

*Sino-centrism and the New Bush Administration**

Jason U. Manosevitz

The new Bush Administration will define in greater detail the foreign policies of the previous administration with little variation in overall approach. Modification of existing policies will occur, but only at the margins. The war in Iraq and the ‘Bush Doctrine,’¹ specifically WMD proliferation and early detection of anti-American terrorist cells, will demand much of America’s military resources and diplomatic energy, for at least the first two to three years of the new administration. Major Northeast Asian issues, such as North Korea’s nuclear weapon development program and China-Taiwan relations will bring the U.S. and China into close contact, however, economic issues will dominate day-to-day American-Sino relations. Other significant regional developments, such as Japan’s incremental strategic adjustment and declining

* The views expressed here are my own and do not represent any institution to which the author may belong.

¹ *The National Security Strategy of the United States of America*, September 2002.

possibilities of a genuine reconciliation process between North and South Korea, indirectly affect American-Sino relations, though these changes have considerable meaning for them individually. China's effort to establish closer economic relations with Latin America is emerging as an issue in American-Sino relations, as the United States responds to China's growing consumption of resources. Rising American levels of debt and increases in Chinese exports will result in greater pressure on the U.S. economy causing sharper and more frequent efforts by the U.S. to persuade China to revalue the Yuan and voluntarily curb its exports. At present, American and Chinese foreign policy orbits intersect on only a few issues. These issues, however, are significant for international politics. In sum, the new Bush Administration and Sino-centrism will have mild effects on each other directly.

Sino-centrism and the New Bush Administration: An Initial Review

Policy analysis often falls into two disappointing categories. Either the analysis gives such bland reasons for expecting continuity that it hardly seems worth reading or it paints such fanciful 'shock' scenarios that it cannot possibly relate to the real world. Both types fail to inform. This is because the analyst usually fails to adequately address the complexity of the situations analyzed, distill the pertinent issues to demonstrate which are susceptible to change and which are not, or neglects to make clear their operating assumptions. In analyzing the new Bush Administration and Sino-centrism, this paper offers analysis that rightly belongs in the middle — offering to inform on both continuity and change. This paper begins with an examination of what Sino-centrism is and what it means. It moves next to a brief discussion of opportunities and constraints facing the new Bush Administration. The purpose here is to unpack what is meant by

the new Bush Administration and Sino-centrism. This paper then focuses on the narrow band of issues around which U.S.-China relations revolve and analyzes significant developments in Northeast Asia, covering North Korea's nuclear weapon development, North and South Korea's reconciliation process, U.S.-China views on Taiwan, Japan's changing security policies, and economic issues between the U.S. and China.

We are living in a multi-polar world. Undoubtedly the United States plays a tremendous role in the national strategies of the world's major powers — China, France, Germany, Japan, Russia, and the United Kingdom — as well as many of the world's middle powers — like Australia, Canada, Italy, South Korea, and North Korea. Undeniably, these countries also play a role in the United States' national strategy and policy choices. A uni-polar world does not exist, and the United States is not a superpower. The United States does possess some tremendous assets and capabilities, but is insufficiently powerful to dominate the world alone. Indeed, American power and prestige will be greatly curtailed if it fails to manage its alliances properly. No state can completely disregard the international system for long and expect to survive well. The fact that some have more freedom to do so at times is neither novel nor interesting.

What is Sino-centrism?

Sino-centrism is a buzzword replacing the phrase 'rise of China.' It is meant to suggest that China has graduated from being a developing state to its 'rightful place' as a major power. It is a catch phrase for Chinese military, economic, and diplomatic policies designed to promote China's place in the world and persuade other states of China's relevance and importance in world affairs. Simultaneously, Sino-centrism also means that

China, as engaged in the institutional organizations of the international community, incorporates the wishes and expectations of other states in designing some of its policies. China's interests, just like any other state participating in multilateral institutions, are to use organizational rules and norms to its benefit, change those that it does not like, and create new ones when it can.

Sino-centrism — Military Threat or Hype?

China's dramatic increases in military spending, acquisition of advanced weaponry, and moderate reorganization of its forces in the 1990s signaled the growth of a volatile military threat to some.² They were alarmed by year in and year out increases in Chinese military spending, which grew from approximately US\$11.3 billion in 1991 to US\$51.0 billion in 2003. They cast the drop in the number of troops under arms from approximately 3 million to 2.25 million in the same time-frame and the dip in the number of submarines from 93 in 1991 to around 69 in 2003 as China rapidly began modernizing its forces.³ This force modernization was producing a more lethal, rapid, and dangerous military, which had the potential to upset regional stability. Consistent evidence that China was stockpiling missiles across the Taiwan Straights, developing long-range missiles capable of hitting U.S. bases in Japan, and increasing the size of its navy has been regularly employed to prove China was aiming to reach some imagined tipping point, after which China would militarily retake Taiwan and possibly embark on adventurism. These concerns have not been realized.

