Lastly, these nations are quite selfish, and show little respect to others. European big powers determined and constructed world orders according to their own interests and values, didn't show enough respect to other nations, and even denied their basic rights of living.

The European international system of power politics always takes military conflicts and wars as the driving force of shaping the regional and the world orders. That's why and how the above-mentioned features were formed. History has proved that this system has brought European countries and peoples huge distress and torture, large numbers of casualties and deaths, and enormous losses of property. Meanwhile, the tragedy extended

from Europe to other regions of the world, including Africa, America, the Near and Middle East, as well as the Far East (East Asia). All these regions have become the battlefields of conflict and fighting among the European big powers, and some are even still invaded, robbed and conquered by those powers. We can say that in the past few hundred years the entire world has been in the shadow of "the Tragedy of Europe."

It's fortunate that Europe learned from its mistakes after World War II. Churchill made a case study about the tragedy in Europe since modern times, namely his own personal experience during World War II and included this case in the list of "the tragedy of Europe."² He proved that "the tragedy of Europe" has brought so much suffering and loss that it should never ever be repeated. We should eliminate the traditional way of acting of the European countries, and find a new route to construct a new Europe.

II. East Asia in Tragedy

Since modern times, the East Asian region also has fallen into a huge tragedy that has not yet ended. East Asia still seems to be under the shadow of the "Big powers," making the East Asian nations and their people feel it is difficult to make specific arrangements for the future development of international relations in East Asia. Or, cannot be completely independent and in accordance with their own wishes and needs to construct an international order for their own region. So, what kind of tragedy is East Asia in?

East Asia nurtured one of the world's greatest civilizations and has a profound history. Here, nations had stable interactions and integration throughout history. They constructed regional international relationships with their own logic of social development. However, since the sixteenth century, with the expansion of Western colonialism in East Asia, a protracted tragedy was staged here. The so-called "East Asia Tragedy" refers to Westerners who kill East Asian people, Westerners who dominate East Asian nations, and Westerners who manage East Asian affairs. Westerners' values set standards for East Asian people's behavior. That was a historical reality.

Since the intrusion of modern Western colonial powers until the entire twentieth century, the tragedy of East Asia has been played out in various

² Winston Churchill, *Triumph and Tragedy*, Boston: Houghton Mifflin, 1953.

forms in the East Asian region. From the overall historical evolution, it has experienced two major reversals, one of which is colonization. During this reversal, most East Asian nations had gradually become colonies or semi-colonial areas of western countries. Another reversal is decolonization. This time, East Asian nations struggled for independence and liberty, trying to get rid of Western colonial rule. And ultimately, there came the end of Western colonial rule. Specifically, the development of the tragedy in East Asia can be divided into three stages.

First, East Asia in collapse. This is the result of a direct collision between the East and the West. Since the western colonists arrived in East Asia in the early sixteenth century, the region has been in continuous conflict and war. Since modern time, due to the global expansion of western colonialism through the sea, western colonizing powers dominated and managed the seaways in order to control the sea. The power transition of western nations was mainly a result of fighting wars on the sea so as to change the managers of the maritime security order. During that period of time, the maritime security order was dominated and preserved by western colonizing powers. It is a kind of maritime security order that fitted the interest of colonizing expansion, and it is an illegal maritime security order manipulated by invading nations that was imposed onto the ruled nations. The whole of East Asian history was full of "blood and fire" in the East Asian seas brought by western powers. As early as the first global voyage of Magellan to the Philippines, the West opened fire on the Asians and killed local people. The Portuguese illegally occupied Chinese Macao and did not return it until ten years ago (December 20, 1999). The veteran "sea coachmen" and the Spanish colonists launched a colonial war in Taiwan, China. During the following few hundred years, European powers, the United States and other Western powers went to East Asian waters one after the other. With "gunboat diplomacy," they actively expanded their colonies. East Asia was almost completely colonized. Of particular note, when the big oriental country China was invaded by Western powers again and again, the sea was used as the convenient channel for the exploitation of China. In two "Opium Wars," the Sino-French War, the Sino-Japanese War and the Eight-Power Allied Forces' Invasion, invaders all broke down the Chinese national security gate from the sea. Portugal and Britain invaded China from the South China Sea, and occupied Macau and Hong Kong. The

