

## China's Global Activism: Implications for U.S. Security

China's economic liberalization and subsequent rapid development has been one of the major stories of the past several decades. China has begun to undertake growing efforts to translate its economic weight into political influence on the international scene. This activist foreign policy involves not only expanded foreign aid and investment but also political outreach, military diplomacy, and participation and leadership in multilateral organizations. Beijing's global activism might reflect a greater level of comfort with the U.S.-led international system, but it may also lead to U.S. and Chinese competition for influence in other countries, not only in East Asia but throughout the world as well. For this reason, China's activism represents an opportunity for engagement and a potential threat to U.S. security interests.

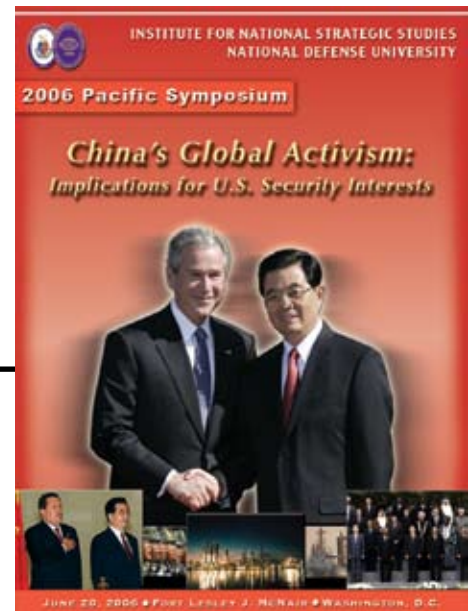
The Institute for National Strategic Studies (INSS) at the National Defense University convened a symposium on June 20, 2006, to explore the issues posed by China's global activism and potential responses by U.S. policymakers. A series of panels comprised of senior government officials and distinguished experts examined the relationship between China's international activities and U.S. security interests, beginning with

an overview of the context and specific nature of China's activism, continuing with more specific discussions of China's military modernization and various regional perspectives on China's foreign policy, and concluding with an analysis of the policy implications that China's activism holds for the U.S. Government.

At the opening of the symposium, a speaker observed that the Washington policy community is conflicted with respect to China's rise on the international scene. He suggested that Secretary of Defense Donald Rumsfeld's reference to U.S.-China efforts "to demystify each other" captures the fact that Americans do not understand China as well as they should. Several times in recent years, debates over China policy have polarized along the lines of "dragon slayers" and "panda huggers."

Although conflicting opinions concerning China's rise were reflected in the symposium's discussions, there was broad agreement among panelists on a number of issues:

- It is too soon to discern how China will use its increasing influence and eventual stature as a great power, especially since Beijing itself likely does not have specific goals in mind.
- Activism is not equivalent to influence; China still faces many



challenges if it chooses to compete directly with the United States.

- The People's Liberation Army (PLA) has achieved significant advances in its modernization efforts but still remains many years behind military forces such as those of the United States.
- Increased Chinese engagement has been welcomed by foreign governments, particularly in the developing world. However, most governments remain wary of Beijing and still value positive relations with the United States.
- The United States should encourage China's participation in the international system, but may need to compete with China in some areas and to hedge against the possibility of a conflict of interests, particularly in the security realm.
- Despite political differences between the two governments, the United States and China may be able to achieve a cooperative relationship, or at least mutual accommodation, through greater transparency, candid dialogue, and clarification of intentions. Many global issues require U.S.-China cooperation to be addressed effectively.

In covering the foremost issues emerging from Beijing's strategy of global activism, the symposium was able to address concerns that an increasingly influential China might undermine U.S. security interests. While the emergence of another prominent actor in the international system may lead to conflict or a challenge to U.S. interests, and will in any event require a cautious response, participants in the symposium on the whole emphasized the potential for "win-win" coexistence and the fact that no outcome, whether positive or negative, is a foregone conclusion.