Others have taken a much broader view of China's military.⁴

²Dennis Roy, "Hegemon on the Horizon" China's Threat to East Asian Security, *International Security*, Vol. 19, No. 1 (Summer 1994).

³*The Military Balance*, The International Institute for Strategic Studies (various years).

They recognized that China's military development *could* affect the regional balance of power, but not necessarily that it *would*. The broader global strategic balance of power would not change automatically by China's transformation. This analysis pointed out that China had not used its military power to settle any of its border disputes with Brunei, Japan, Malaysia, North Korea, the Philippines, Taiwan, Tajikistan, Russia, or Vietnam. Equally important, this view asserted that China was, in terms of readiness and technology, many years behind the United States' military and historically not prone to adventurism. America's display of military technology and strategy in the 1991 Gulf War and in the Kosovo conflict, some argued, struck deep into the minds of Chinese military planners. Indeed, this may have prompted China to declare its intentions to seek a cooperative rather than a competitive relationship with the United States.

Presently, China is continuing to develop the weapons it wants to engage in coercive diplomacy with Taiwan. In addition to stockpiling rockets and missiles, China is developing more robust sea capabilities and information to mount an effect military strategy against Taiwan, though some argue that China has a long way to go before it will possess the naval capabilities it needs for dealing with Taiwan.⁵ At the same time, China is also going to great lengths to reassure ASEAN states as well as the United States that it is not seeking to be a revisionist power.

Sino-Centrism — Economic Boom or Bust?

For several years, many analysts have taken to calling China the world's 'factory' and the hottest new economic market. There are

⁴David Shambaugh, "China's Military Views the World: Ambivalent Security," *International Security*, Vol. 24, No. 3.

⁵Michael A. Glosny, "Strangulation from the Sea? A PRC Submarine Block of Taiwan," *International Security*, Vol. 28, No. 4.

no doubts that China's imports and exports have grown tremendously. China today is perhaps the 6th or 7th largest economy in the world and has sustained GDP growth rates between 8 to 9% over the past 10 years. These dramatic trends are due to China's self-promotion as being plentiful in cheap labor. Multinational corporations from industrial and semi-industrial states have reasoned that they must 'get into' China or risk sacrificing significant profits. This 'China fever' is similar to the one caught by those in the 1930s that marveled at China's explosion in foreign trade, which grew from about 1.7% of world trade in 1911 to 2.2% in 1931.⁶ The amazing similarity between then and now is that although China is producing tremendous quantities of goods, conducting independent research, and developing new, technologically advanced goods, it still lags behind many other industrial states. To combat this, China is seeking more joint development projects and attempting to dissuade states from merely shifting production facilities to China. As of yet, China is not innovating technologically.

China has benefited from increased economic deals with ASEAN states, South Korea, Japan, the United States, and European nations. These states share a common concern of Chinese corruption or market mismanagement. This concern is especially acute among ASEAN states, which are shifting their economic profiles to reflect a greater emphasis on China. To assuage this concern, ASEAN states are simultaneously seeking reassurance from China that it will not attempt to dominate them even as they increase their trade, production, and investment risks with China. China, for its part, is responding to these issues. Chinese Premier Wen Jiabao's recent signing of an accord with ASEAN states that addresses many ASEAN state fears is a prime example, showing not only the significance of China's increased economic stature, but also

⁶ Fredrick V. Field, "China's Foreign Trade," *Far Eastern Survey*, Vol. 4, No. 5 (March 1935).

China's willingness to reassure those with whom it does business.⁷

China's economy has made itself felt in several other ways in the last few years. For a decade, China has been an oil importer, which has helped, but not caused, oil prices to rise. China's massive consumption of commodities such as steel, plywood, and concrete has also raised prices and strained production. Part of China's strategy with its economy has been to manage its pace to prevent 'overheating' but few steps have been taken to curb consumption. Also significant for China's overall economic policies — particularly trade — is the shift to a cautious embrace of international rules and regulations. The best example of this is China's recent accession to the WTO and activities with ASEAN and APEC.

Sino-Centrism — China's Diplomacy

Diplomatically, Sino-centrism refers to a collection of policies by which China demonstrates legitimacy in the world. These policies are designed to create and store soft power capital for China. They are also designed to cast China's political philosophy and government rule as acceptable to the international community. At least in modern times, political Sino-centrism began to take shape as China broke with the Soviet Union in 1965 and started to lead the Non-Aligned Movement among Third World countries. Although China maintained a belief in itself as a major power in the world, others saw it as less so. Even as today's China took over the United Nation's Security Council seat from Taiwan, China's role and legitimacy in international politics has been difficult to judge. American engagement of China in the 1980s to increase pressure on the Soviet Union elevated China's stature in the world. China's international political position, however, waned with the

⁷ Jane Perlez, "Chinese Premier Signs Trade Pact at Southeast Asian Summit," *New York Times*, Nov. 30, 2004.

fall of the Soviet Union and the United States' seemingly lack of strategic interest in China during the 1990s. In the post-Tiananmen Square crackdown era, China has aimed to polish the image of its form of government and human rights record.