Western powers invaded Guangzhou from the South China Sea, Zhejiang and Shanghai from the East China Sea, Shandong from the Yellow Sea, even the capital city Beijing from Bohai Sea through Tianjin. In the Sino-Japanese War, Japan defeated Chinese Beiyang Fleets in the Yellow Sea and occupied Taiwan and its subsidiary, Diaoyu Islands, while France and Germany tried to invade South China Sea islands.³ Being invaded and carved up again and again, Chinese people's homes and country were broken down; the whole Chinese nation was on the edge of extinction. Obviously, a sea controlled by western powers brought China catastrophes.⁴

Second, East Asia in misery. During the two world wars in the first half of the twentieth century, East Asia fell into deep catastrophe along with Europe. Britain, Japan, Russia and the United States all fought for the East Asian seas. China's territorial waters were directly controlled entirely by foreign warships. Besides, foreigners in China enjoyed "the right of inland navigation." Their warships could enter China's inland and directly go deep into the inland areas of China. The Japanese militarism and wars of aggression during World War II were actually also a result of the Western logic of behavior, because Japan wanted to build a "Greater East Asia Co-Prosperty Sphere" based on the colonial rule in East Asia.

Third, East Asia in confrontation. East-West confrontation during the Cold War made East Asian nations split into different sides. The different interests of the two poles, the U.S. and the Soviet Union, resulted in an overall Cold War and minor hot conflicts, in which East Asia was involved. Western nations, like the U.S., implemented the rimland theory initiated by Nicholas Spykman, and constructed the long battle line from the Pacific through the Indian Ocean to the Atlantic to restrain Russia. In 1950, U.S. Secretary of State Dean Acheson made a famous address on the so called "Cordon sanitaire," drawing a line along the Aleutian Islands, the Korean Peninsula, Japan, and the Philippines, so as to block the East Asian continent within the first island chain. This Cold War "bamboo curtain" for the United States hegemonic "Pacific Internal Lake" erected a barrier. Meanwhile, the

³ In 1883, the Qing government condemned German expeditions entering the Nansha Islands; in 1887, the Sino-French Boundary Treaty confirmed that the Xisha and Nansha Islands belonged to China; in 1907, the Qing government paid 130,000 Chinese yuan to Japanese merchants to take back the Dongsha Islands and Reefs.

⁴ Liu Zhongmin, *中国近代海防思想史论* (The History and Analysis of China's Modern Coastal Defense), China Ocean Press, 2006, p. 180.

remnants of the Western colonial system were still an enormous problem to the East Asian nations. Only in the last month of the twentieth century, the last colony of the Western world, China's Macao, returned to China. That marked a complete end for the four hundred years of western colonial history in East Asia.

Generally speaking, since modern times, the East Asian people and their nations suffered from Western colonialism, imperialism, hegemony and invasion, occupation, domination, which led to the serious violation of their national independence and sovereignty. Western countries and countries affected by western ideas launched various wars of aggression in East Asia. East Asian nations faced racial division, and their people suffered from great loss of life and property. After World War II, despite the fact that East Asian nations won their independence one after the other, under the influence of the traditional great forces of the U.S. and Europe, these nations were actually isolated or faced with confrontations. They even fought with each other determined by the bi-polarity structure during the Cold War. That was the East Asian Tragedy, which was very different from European style.

III. European Experiences and Outlet of East Asian Nations from Tragedy

The tragedies in Europe and East Asia brought great disasters to the nation-states and people. Therefore, as Winston Churchill remarked, both Europeans and East Asians "must all turn our backs upon the horrors of the past. We must look to the future." After World War II, European countries sought new ways to handle their relations and they walked out of the dilemma to promote the establishment of the EC and even the EU. It gradually fulfilled the peace, development and prosperity of the whole of Europe. East Asian countries after the Cold War tried to end the tragedy in East Asia and promoted regional cooperation and the construction of an East Asian community. But there is a very difficult road ahead; the negative logic of the East Asian tragedy is still running from time to time. How to jump out of the shadow of the East Asian Tragedy will be a huge challenge.