## Overview of China's Global Activism

In the opening presentation, Dr. Phillip Saunders, drawing on the data collected in *China's Global Activism: Strategy, Drivers, and Tools*,<sup>1</sup> outlined the Beijing leadership's three-part grand strategy: rapid economic growth to maintain domestic stability, compromise on strategic interests when necessary to maintain growth, and the long-term goal of building comprehensive national power. China's foreign policy moves along economic and strategic tracks that are largely independent, with the strategic track focused on protecting China's sovereignty and avoiding threats such as U.S. containment. Even within the context of this strategic track, however, economic tools have remained critical in expanding Chinese influence, particularly in Asia, Latin America, Africa, and the Middle East.

China's increasing global activism is driven by several factors:

- need to secure economic inputs, particularly sources of energy
- prevention of containment, which involves improving relations with

bordering countries and building good ties with current and potential great powers

- expansion of political influence, with the aims of isolating Taiwan, protecting China from adverse international actions, and limiting Japan's international role
- pursuit of commercial interests, not only in exporting Chinese goods, but also in building national brands and acquiring advanced technology.

Trade is China's most important economic tool. Europe, the United States, and Japan have become major export markets, and Asia has become increasingly dependent on exports to China. Chinese

Chinese efforts have at times run counter to U.S. interests, through its preference for regional organizations that exclude the United States (such as the Shanghai Cooperation Organization) and its use of United Nations Security Council veto power to wield diplomatic influence. China has also used defense cooperation (via such means as training and military exports) and "soft power" (through promotion of Chinese language and culture) as tools for expanding its influence.

Implementing an activist policy poses challenges for China's leadership, primarily because the potential for policy coherence is



Foreign ministers from ASEAN and China, Japan, and South Korea in Kyoto, Japan (*Beijing Review* photo)

outbound foreign investment has been increasing significantly in recent years. Foreign aid is also an important tool, particularly in developing countries, where China's "no strings attached" approach is welcomed. China also uses its currency, especially its control over the value of the yuan, to promote exports.

Diplomatically, China has entered into strategic partnerships, expanded the overseas travel of its leadership, and increased its activity in multilateral and regional organizations. In this latter arena,

limited by conflicting incentives within the bureaucracy, between local and central governing bodies and between central government and business interests. Moreover, China's influence depends upon both continuing economic growth and on maintaining domestic stability, neither of which is a given. If China's promises of increased aid and investment are unmet or if concerns about China as a competitor increase, a backlash may occur.

While motivations for China's activism are understandable, as another panelist pointed out, it is not

easy to answer the question, “What kind of power does China want to be?” In approaching this issue, the resolution of the Taiwan dilemma may prove to be a litmus test because Beijing will need to decide whether to use force or peaceful means. On the other hand, the goal of “rich country, strong army” may be an end in its own right, with the leadership itself uncertain about how China should use greater power.

On a global scale, the panelist noted, China will need to decide whether it will accept the current rules of the international system or attempt to change them. Democracy promotion, for instance, may become a sticking point, particularly if it gains increased acceptance as an international norm. If China tries to exercise some great-power roles, for example, by commanding its own sea lanes, the United States would be forced to react. The alternative, for China to rise without attempting to wield power or change the rules, is possible yet would be a historical anomaly. In the opinion of this panelist, China’s current complaints about international norms are a “weapon of the weak” and may soften as it becomes stronger and is able to shape those norms.

Despite the importance of the U.S.-China relationship, according to one panelist, it is important to remember that China places great emphasis on other powers in order to weaken the already limited U.S. capacity for changing China. At the same time, China has found it necessary to take actions to reassure other nations, particularly those on its periphery, that its rise will be peaceful.

The panelist questioned whether Chinese foreign policy in fact

runs along separate economic and strategic tracks, suggesting that the Beijing leadership views both geopolitical and economic goals as part of a coherent strategy. From this perspective, China appears more rather than less invested in global and regional stability, implying that it would be inaccurate to view the emerging situation as primarily competitive rather than as presenting significant opportunities for cooperation as well. As another panelist noted, although China calls itself a developing country, in many ways its economic interests align more closely with those of the United States.

During the panel discussion, several experts agreed that it is too soon to know clearly what effect China’s increased activism will have on actual influence, primarily because China has yet to attempt to translate its influence into significant political outcomes. Beijing’s decisions in the current Iran and North Korea nuclear proliferation crises may provide preliminary indications of the positive or negative impact of China’s growing power.