There are those who view China's diplomacy, especially in Asia, as an effort to limit American influence in the region — a form of reverse containment. There is a concern in such a zero-sum game that states engaging China are actually 'tilting' toward it and away from the United States. A good example, of course, is American concern that South Korea is looking increasingly toward China as the strategic pole most important for its survival. What such analysis fails to recognize, of course, is that South Korean engagement of China was not only promoted by the U.S. during the 1970s and 1980s but that South Korean engagement of China helps secure Chinese acceptance of established international norms. South Korea's engagement is less of a tilt toward China than an obvious, if late, recognition that China is important to South Korea's national security. Conversely, South Korea has also vigorously opposed Chinese attempts to re-write Korean history and has moved to re-ignite economic relations with Taiwan.

Most recently, China's diplomacy has been one of reassurance, to everyone except Taiwan. China established the Shanghai Cooperation Organization to boost mutual understanding among its border states, announced a new security concept based on peaceful coexistence with the United States and Chinese neighbors, and focused energy on assuaging Southeast Asian states' fears that China is seeking to dominate them.⁸ China has embarked on a modest but noticeable effort to move beyond Asia and gain a foothold in the Middle East, driven by its economic requirement for oil, not by some geopolitical imperative. With respect to Taiwan,

⁸ Robert Sutter, "China's Recent Approach to Asia; Seeking Long-Term Gains," *NBR Analysis*, Vol. 13, No. 1 (March 2002).

however, China continues to issue threats that it will not tolerate an announcement of formal independence.

Sino-Centrism in Sum

In sum, China's diplomacy today is clearer and more direct than at most times during the Cold War. It repeatedly states its belief in non-interference in the domestic affairs of other states. China is engaging states multilaterally through international organizations and bilaterally to gain understanding of its own policies as well as to control the forces of its own economic development. Surprisingly, ASEAN states appear to be gaining the most influence in China's foreign policy, committing China to economic and security agreements.

What is the New Bush Administration?

Very clearly the new Bush Administration is a second term presidency. At the time of this writing, President Bush is in the process of replacing 9 of 15 cabinet positions in his administration and preparing a second term agenda. As a second term presidency, the new Bush Administration carries over a number of pre-established policies and has several decision-making advantages. Key positions for foreign policy remain unchanged; Donald Rumsfeld will continue as Secretary of Defense, Condoleezza Rice will move from National Security Advisor to Secretary of State, and Porter Goss has started work as the Director of the Central Intelligence Agency. Many of the personnel for second-tiered positions have yet to be announced and it will take some time before they are settled in place.

Moving in...

As a second term administration, the new Bush Administration enters office with far more experience than the first, not only about how Washington works but also about what they want to accomplish. Very high on their list of foreign policy agenda items will be to step up pressure on North Korea and Iran over nuclear proliferation issues. Such issues will, however, have to vie for attention as the administration enters the third, as yet undefined, phase of the Bush Doctrine. The first phase of these policies was of course the destruction of the Taliban in Afghanistan. The second phase was the forceful removal of Saddam Hussein. The next step will be some combination of reconstructing Iraq, pressure on Iran and North Korea, and countermeasures against smaller, anti-American terrorist cells.

There will, however, be more obstacles to implementing this new phase of the Bush Doctrine and any new policies under the idea of the 'war on terrorism.' Simply by virtue of being a second term president, President Bush's popular support is likely to decline, as will the public's willingness to accept new burdens and sacrifices. Recent polls demonstrate that support for President Bush's handling of the war in Iraq and the reasons for that war continues to decline.⁹ This trend will continue barring a new terrorist attack on U.S. soil, in which case it is difficult to predict whether the Bush Administration would be blamed for ineptness or given a new mandate for action. Equally important, congressional support for the President and his foreign policies will decline, as even members of his own party find it advantageous for their own re-election goals to find fault with the President for either not doing the right thing or for not doing enough of it. The difficulty in getting the recent Intelligence Reform Act passed through the

⁹ Adam Nagourney and Janet Elder, "Americans Show Clear Concerns on Bush Agenda," *The New York Times*, November 23, 2004.

Congress illustrates this phenomenon.

Leaving a Legacy

A key aspect of all second term administrations is the desire to establish a presidential legacy. For first term presidents, the primary focus is re-election. For second term presidents, it is on establishing their place in history. In part, President Bush's place in history is already secured for taking action immediately after 9/11, bringing down the Taliban, and overthrowing Saddam Hussein's regime. These were not policy initiatives the President carried with him into office. They are likely to be described as responses to circumstances not of the President's making. Thus, these events and policies are far too contentious to make a good legacy.