Churchill made a series of forward-looking and constructive comments for the European countries and their people in his speech "The Tragedy of Europe":

There is no reason why a regional organization of Europe should in any way conflict with the world organization of the United Nations. On the contrary, I believe that the larger synthesis will only survive if it is founded upon coherent natural groupings. [...] The first step in the re-creation of the European Family must be a partnership between France and Germany. [...] The structure of the United States of Europe, if well and truly built, will be such as to make the material strength of a single state less important. [...] Small nations will count as much as large ones and gain their honor by their contribution to the common cause. [...] They have only to say so, and means can certainly be found, and machinery erected, to carry that wish to full fruition.⁵

Indeed, European countries, through the joint efforts of six years, abandoned the tradition of centuries of strife with each other, joined hands in the economic, political and security cooperation in all fields and even united together. This region has become a "mixed society" and "the mixed society could be a mixed secure society." This kind of regional mixed secure society will "not only safeguard the peace, but also complete the general and special services and purposes of the government with greater strength and try to provide more characteristic and greater sense of security for the elites and the citizen."⁶ Finally, it became today's European Union. The "tragedy of Europe" does seem to have ended in continental Europe. This is a great achievement, the great human societal progress, not only to the international community, especially to the East Asian countries. It is a great experience for East Asian countries to walk out of the shadow of the "big powers."

However, the shadow of power politics and hegemonic behavior from the Western side has not dissipated. Even though East Asian countries have been trying to promote regional cooperation and have pursued regional cooperative architecture building, the United States has made its strategy of maintaining its leadership in the region very clear. In fact, this position is to establish and maintain the interests of the United States, the hegemonic order of the core orientation. For the United States, the process of regional cooperation in East Asia does not seem consistent with the interests of U.S. hegemony, and its attempts to hegemonic intervention, mandatory to maintain its leadership position, are an attempt to cut off the integration of

⁵ Churchill, "The Tragedy of Europe."

⁶ Karl W. Deutsch, *The Analysis of International Relations*, Englewood Cliffs, N.J.: Prentice Hall, 1988, p. 287-88.

East Asia that has begun; some Western countries, by provoking left-over traditional security issues, are trying to tear East Asia apart. In fact, the behaviors of the U.S. and the West have some degree of coordination. In fact, some European countries still take an arrogant approach to the traditional East Asian countries, some finding fault with and interfering in the internal affairs of states. North America is still trying to promote a program of "regime change" through arms sales to Taiwan to prevent cross-strait reunification; backing Japan on the Diaoyu Islands issue, provoking strong opposition in Japan; supporting the ASEAN countries in the South China Sea to provoke a collective fight against China; directly intervening in East Asian countries; interfering in human rights affairs, and so forth. Obviously, the "East Asia tragedy" still lingers, Western control is still affecting, or even dominating East Asian international relations.

East Asian countries still cannot independently manage their regional affairs, even domestic affairs are often subject to interference and accusation from Western countries. Western countries left behind many security risks over which East Asian countries have to fight each other. Western countries choose to establish military alliances with some of the East Asian countries, but overall let the East Asian countries fight against each other. East Asia seems to be a split East Asia.

The integration process of East Asia has already started, but it full of obstacles under the shadow of the East Asian Tragedy. We East Asian nations should have the courage Mr. Churchill had 60 years ago. We need to face the fact that we have a tragedy in our region and to gain experience from the European countries in getting rid of the European tragedy.

The East Asian countries must uphold a principle of "open regionalism."⁷ On the one hand, this is to promote regional identity and cohesion, eliminate the negative forces of interference from outside, to build a regional community; on the other hand, under the background of globalization, not to exclude forces from nations out of the region, instead, to create an open, global large-scale systems, forming a global network of inter-regional cooperation structures and complete elimination of the shadow brought by the "East Asian Tragedy," to build a real peaceful, stable, open and cooperative developing East Asia.

⁷ Su Hao, "Nature of East Asian Regionalism: A Chinese Perspective," in Zhang Yunling, ed., *East Asian Regionalism: Trend and Response*, Beijing: World Affairs Press, 2005.