### **Military Modernization and International Influence**

Panelists addressed three overarching questions about China’s military forces: What new or looming missions for the PLA will affect its force structure? What are the PLA’s capabilities? What is the effect of the PLA’s military diplomacy and internationalism?

In addressing the first question, one panelist, a U.S. Defense official, noted that the U.S. Government has serious concerns regarding Beijing’s intentions to modernize the PLA. Despite the use of white papers to explain its

military doctrines, China has not been transparent in many areas, particularly in the reporting of military budget expenditures, which the United States estimates to be much higher than reported. So long as China’s military aims remain opaque, the panelist noted, nations in Asia and elsewhere will hedge against unknowns. The lack of transparency heightens the risk of miscalculation, both on the part of Beijing, which might overestimate the PLA’s capabilities, and on the part of the United States, which might underestimate the extent of the PLA’s improvement.

While all panelists agreed that the PLA’s modernization is being undertaken with the Taiwan issue foremost in mind, the question of what might come next remains open. The PLA is preparing for a wide range of potential missions, not only in military ventures but also in nontraditional areas. These include antiterrorist training, nuclear, biological, chemical defense training, rapid reaction force development, and joint operations training.

Various experts raised the prospect of China’s energy needs dictating expanded military missions, noting that China is not content with the current situation, in which the United States controls the security of the global oil supply. This discontent may be driving China’s efforts to develop its navy, including interest in the construction of aircraft carriers. Regionally, tensions with Japan over the East China Sea natural gas deposits and Southeast Asian nations over potential oil in the South China Sea may become significant. One panelist noted, however, that because oil imports are currently only 6 percent of



China's total energy usage, the situation is not as pressing as some believe.

Beijing wants progress in all areas of modernization but is not necessarily hoping to build a military capable of major offensive operations in the near term. Although the PLA's weaponry is becoming more advanced, the actual numbers of advanced weapons is still rather small. For this reason, according to one panelist, strategic deterrence rather than warfighting is probably the primary objective of the PLA's modernization.

denying access to enemy forces. These technologies, primarily land-based, include new classes of cruise missiles, unmanned aerial vehicles, and advanced computer network operations. The PLA's precision-guided munitions have substantially improved, partly due to the import of Russian systems.

Aside from weaponry, the PLA is also moving to create a more professional force. The military has overhauled its personnel procedures and is training a new officer cadre familiar with modern military procedures. Although the PLA remains a party army, officer promotion is

Chinese navy still has a long way to go before it is able to project power overseas. Another noted that the size of the PLA's ballistic missile arsenal makes it *destructive* but questioned whether or not it is large enough to be *decisive*. Other shortfalls of the PLA's modernization include command and headquarters training, night operations, and other advanced actions.

The PLA's military diplomacy, according to one panelist, is considered a strategic-level activity by China's leadership. As a result, the PLA must carefully coordinate its overseas activities with the party-state bureaucracy, in particular the Ministry of Foreign Affairs. The PLA's traditional avoidance of direct cooperation with other militaries (such as joint exercises) has changed in recent years, primarily as a result of strategic decisions from above.

Military diplomacy has expanded from traditional educational exchanges and arms sales to new activities that include not only joint exercises but also high-level dialogues, efforts to settle border disputes, and collaborative attempts to address nontraditional security threats such as terrorism and disease. China remains wary, however, of military alliances, a stance that allows it to pursue its agenda with flexibility. One panelist noted that as China becomes more economically powerful, its economic interests might clash with its security concerns, prompting changes in foreign policy. Moreover, the PLA's overseas activities are likely to expand as modernization progresses.

Because Beijing recognizes the obstacles to PLA modernization, according to one panelist, it believes that a timeframe of 10 to



PLA commanders participating in antiterrorism exercise shake hands with officers from other countries (PLA Daily photo)

In terms of capabilities, the PLA is developing a more credible and survivable strategic arsenal. Developing greater quantities of intercontinental ballistic missiles (including new longer-range missiles) and submarine launch platforms will provide China with an increased deterrent force and a less vulnerable second-strike capability.