One possible candidate for the President's legacy is the Global Posture Review (GPR). The GPR is part of broader policy initiative to transform the U.S. military to meet American security needs in a post-Cold War era, which includes the repositioning of American troops stationed abroad. In testimony before the Senate Armed Services Committee, Defense Secretary Donald Rumsfeld has stressed that he intends to keep moving forward with the GPR, re-deploying American troops around the world to places where they are wanted, needed, and in position to cope with small groups of American enemies while still maintaining the ability to stare down large state militaries.¹⁰ In one sense, this redeployment of troops creates a military 'fish-net,' in which an emerging threat to American or allied interests will quickly become entangled and surrounded. The overriding impediment to achieving this policy objective is, of course, military operations in and around Iraq. These operations require that in the short-term (6 to 8 months) the United States concentrate approximately 130,000-150,000

¹⁰ Mark Mazzetti, "U.S. to Cut Number of Overseas Bases," *Los Angeles Times*, September 24, 2004.

troops in Iraq and at least 60,000 to 80,000 troops over the longer-term (8 to 16 months), even as more Iraq security forces are trained and put into the field.

The GPR has already changed the 1995 Nye Initiative to maintain 100,000 troops in Asia. One significant feature of this redeployment process has been the proposed reduction and redeployment of American troops in South Korea over the next four years. One aim of this move is to reduce the burden on Koreans and their long history of hosting American troops. By augmenting the remaining troops with more military capabilities, such as Patriot missiles, the United State aims to swap boots on the ground for greater firepower and technological capabilities that continue to deter North Korean military action. This move should allow South Korea to continue engaging North Korea in a political reconciliation process without jeopardizing security. Redeployment of American troops both in South Korea and in the region does not pose a greater threat to China, as this repositioning serves no specific strategic goal related to China.

Whether the GPR successfully becomes part of President Bush's legacy depends a great deal on how long Secretary Rumsfeld remains the Secretary of Defense. Rumsfeld is both the chief architect and implementer of the GPR, which is not widely embraced by the military. With respect to American troops in South Korea, it is possible that some of the 12,500 troops scheduled for withdrawal by 2008 could end up staying in South Korea if either Rumsfeld resigns sometime in the next two years or if North Korea appears to grow more hostile.

The New Bush Administration and Sino-centrism: Narrow Orbits

The new Bush Administration and Sino-centrism will inevitably interact. As already outlined, Sino-centrism in China's foreign relations remains focused on the Asia-Pacific, and the new Bush Administration's foreign policy will focus on moving forward with the Bush Doctrine,¹¹ which include efforts to stem proliferation of nuclear, chemical, and biological weapons. China has played a mid-range role in President Bush's foreign policies, thus far, and only in a narrow range of issues. The United States has predominantly been of little focus for China's Sino-centrism, except for issues over Taiwan. Thus even though we can expect the United States and China to interact over the course of the next four years, this interaction is likely to be limited to a narrow range of items and is unlikely to produce much for either of them, barring some unexpected major crisis.

The Big Picture: Limited Scope and Different Focal Points

As stated above, the new Bush Administration's foreign policy will be dominated by the war in Iraq, non-proliferation policies, and the wider Bush Doctrine. Militarily, for at least the first year of the new Bush Administration, approximately one third of the new administration's resources will be concentrated in Iraq. Diplomatically, both Iraq and the war on terrorism will consume tremendous quantities of time and resources. Though new initiatives are possible, the probability of generating some new, dynamic strategy or greatly changing existing policies is low. More bluntly, the new Bush Administration will aim to implement the previous Bush Administration's policies, not design new ones from scratch. This means the majority of the new Bush Admini-

¹¹ *The National Security Strategy of the United States of America*, September 2002.

stration's foreign policy attention will be on the Middle East. Even after Iraqi elections scheduled for January, United States is unlikely to significantly reduce its military commitments there.

It is equally important to recognize that the Middle East and the U.S. war on terrorism generally fall outside the bounds of China's Sino-centrism. Even though the Middle East is increasingly important to China, it has chosen not to support U.S. military action or participate in Bush Doctrine initiatives, such as the removal of Saddam Hussein and the Proliferation Security Initiative (PSI). The United States may offer China new opportunities to join American efforts but China's interests are unlikely to compel it to accept. This due to four key facts that 1) Al Qaeda's terrorist tactics and aims have little to do with China, 2) China has no interest in purposefully putting itself in a position to create such enemies, 3) Beijing does not want to portray itself as openly siding against Muslim fundamentalist, and 4) China does not want to cease a policy of non-interference in the domestic affairs of other states.