Meeting the Challenges of China's Rise: U.S.–China Relations under President Obama's Watch

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A cyclical up and down pattern has characterized the U.S.–China relationship since Richard Nixon's visit to China in 1972. The two recent U.S. presidents, Bill Clinton and George W. Bush, started with bumpy relations with China but ended with a strategic partnership. Obama started with a honeymoon in early 2009. The relationship took a deep dive after he decided to sell arms to Taiwan in January 2010 but things recovered after Hu Jintao's Washington trip in April and the 2nd Strategic and Economic Dialogue in May. A full cycle is complete.

How to see U.S.–China relations under President Obama's watch? Let me address this issue by looking at 1) Obama's China policy; 2) major challenges, and 3) prospects.

Obama's Engagement Policy

Obama took office when the U.S. entered the most serious recession since WWII. Seeing that the U.S. and China each need the other to address critical bilateral and global issues, Obama continued Bush's engagement policy with the following three new features:

The first is to emphasize mutual interests. Bush's engagement was backed up by his "hedge" against China. Obama downplayed the hedge and emphasized shared interests as he saw China more as a resolver of global problems than a problem itself. Obama therefore urged the advancement of mutual interests through cooperation on issues such as the economic recovery, climate change, the spread of nuclear weapons and transnational threats.

The second is to avoid challenging China on sensitive issues. The Obama administration proposed a positive, cooperative and comprehensive relationship with China to replace Bush's "candid, constructive, and

cooperative" relationship. "Candid" implied that U.S. was willing to challenge China on issues of fundamental disagreement. Using "positive" to replace "candid" reflects Obama's unique approach in advancing the American values of human rights and democracy by example rather than finger pointing. While Secretary of State Hillary Clinton said during her first China trip in early 2009 that she would not let issues like human rights and Tibet interfere with more important strategic issues, Obama made two concessions on these sensitive issues before his first official visit to China: 1) not meeting with the Dalai Lama; 2) deferring announcements of arms sales to Taiwan.

The third is to build strategic trust with Chinese leaders. In comparison with Bush's first year, Obama reached out personally, early and often to his Chinese counterpart. He held his first summit with Hu at the April 2009 London G-20 meeting; met Hu again at the UN General Assembly in NYC; met him for a third time at the G-20 in Pittsburgh in September, and for a fourth time during his official visit to China in November. While making an official visit in his inaugural year itself made history, four summits in one year is a historical record (the fifth in DC April 10). These summits were to build strategic trust. Mistrust is a core issue in the relationship. While many Chinese suspect U.S. intentions of dividing China, destroying its political system, encircling it with enemies, many Americans are concerned with China's potential to challenge the U.S..

Challenges to Obama's Engagement policy

On the Chinese side, Obama's positive engagement raised expectations, as many saw the policy as a sign of U.S. weakness and need of great cooperation from China during the financial meltdown.

For many years after the end of the Cold War, China followed a policy of *taoguang yanghui* ("hide one's capabilities and bide one's time") to hide its capability and build up its national strength. In relations with the U.S., China tried "learning to live with the hegemon," making adaptation and policy adjustments to the reality of U.S. dominance in the international system. This was the case in response to the U.S. sanctions after Tiananmen in 1989, the U.S. inadvertent bombing of the Chinese embassy in 1999 and the EP-3 incident in 2001.

China's perception of the relationship, however, began to change after the financial meltdown started. Many factors contributed to the change. Let me mention two. First, as China weathered the crisis better, many Chinese became more confident in its ability to deal with the U.S. For them, China's performance underscored the superiority of China's system. As a joke at the time put it, while capitalism saved China in 1989, China saved capitalism in 2009. This confidence led them to request a change in the game with the U.S. and more assertive on issues of China's core interests.

Chinese leaders never clearly defined their core interests. What I see as the most systematic expression was that made by Dai Bingguo at the first China-U.S. Strategic & Economic Dialogue in Washington in July 2009, when he stated that China's three core interests are: first, to maintain its fundamental system and state security, next state sovereignty and territorial integrity, and third the continued stable development of the economy and society.

The second factor is China's frustration over the perceived Western conspiracy to prevent China from rising to its rightful place. Many Chinese see a structural conflict between China as a rising power and the U.S. as the sole superpower and believe the U.S. would never give up the policy of containing China. With a deep financial meltdown, many Chinese assumed a weakened U.S. heavily in debt to China would have to make more concessions and were frustrated by the U.S. continuation of arms sales to Taiwan and meetings with the Dalai Lama. A perception of a troubled U.S. still attempting to keep China down has made Chinese leaders less willing to compromise and more ready to challenge the U.S. on the so-called core interest issues.