In the conventional realm, the PLA is developing and fielding disruptive technologies capable of

no longer as tied to ideological and political concerns as in the past. Despite greater professionalism, the PLA remains hampered by several facts: few officers have experience with joint operations, the navy is still primarily led by ground-force officers, and very few officers have any significant combat experience.

One panelist observed that China's assistance in the relief efforts following the December 2004 tsunami demonstrated that the

15 years is necessary before the PLA can be considered ready for advanced military operations. In the meantime, another panelist noted, smaller measures such as increased ship visits and peacekeeping involvement will likely have a positive effect on enhancing trust between China and its neighbors. At the same time, there is the possibility that a substantial Chinese military presence abroad could have a negative effect on international stability.

## **Challenge of China's Rise**

Looking broadly at the issues before the symposium, one speaker emphasized that Beijing views interdependence between China and the global economy as a source of strength and a vulnerability. China's rise thus provides both the means to play a greater international role and the need to do so. In the speaker's opinion, this trend will create irresistible incentives for China to use its greater influence.

Competition on the international scene is not necessarily negative, noted the speaker, given the fact that the United States already competes with friends and allies within a set of rules and constrained by shared interests. U.S. policy calls for China to join this system as a "responsible stakeholder," but neither nation understands precisely what this entails. As a newcomer to the international game, China is likely to make mistakes, just as the United States is likely to make mistakes because of its unfamiliarity with an increasingly activist China.

China's rise poses the challenge, according to the speaker, of "how to transcend traditional ways for great powers to emerge." If the United States is to hedge without falling into a policy of containment—that

is, preventing a normal, competitive relationship from becoming adversarial—it must make this intention clear to China's leaders. Better, more institutionalized ways to communicate and manage differences are necessary, including more regular and less scripted exchanges of views. Success will be possible, suggested the speaker, but only if the United States recognizes that it cannot contain or isolate China and if China recognizes that it cannot displace the United States.

## **Regional Perspectives on China's Global Activism**

As noted earlier in the symposium, Beijing does not focus all of its attention on the United States. In keeping with this fact, the third panel took a less U.S.-centric focus by examining China's activism from the perspectives of countries in South Asia, Latin America, and Africa. In all three regions, China has been increasingly active. But as the opening panelist observed, it is important to consider China's vulnerabilities and limitations and to recognize that a gap exists between China's activism and its influence.

In South Asia, international focus is shifting from the India-Pakistan axis to the India-China relationship and from a conventional formulation of "South Asia" to a "southern Asia" that includes China. Politically, the shift represents a closure of the era of postcolonial polemics and the introduction of economic opening and engagement. Trade between China and South Asia has risen in the past decade from \$3 billion annually to \$20 billion, an increasing portion of which is between China and India rather than between China and its ally Pakistan.

The political spin-offs of this economic engagement have included China's entrance as an observer into regional organizations and China's involvement in several subregional initiatives, for example in the Mekong basin. But economics alone are not the decisive core of China-South Asia ties, according to the panelist. Instead, the nuclear triangle between India, Pakistan, and China remains critical, as does the increasingly close relationship between India and the United States. These factors drive China to balance its exercise of soft power carefully in its dealings with its South Asian neighbors and its traditional hard-power arms supply ties. While the United States has important stakes in the region, particularly in terms of energy and counterterrorism, China is increasingly projected as an alternative to U.S. influence.

The relationship between Beijing and Latin America, according to one panelist, has been calibrated, calm, and sustained for several decades. The recent attention paid to China's relations with Latin America is primarily a reflection of the extremely poor state of U.S.-Latin American relations. Both China and Latin America prefer strong relationships with the United States but have turned toward each other for different reasons. While China views Latin America as an opportunity to make gains relative to the United States, Latin America views China as a more accommodating partner than its northern neighbor.

An improvement in U.S.-Latin American relations, according to the panelist, would close the door on China's influence in the region. Latin American leaders who have eagerly embraced China, particularly Venezuelan president Hugo Chavez, are

leaders of states with weak governments and economies. For its part, China views Chavez's Venezuela and Fidel Castro's Cuba as opportunities to invest in the region but remains wary of the unpredictable staying power of the regimes.