Broadly speaking, China is skeptical of the long-term effects of the Bush Doctrine. It is demonstrating a belief that it has more to gain by joining with France, Germany, and Russia in efforts to restrain American policies that could strategically redesign international order. More specifically, as mentioned above, China is focused on regional economic and security issues. For the most part, its attention is on further developing its economic and diplomatic ties with ASEAN states, not on grand strategic designs. Its continued emphasis on sovereignty and policy of non-interference in the domestic affairs of other states makes Sino-centrism virtually incompatible with the Bush Doctrine.

The North Korea Problem — The U.S. and China Engage

One of the most important ways in which the new Bush

Administration and Sino-centrism will interact is over North Korea's nuclear weapons development. North Korea began to develop nuclear weapons in 1988, and the United States took a forceful stance against this in 1993. Confrontation between the United States and North Korea was averted by the diplomatic efforts of former President Carter, which ultimately resulted in the United States and North Korea signing the Agreed Framework. This accord pledged both sides to help North Korea develop peaceful nuclear energy. The United States forced its policy decision on South Korea and Japan, both of whom grudgingly agreed to carry significant burdens of providing North Korea with Light Water Nuclear Reactors (LWRs). Though China had an opportunity to participate, it did not. Indeed, it is fair to say that at the time, diplomatically China was reorienting itself after losing some prestige in the immediate post-Cold War period. It appeared unsure what would be in its best interest, and placed a higher priority on its own economic and military reorganization than on North Korea's.

The Agreed Framework, which may have been faltering before Bush took office, began to fail in the fall of 2002 when members of the first Bush Administration confronted North Korea with evidence of a new North Korean nuclear weapons program. It failed completely when North Korea pulled out of the Nuclear non-Proliferation Treaty (NPT) early in 2003. Seeking a diplomatic solution, the first Bush Administration sought to engage North Korea through multilateral talks, which included Japan, South Korea, Russia, and China. These Six-Party Talks have made little progress. This is because both the United States and North Korea have taken extreme positions and neither seems willing to compromise. What is important for the analysis at hand is that China felt it was critical for its national interests to be involved in the process on this occasion. In fact, it would be a diplomatic blunder for China *not* to be involved.

The conventional wisdom is that China benefits greatly from

taking part in the Six-Party Talks. The belief is that China is making incredible diplomatic gains because it is providing a forum for the United States and North Korea to engage and is working as a mediator for the two parties. Some in the U.S. think this cedes critical diplomatic influence in the region to China while others complain China is not doing enough. Both of these views, however, fail to appreciate that China's options were limited and had it chosen not to take part in the Six-Party Talks it would have once again ceded control for major developments on its borders to outsiders. Moreover, these views also fail to appreciate three critical aspects.

Firstly, by participating in the Six-Party Talks, China may be able to gain some leverage over the United States with respect to solving China's Taiwan problem. Secondly, the United States preferred to take a multilateral approach that included China, Japan and South Korea. This is because of the combined leverage all three of these states have over North Korea, the difficulty of sustaining a strict U.S.-North Korea agreement, and the United States did not want to repeat making a deal with North Korea without consultation from its allies Japan and South Korea. Lastly, unlike in Europe, Asia has displayed far less criticism and resistance to the Bush Doctrine that would provide China with an opportunity to capitalize on an anti-American sentiment. Indeed in some cases, such as in Japan and the Philippines, support for American policies is rising.

Additionally, some think that China's heightened profile through the Six-Party Talks will benefit China in dealing with other Asian states. That is, China will somehow have more influence because of brokering between the United States and North Korea. Although South Korea may in fact be working with China, and indeed to an extent agrees with some Chinese proposals, there is no evidence to support the idea that South Korea is modifying its strategic interests to reflect greater consideration of China.

Since seeking reconciliation with an economically viable North Korea is a major strategic interest of South Korea's, the South Koreans naturally support any proposals that help it achieve that goal — regardless of who proposes it. China's participation in the Six-Party Talks, however, does not mean that South Korea, Japan, or even any of the other ASEAN states will begin to bend their own economic and security policies to favor China. More so than in Washington, the Asian capitals recognize that China had to seize the opportunity to be included. What is particularly interesting about this situation is that China appears willing to interfere in the domestic affairs of North Korea, albeit to a limited degree and certainly well short of violating North Korea's sovereignty.

The Bush Administration's North Korea Policy and U.S.-China Cooperation

As for the new Bush Administration, it is likely to continue to push its Complete, Verifiable, Irreversible, Dismantlement (CVID) policy on North Korea's nuclear program. American engagement of China through the Six-Party Talks operates on the assumption that China shares the American view that allowing North Korea to develop nuclear weapons would be a new and dangerous threat to regional stability. President Bush articulated this clearly when he reportedly remarked to Jiang Zemin in January 2003 that the North Korean nuclear issue "binds us in common purpose" and in February 2003 that "we have a joint responsibility to uphold the goal of a nuclear weapons-free Peninsula."¹² It is not clear, however, that American and Chinese interests are in fact bound in common purpose. Indeed Hu Jintao is more focused on dialogue and seeing that "actions that could further escalate the situation [are] avoided."¹³

¹² Bonnie S. Glaser, "China and the U.S. Disagree, but with Smiles," *Comparative Connections* (October 2003).