Let me cite a few examples. China confronted the U.S. at the Copenhagen climate change summit in December 2009 to avoid making new promises about its emission targets and international verification of its performance. China proposed the principle of "common but differentiated responsibilities" to rally developing countries against the developed countries' call for the common responsibilities of all mankind. Climate change is a core interest because it goes directly to China's ability to continue to grow.

Another example is the standoff over Google's protest of Chinese internet censorship and cyber attacks in January 2010. While the Chinese government at first tried to downplay the case as a commercial dispute, its

stance became unusually tough after Secretary Clinton criticized China for disrupting information freedom because the U.S. government's high-profile reaction was seen as a threat to China's political system, a core interest.

China's tough response to U.S. arms sales to Taiwan and President Obama's meeting with the Dalai Lama in early 2010 was also unusual. The Chinese Foreign Ministry spokesman for the first time threatened to impose sanctions on American companies involved in the arms sales to "reshape the policy choices of the U.S." China reversed its position from previously being a target of U.S. sanctions to targeting sanctions against the U.S. Instead of keeping its head low, China warned the U.S. that "no one should expect China to swallow the bitter fruit that hurts its interests." China's desire to change the game is thus a serious challenge to Obama's positive engagement.

On the U.S. side, Obama's policy raised expectations among some Americans who proposed a G-2 and "Chinamerica," thinking that presenting the U.S. and China as global partners would reduce China's concern over U.S. arms sales to Taiwan, Tibet and other issues. They were nevertheless disappointed because "mismatched interests, values and capabilities make it difficult for Washington and Beijing to work together to address global challenges."¹

In the meantime, neoconservatives have never stopped criticizing Obama's engagement policy and have argued for containing China's aggressive great power aspiration (e.g. Robert Kaplan, *The Geography of Chinese Power*). For many years after the end of the Cold war, these Americans have attempted to maintain the "unipolar moment." Bush's unilateralism was the most recent example. But the emergence of China and other non-Western powers has changed the distribution of power from a short-lived U.S. unipolar dominance to multipolarity. In response, the U.S. has to make a strategic choice. Historically, the dominant power has responded to the rising powers in one of the following three ways.

The first is to ignore it. When the European powers of Britain, France and Russia and the Asian power Japan were emerging, the Chinese emperors refused to face up and adapt to the new reality, and China was thus

¹ Elizabeth C. Economy and Adam Segal, "Time to Defriend China," *Foreign Policy*, May 24, 2010, <http://www.cfr.org/experts/japan-china-taiwan/elizabeth-c-economy/b21>

defeated by Britain in the Opium War of 1840–42 and by Japan in the Sino-Japanese War of 1894–95. The Chinese empire collapsed and China experienced a century of stagnation and humiliation.

The second way is to contain it. Both imperial Spain and France during the 16th and 18th centuries attempted to contain the emergence of rising powers, particularly England. Their efforts led not only to a long series of battered and bloodied wars but also to their inevitable defeat.

The third way is to accept it. Facing the challenge of a rising U.S. in the late 19th century, the British Empire let the U.S. assume increasingly large responsibility for world governance. This action not only avoided unnecessary bloodshed but also allowed the UK to maintain its institutional legacy in the post-British world.

In the U.S. debate about how to respond to China's rise, the neoconservatives have consistently called for containing China, because a rising China would engage in zero-sum competition with the U.S., and China's gain will be at the expense of the U.S..

Obama's engagement policy is to accept China as a rising power. The assumption is that the current international system is built on rules and norms of nondiscrimination and market openness, creating conditions for rising powers to advance their expanding economic and political goals within it. Globalization and interdependence have increased the common stakes for China and the U.S. and imposed their own constraints on China. As U.S. Deputy Secretary of State James Steinberg said in a September 2009 speech, history shows that actions by established powers to resist or contain rising powers often contradict their stated purpose of preventing conflict, and cause what they are trying to avert. Therefore, "we have an especially compelling need to work with China."