Much attention is paid to China's relations with anti-American regimes, as well as its occasional efforts to win over Latin American states that continue to recognize Taiwan. More important, however, is China's interest in Brazil, with whom it entered into a strategic partnership in 2004. The two nations have developed extensive economic and political ties, but the Brazilians have yet to embrace China entirely because, as with most Latin Americans, they view Beijing with skepticism. For this reason, as well as the absence of overriding interests in the region, this panelist observed that China is unlikely to deploy troops or to increase its diplomatic presence in the region in the near term.

In Africa, China's approach has shifted from support for independence movements and wars of liberation to a concern with securing economic resources. China's many investments and commercial initiatives in the region are supported by intensive diplomatic engagement. As a result of its activity in the region, China's influence in Africa is nearing the level of that of the United States and the European Union.

In addition to economic initiatives, China has exercised soft power by sending large peace-keeping forces to troubled areas, providing aid and medical teams to address health crises, canceling debt, supporting scholarships for Africans, and promoting tourism. The panelist suggested that opportunity for U.S.-China cooperation

exists in these areas, as well as in countering terrorism, organized crime, and drug cartels.

African governments generally welcome China, partly because they view it as an alternative to the United States, which is often seen as focused on single topics such as counterterrorism or democratization, and to Europe, which is tainted by the legacy of colonialism. Many African governments, especially those such as Sudan and Zimbabwe that have fallen out of favor with the West, appreciate China's refusal to link economic engagement to conditions such as political reform or human rights.

At the same time, however, many African governments are concerned with some of China's activities, principally its use of Chinese laborers to do jobs that Africans could just as easily do, as well as the competition that local producers face from China's exports, particularly in the textile industry.

## **U.S. Policy Implications**

As U.S. policymakers decide how best to respond to China's global activism, it is important to recognize that Beijing's strategic intentions are continually being shaped by various factors and are not a "secret code locked in a vault," as one panelist put it. Thus far, China has shown an increasing capability to learn and adapt and to exercise all the instruments of national power as it finds itself enmeshed in global issues. This has occurred against the backdrop of U.S. concerns in Iraq, Afghanistan, and the war on terror. China has exploited the space that the United States has provided it in the past 5 years. At the same time, however, it is unlikely that China has a single specific, predetermined geopolitical outcome it hopes to achieve.

The United States confronts many disadvantages in Asia, where China's reemergence is a return to a "more natural state of affairs," in the words of one panelist. U.S. officials are hampered by multiple demands on their time, the distant location of East Asia, and the lack of a sustained U.S. presence there, particular in nondefense realms. So far, China has proven adept at deflecting any potential containment strategies, particularly with reference to Taiwan. China has also avoided becoming a singular object of concern on the U.S. radar screen. The best-case scenario for China would be a stable, recalibrated relationship with the United States and, ideally, for the United States to become less important to China relative to other states.

This panelist posed the question of whether U.S. officials have a specific and coherent concept in mind of China's place in a future world. The phrase *responsible stakeholder* is the latest label for American attempts to deal with China, but as another panelist argued, this may represent an attempt by the State Department to gain control over China policy rather than a strategy enjoying a consensus within Washington. Finding a way to vest China into building a stable international and regional order is a critical task. If the United States offers China a seat at the table, one panelist asked, what will the table look like, who will arrange the seats, and who will set the agenda? Thus far, U.S. language and policy goals have not been clear. While ambiguity may be useful, particularly in the security realm, the lack of transparency also risks undermining efforts to influence Chinese decisions in positive directions.

Another panelist described several different “Chinas” that exist in Washington policy circles: the “WTO China” (an economically liberalizing country), the “QDR China” (a potential military challenger), the “post-9/11 China” (a partner in counterterrorism), the “Too Successful China” (a competitor for resources), and the “Congressional China” (a violator of intellectual property and human rights, currency manipulator, and threat to Taiwan). Given these disparate perspectives, formulating a single foreign policy and presenting a unified message to Beijing will remain a daunting challenge for U.S. officials.