Clearly, the Chinese would prefer that the North Koreans do not stockpile nuclear weapons. It is, however, unlikely that their sense of concern about the issue is as intense as the Bush Administration's. If this were the case, one would expect to see a much more sophisticated combination of pressures and incentives by the Chinese on the North Koreans to negotiate. Chinese actions thus far indicate two, non-mutually exclusive logics at work. The first is the well-known view that the Chinese only want to be seen participating. That is, participation alone has some value for the Chinese. The second is that the Chinese do not want to become even more deeply involved in aid programs to North Korea than they are already, because experience has taught them that once North Korea secures a deal, Pyongyang considers it a floor for more concessions rather than a ceiling. Moreover, China seemingly has less to lose should North Korea acquire a practical nuclear arsenal, since it has lived with South Korea, Japan, and Taiwan as potential nuclear states for years. The Bush Administration's main concern that North Korea could develop mobile nuclear missiles that American forces could not be completely sure of destroying in a first strike attack or that the North Koreans might sell nuclear weapons is much less of a concern for China. Admittedly, China does have an interest in seeing that North Korea's nuclear weapons program does not create a nuclear 'domino' effect, where Japan, South Korea, and Taiwan also develop active nuclear weapons programs.¹⁴

The new Bush Administration may use its inauguration to modify its policy stance in some minor way to create an atmosphere for negotiations. It is hard to expect that any 'nuanced interpretation' of CVID will be markedly different than the Bush Administration's current position. There are risks for both the new Bush Administration and for China over North Korea. For China, the

¹³ *Ibid.*

¹⁴ I find the actual probability of a nuclear 'domino effect' extremely low, however, even if North Korea's nuclear weapons program were to continue at a low level.

longer the stalemate continues the more likely it is that some may perceive it as ineffectual on tough diplomatic issues. For the new Bush Administration, the more time passes without a solution, the greater the risks that the North Korean nuclear weapon stockpile will grow. Moreover, the deeper entrenched the United States becomes in its policies the greater the possibility that it may threaten North Korea or be forced to act on those threats.

For China, the longer the stalemate continues the greater the potential that its policy options will narrow to two, equally unpalatable policy choices: either bending on its long standing policy of non-interference or open opposition to the United States. The second Bush Administration may launch a new diplomatic effort designed to reach a solution and avoid these problems. With Chinese pressure, North Korea may agree to a negotiated settlement, but again, any new initiative is likely to be founded on previous policies and thus be difficult to achieve without North Korea also modifying its position.

Reconciliation — A Fading Hope?

South Korea has made incredible efforts towards engaging North Korea in a reconciliation process, which would allow the two states to live in peace and perhaps reunify someday. It has provided aid, increased some trade, and struggled to reopen the rail link between the two countries. These efforts have had a mild effect on North Korea's interest in peaceful reconciliation. Equally important, South Korea's efforts have captured the imagination of neither the Bush Administration nor the Chinese leadership, both of which are crucial to South Korea's hope of rejuvenating North Korea and finding a political solution to North and South Korean differences.

The Bush Administration does want to see a peaceful, negotiated reconciliation process but its energies remained on North Korea's

nuclear weapons development. Of course, North Korea's withdrawal from the NPT confirmed for the Bush Administration that North Korea is untrustworthy and opportunistic. North Korea's decision to walk away from the 1992 denuclearization agreement with South Korea, even though South Korea has tried sincerely to engage North Korea and has admitted to minor violations of International Atomic Energy Agency (IAEA) agreements itself, casts great doubt in the Bush Administration's mind about how genuine North Korea may be about any serious reconciliation process. China, for its part, seems willing to aid South Korea in its reconciliation efforts, as does Japan. Both Chinese and Japanese energies are also focused more on North Korea's nuclear weapons program and their own bilateral relations than on directly aiding South Korea's search for reconciliation.

Tensions between the United States and South Korea certainly have not helped South Korea's effort to gain support for its reconciliation hopes. Early miscommunications between President Bush and President Roh, particularly over U.S. military action in Iraq and the repositioning of troops, created some skepticism over how to manage the U.S.-ROK alliance. This uncertainty has created concern about South Korea's likely reaction to a U.S.-China confrontation over Taiwan, which inevitably undermines U.S. leverage over China's Taiwan policies. Both the United States and South Korea are making efforts to reassure each other of their alliance's role in stability in Northeast Asia and their commitments to that goal.