Now the question is how to engage China. There are two approaches. One is in China's terms of "harmony." Each country follows its own traditions, civilization, culture and values in a world of sovereign states to avoid clashes of civilizations. This means to accept China for what it is and avoid asserting U.S. values and challenging China's positions.

The other approach is a dialogue among civilizations to search for shared values in order to reach a true compromise. This means engaging China in a genuine conversation about our common as well as different interests

and values and integrating China into the liberal international system as a "responsible stakeholder."

Obama started his engagement with the emphasis on the first approach. But the U.S. does have significant differences in economic, political and strategic interests as well as values. As a result, continuing to cooperate with China on issues of mutual interest, Obama had to protect U.S. interests and values on a series of sensitive issues, including the Taiwan and Tibet issues. The result was tit-for-tat interactions between the U.S. and China in late 2009 and early 2010.

Prospects for U.S.–China Relations under Obama

This downturn has not fundamentally changed U.S.–China relations, which have survived much worse downturns. Both sides are accustomed to ups and downs, and leaders in both countries have skillfully managed the downturns in the past. This is because of the significant interdependence between the U.S. and China. China needs the U.S. as the U.S. needs China for their economic, political and strategic interests.

The voice of reason returned when Hu Jintao came to the nuclear summit in Washington in April 2010 and the U.S. delayed the decision to name China a currency manipulator that had originally been scheduled for April 15. The second round of the Strategic and Economic Dialogues in Beijing in late May and China's agreement to join the U.S. on Iran sanctions in early June further stabilized U.S.–China relations.

However, this does not mean that the relationship will develop smoothly for the remainder of the Obama administration. The three following misperceptions of fundamental change in bilateral relations could make a manageable relationship worrisome.

The first is that the neoconservatives prevail in the U.S., leading to the perception that U.S. does not need China's cooperation on a host of issues, such as fighting climate change and the global economic crisis, persuading Iran to give up its nuclear weapons and getting North Korea to return to the Six-Party Talks. Obviously, this is not the perception of the Obama administration, as it has continued to seek China's active involvement in resolving many of these issues.

The second is that the extremely popular nationalist sentiments become mainstream thinking in China and lead to the perception that China is no

longer as reliant on the U.S. There is a real concern about this scenario. In early 2009, a book called *China is Not Happy* became popular because it claimed that as the economic crisis deepened, the U.S. would turn on China. Colonel Dai Xu's book also warned that China was encircled in a C-shape by hostile countries beholden to the U.S. and could not escape the calamity of war in the next 10 to 20 years. Senior Colonel Liu Mingfu's book, *The China Dream*, called for China to abandon modest foreign policy goals and build the world's strongest military to deter the U.S. from challenging China's rise while the U.S. was still in an economic slowdown.

Fortunately, Chinese policymakers do not yet accept this extreme nationalism. While China suspended part of the military exchange program in response to the arms sales to Taiwan, it allowed the USS Nimitz aircraft carrier battle group to visit Hong Kong on February 7, one day before Obama's meeting with the Dalai Lama. China has not acted to sanction U.S. companies so far. Obviously, China overestimated its leverage to impose sanctions against U.S. companies. The downturn in 2009–10 hurt U.S. interests as much as China's own interests.

The third is the perception that America is in deep structural decline. Although China is rising, the U.S. is not declining. While China's share of global GDP increased from less than 1% at the end of the Cultural Revolution to about 7% in 2009, the U.S. maintained its 30% share of global GDP over the past two decades. Japan declined from a high of 11% in 1982 to about 8% in 2009, and the EU-15 declined from about 35% in 1969 to about 27% in 2009. The U.S. is still the single most powerful nation in the world. The balance of power between China and America has not fundamentally changed.

Concluding Thoughts

Secretary of State Hillary Clinton in her first official trip to China used a Chinese saying, 同舟共济, Secretary Timothy Geithner used 风雨同舟 and Obama sent 殊途同归 at the second Strategic and Economic Dialogue in 2010 to describe U.S.–China relations. These are important characterizations. Let me quote what Secretary Clinton said in early January 2010 to conclude the talk: the U.S. and China have built a mature enough relationship that “it doesn't go off the rails when we have differences of opinion.”