Illustrative of this lack of coherence is the issue of whether the present administration has a hedging strategy with respect to China. Panelists debated the extent to which the 2006 National Security Strategy report’s reference to “hedging” represented a full-fledged strategy or merely an element of many policies and decisions respecting China. One panelist suggested that the U.S. effort to expand its “values-based relationship” with Japan reflects hedging against China, with which the United States enjoys only an “interests-based relationship.” Another panelist pointed out that hedging necessarily involves two sides, namely active diplomacy and engagement on the one hand, balanced by deterrence on the other. These two approaches are difficult to pursue effectively because they are undertaken by separate government agencies.

Another panelist took issue with the merits of hedging, pointing out that such a strategy necessitates dedicating resources to betting against China’s becoming

a responsible stakeholder, a choice that will affect Beijing’s calculation of U.S. intentions. If hedging is necessary in certain areas, such as in preventing arms sales from Europe, then the United States should be entirely candid in explaining its reasoning to China. Overall, this panelist believed, it would be better for the United States to invest in China’s success, help to define with China how to measure that success, and encourage a strong China that supports the international norms



Secretary of Defense Donald Rumsfeld greeted by PLA official upon arrival in Beijing (DOD)

that the United States believes to be important.

One obstacle to such a policy, the same panelist noted, is the prevailing belief among members of the U.S. Congress that U.S.-China relations are a zero-sum game. The economic pain created through Chinese competition is concentrated and acute among congressional constituencies, while the benefits are spread broadly and are diffuse. Because of this, “China fever” is growing in Congress. Many politicians are unaware of the vast domestic challenges that Beijing faces and thus overestimate the likelihood of China aggressively challenging U.S. interests in East Asia.

During the panel discussion, a question emerged regarding the best manner for U.S. policymakers to shape how China thinks of its interests. While getting leaders on both sides invested in overlapping agendas would improve cooperation, differences in U.S. and Chinese interests must be reconciled. A basic mistrust arises from the political differences between the two countries. While this gap might be described as “values-based,” one panelist pointed out that basic human values between the two societies are similar and that the only substantial difference is the Communist Party’s concern with maintaining a monopoly of power. More than any other factor, this distorts Chinese foreign policy, including its strategic intentions to use global activism to boost national security.

Despite this political dilemma—embodied most acutely in Beijing’s conviction that the United States prefers regime change in China—one panelist observed that most Chinese believe that Americans proceed rationally and pursue what is in their interest. The fact that each side can view the other in pragmatic rather than ideological terms lends hope to the possibility of achieving a positive relationship.

A basis for mutual accommodation extends even to the security realm. As one panelist noted, although much has been made about references to China in the 2006 Quadrennial Defense Review (QDR), the report itself is not necessarily a major driver of policy, but rather a process for justifying why the military needs certain capabilities. Beijing, according to another panelist, was relieved that China was not more of an object of concern in the QDR. The Chinese leadership understands and

appreciates that the Pentagon's war on terror will keep the United States occupied for some time.

If China does not move toward greater political pluralism and liberalization, U.S.-China relations will remain fraught with potential for conflicts of interest. One panelist explained that such political differences will be a major restraint on any progress in the bilateral relationship and will encourage risk management or hedging behavior, at least on the part of the Congress.

Just as significant is the question of whether China will accept a U.S.-led international system and play the subordinate role of a stakeholder. One panelist noted that China has bought into the system and will likely continue to buy into it as long as international norms help their long-term strategy, especially in terms of economic growth. Eventually, however, the United States may need to encourage a dialogue within the international community as to who will set the "rules of the road." Another panelist compared the Chinese to corporate stakeholders who have so far been content to collect dividends and not vote their shares. If and when Beijing wishes to "change CEOs or some board policies," the United States will be forced to respond to the challenge.

*Rapporteur:* Eric Hamrin. Final report reviewed and revised by panel moderators, Dr. Phillip Saunders, Dr. Stephen Flanagan, Director of INSS, and Gerald Faber, INSS. Final editing and layout by NDU Press.

## Note

<sup>1</sup> Phillip C. Saunders, *China's Global Activism: Strategy, Drivers, and Tools*, Institute for National Strategic Studies Occasional Paper 4 (Washington, DC: National Defense University Press, 2006).