The Everlasting Question over Taiwan — Linkage to North Korea?

American and Chinese foreign policy views have long been asynchronous over Taiwan. The first Bush Administration affirmed the status quo — there is only one China, but it should not resort to force in dealing with Taiwan. The Bush Administration has worked

very hard to reassure China that its view of the 'One China policy' is not changing, even though Assistant Secretary of State James Kelly testified to the House International Relations Committee that the U.S. and China might hold different views of that policy.¹⁵ Both President Bush and his new Secretary of State Condoleezza Rice have stated to the Chinese leadership that American commitments to the One China policy remain firm. Moreover, the new Bush Administration appears to be taking a much tougher policy toward Taiwan to prevent any uncontrolled change in the status quo.¹⁶

Some might suggest that the Chinese may reach the conclusion that, with U.S. troops tied down in Iraq, military force might be a viable option to rein in Taiwan in if it were to seek formal independence or appear to be making such moves. This ignores two important facts and at least one possible new dimension in U.S.-China affairs. First, current U.S. forces deployed in and around Iraq are mostly ground troops and the U.S. Navy and Air Forces in the region are fully capable of foiling any Chinese plans to employ force on Taiwan.¹⁷ Second, with U.S. forces deployed in the Middle East, the U.S. is in an excellent position to cut Chinese oil supplies from the Middle East through a selective naval blockade, inflicting significant harm to China's economy.

Lastly, American engagement of China in Six-Party Talks may be creating a new dimension in U.S.-China relations with respect to Taiwan. That is, the United States and China may have begun linking North Korea and Taiwan issues. They may have agreed that the U.S. will withhold support for formal Taiwanese independence

¹⁵ Ching Cheong, "Two Different Takes on One-China Policy," *The Straits Times*, June 11, 2004.

¹⁶ Murray Hiebert, "US Approach to Taiwan is Set to be Tougher," *Wall Street Journal*, November 18, 2004.

¹⁷ Michael A. Glosny, "Strangulation from the Sea? A PRC Submarine Block of Taiwan," *International Security*, Vol. 28, No. 4.

in exchange for Chinese pressure on the North Koreans to negotiate over the nuclear weapons issue. This delicate diplomacy, if it exists, is filled with potential pitfalls. For example, moves by either the U.S. or China on their respective targets of North Korea and Taiwan are no guarantee that they will be effective and actions taken by Taiwan and North Korea similarly will not necessarily be the result of American or Chinese pressure. It will therefore be difficult for either the U.S. or China to know that the other is adhering to the deal. Similarly problematic, the timing or intensity of the problems are unlikely to coincide. The Bush Administration and China will have to take actions without immediate *quid pro quo* action from the other, which again means they will have to constantly reassure one another that they are carrying through with such a bargain and will not renege should either achieve its goals before the other. These difficulties, however, do not preclude the possibility that a private, general agreement already exists between the U.S. and China to aid each other with their individual interests. It does mean, however, that many may be underestimating the Bush Administration's diplomatic skills and Chinese strategic calculations.

The Japan Challenge

Japan poses a considerable challenge to China's Sino-centrism. Although Japan's trade and economic relations with China have grown considerably over the past decade, Japan and China are competitors globally and in the region. Common perception suggests that Sino-centrism is growing among ASEAN states but the same is not true for Japan. Indeed, Japan offers alternatives to and in some cases balances against the growth in Sino-centrism. Although some observe that Japan has been slow to compete with China economically in Southeast Asia, recent efforts at establishing FTAs and other economic agreements signify, overall, a concerted effort by Japan and regional countries to avoid being overly interdependent on any one state, namely China.

Japan's changing security policy is also a challenge to Sino-centrism. Tokyo's support of the previous Bush Administration will continue into the new Bush Administration. Japan has demonstrated a willingness to participate in new security initiatives such as the reconstruction of Iraq and the PSI. This gives Japan both legitimacy and a wider reach for its security activity. Even beyond this, parts of Southeast Asia seem to be welcoming Japanese efforts to help stem piracy. Equally important, Japan and South Korea continue to cooperate, in a limited way, on security issues, which indicates that China must calculate how its actions might affect Japan-South Korean economic and security interests, individually as well as combined. More importantly, however, Japan is showing a greater interest and willingness to bolster its alliance with America. Japan's new National Defense Program Outline (NDPO) is a prime example.