India and the Emerging Global Strategic Calculus of the 21st Century

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India, the world's largest democracy, has had a checkered and often complex trajectory with many contradictory compulsions since its independence in August 1947 to where it is poised now in late 2010.

India is now perceived to be a potentially significant part of the 21st century's emerging strategic calculus. This formulation argues that the emerging global grid is analogous to an uneven hexagon with six nodes: the USA, EU and Japan representing the strategically aligned "western" block with an economically developed collective profile (note for instance the GDP, per capita and technological-industrial base), with Russia, China and India the other three nodes.

It is further opined that the second hexagon of contemporary relevance is the comprehensive security model which nation-states strive to advance or protect. The six strands include the base of political, economic and military security as perceived by nations and complemented by their human index, knowledge-technology empathy and natural resource/environmental vulnerability.

The interplay of these two hexagons across the very dynamic undercurrent of increasingly complex globalization has made the post-Cold War decades exceedingly animated. Furthermore, the last nine years of the post 9-11 strategic systemic, which has witnessed the emergence of potent non-state entities from Bill Gates to Osama bin Laden, has only added to the complexity of the strategic turbulence with which the world is now dealing.

This presentation argues that India occupies a very distinctive status in the global calculus as the world's largest and most diverse democracy by way of its plural texture being concurrently multi-lingual, multi-ethnic, multi-cultural, multi-social and multi-temporal. It is averred that India's checkered trajectory includes being differently identified as having the largest number of the world's poor who live on less than a dollar a day, the DAD

syndrome, as also the largest number of illiterates and the lowest human security index in the developing world. Misgovernance and corruption are posing their own domestic challenges, and internal security is fraught with many dissonances.

India was also perceived as being contrarian and outside the global power contestation, particularly with its espousal of non-alignment during the Cold War decades, and in related fashion, over its nuclear posture. Defying prevailing global opinion and Cold War realpolitik in 1970–1971, India supported the birth of Bangladesh and also went through a brief phase when its democratic character was fettered and an “emergency” imposed. The Hindu–Muslim divide has been exacerbated on different occasions and in September 2010, the Babri Masjid case reached an anxiety-laden legal resolution. But to its credit, India’s inherent resilience and fiscal conservatism have allowed it to weather many challenges and the last decade has been very eventful.

In May 1998, India exercised its long maintained nuclear option and declared itself a state with nuclear weapons (SNW) and soon afterwards acquired a more credible strategic profile in the global canvas. The Kargil War of 1999 and the military restraint adopted by Delhi enhanced India’s relevance and the tsunami response of December 2004 reiterated its ability to be a regional security provider.

Yet India has been also identified as being among the Asian nations that are part of the “miracle” of the 21st century, wherein the pendulum of global power and relevance is moving from west to east. As per 2009 figures, with a GDP of US\$1.23 trillion, India is much lower than the EU, which has a collective GDP index of US\$16.24; USA US\$14.26 trillion; Japan US\$5.06 trillion; and marginally below Brazil at US\$1.57 trillion, while Russia’s GDP is pegged at US\$1.25 trillion. However, all things being equal, it has been projected that by 2035 to 2040, India will be part of a tri-polar global economy with a GDP that will be among the top three nations, the USA and China being the other two members.

In the same vein, it is instructive to note that as of 2008, the defense expenditure (DE) of certain key states is: USA US\$695 billion, China US\$58 billion, Japan US\$44 billion, and India US\$26 billion. What is moot at this point in time (2010) is the nature of the challenge to the USA and the western block, be it the Af–Pak war against terrorism or the anxiety about a repeat

of 9-11, Madrid and/or London, or the possibility of a nuclear Iran that will challenge U.S. hegemony in the West Asian hydro-carbon rich regions.

At the macro state level, the unease and tension between the USA and China is palpable on many issues and, while a traditional military conflict has an exceedingly low probability, it cannot be taken for granted that a "hot peace" will be totally devoid of military contestation and unpredictable escalation. The recent fracas between China and Japan over a fishing vessel is a case in point.

No matter the manner in which these matters are managed, it is the proposition of this presentation that India will be a significant "swing-state" in the emerging global strategic calculus, even as the hexagons engage in a contradictory interplay wherein there will be a mix of competition and cooperation across a range of issues of collective engagement.

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