Japan's new NDPO sets it on a course of cooperation with the United States that will be closer than at anytime during more than 50 years of the U.S.-Japan alliance.¹⁸ Moreover, several features of the NDPO may clash with current Chinese security diplomacy. Specifically, Japan has stated a clear commitment to bolster its defenses of surrounding islands. This is a clear reaction to tensions between Japan and China over Chinese incursions around, and claims over, the Senkaku Islands, which began to heat up in 1996, and continue today. Japan's pledge to pursue missile defense, as well as seek a greater role in protecting its sea-lanes of communication, signals that Japan may be shedding some of its strategic ambiguity on Taiwan. Lastly, this latest NDPO signals greater flexibility in Japan for reassessing and altering its security strategy. Japan issued the first NDPO in 1976, followed by a second in 1995. This third NDPO is expected to last for 10 years, but will be reviewed in five. The Japanese are reassessing their

¹⁸ *National Defense Program Guidelines for FY 2005 and After*, approved by the Security Council and the Cabinet on December 10, 2004, Japan.

security interests more often and with greater efficiency.

Emerging Issues: Economics and Latin America

Economic realities of Sino-centrism will prompt the new Bush Administration and China to manage U.S.-China relations. The new Bush Administration is likely to push forward with pressure on China to revalue its currency and voluntarily curb its exports to America. China is likely to show some efforts to curb exports to avoid tensions with the U.S. but it does not appear China will ease its currency policy. In part, this is because of the much wider and long-lasting effects on the Chinese economy caused by revaluing the Yuan. How this will play out is uncertain, except to say that the new Bush Administration is likely to continue to raise it as an issue. Although economic issues will be contentious, both the United States and China will avoid narrowing their policy options to a path that sparks a costly trade war and broader WTO disputes.

It may be surprising but the new Bush Administration and China are beginning to cross paths in Latin America. This stems from Chinese economic growth, as it searches for new import and export markets. Latin America has emerged as being able to provide both. In fact, in the run-up to the 2004 Asia-Pacific Economic Cooperation (APEC) summit, China sought to launch new economic and diplomatic initiatives with Latin American countries. This new aspect of economic Sino-centrism reflects a Chinese desire to secure resources as well as diversify its suppliers. In reaction to this, the new Bush Administration is likely to revive policy initiatives planned but held in abeyance during the previous administration. These policies aim to ensure that Latin American states maintain close economic and political ties with the United States. There is unlikely to be a 'clash' between the new Bush Administration and China over South American markets but as an area of overlap, the region is a new

and emerging issue for the U.S. and China.

Final Analysis: Incremental Change for the New Bush Administration and Sino-centrism

Analysis of the relationship between the new Bush Administration and Sino-centrism, firstly illustrates that the current U.S. and Chinese foreign policies overlap on a small range of issues. The new Bush Administration is likely focused on the Middle East, weapon proliferation issues, and threats from non-state actors (terrorists), while China is likely to focus on regional issues of economic development, security assurance, and Taiwan. More bluntly, neither the new Bush Administration nor China appears poised to act in an obstructionist manner towards the other pursuing its interests, provided both operate within fairly well established patterns of behavior.

Secondly, China is likely to remain engaged in the Six-Party Talks, while the new Bush Administration will push for negotiations with North Korea. It is unreasonable to believe that nothing will change in these negotiations, as both the United States and China have incentives to reach an agreement on North Korea's nuclear weapon program, preferably sooner rather than later. Despite this, little change is likely in the core demands of the United States. Some move that saves the face of both the U.S. and North Korea, while still addressing the substantive issues surrounding North Korea's nuclear program, will be needed.

Thirdly, China's economic, military, and diplomatic policies will allow Sino-centrism to further take root in Asia. That is, the level of economic interdependence between China and regional states will increase, as will China's military capabilities and efforts to reassure the region that China will not be direct threat to them.

This 'growth' in Sino-centrism neither occurring in a vacuum nor does it mean that the United States is being excluded from Asia. Japan's bolstering of its security alliance with the United States is one clear example that the Chinese are not beguiling the Asian states. South Korea's balance between seeking help with North Korea, while resisting Chinese attempts to direct their foreign policy, serves as another good example. The abilities of ASEAN states to extract agreements from China on economic and security issues as well as their individual and collective efforts to balance their China policies with others is a third good example. Equally important, China's political ideology is not serving as a viable alternative to Western democratic ideals for Asian states. That is, ASEAN states are not remodeling themselves on China. Rather they are responding to the economic and security realities of the environment in which they exist.

Fourthly, as in the past, Taiwan continues to be a major issue for U.S.-China relations specifically and for Sino-centrism generally. At present, the United States is maintaining pressure on Taiwan not to declare formal statehood. The new Bush Administration is also holding to the 'One China policy.' Although several other countries also support the One China policy, it is clear that for many Asian states, maintaining Taiwan's current status is the preferred option. South Korea's recent renewal of economic ties is a good example of this.

In sum, given that the foreign policy orbits of the United States and China cross only on a narrow band of issues, they are likely to have little direct effect on each other. The areas where their policies do intersect — North Korea, Taiwan, and economic trade — are important and changes on the major issues will have significant effects, particularly in Asia. Barring some major crisis, the changes that will come are likely to be incremental rather than radical shifts.