

The
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Friend or foe?

A special report on China's place in the world
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Brushwood and gall

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China insists that its growing military and diplomatic clout pose no threat. The rest of the world, and particularly America, is not so sure, says Edward Carr

IN 492BC, at the end of the “Spring and Autumn” period in Chinese history, Goujian, the king of Yue in modern Zhejiang, was taken prisoner after a disastrous campaign against King Fuchai, his neighbour to the north. Goujian was put to work in the royal stables where he bore his captivity with such dignity that he gradually won Fuchai's respect. After a few years Fuchai let him return home as his vassal.

Goujian never forgot his humiliation. He slept on brushwood and hung a gall bladder in his room, licking it daily to feed his appetite for revenge. Yue appeared loyal, but its gifts of craftsmen and timber tempted Fuchai to build palaces and towers even though the extravagance ensnared him in debt. Goujian distracted him with Yue's most beautiful women, bribed his officials and bought enough grain to empty his granaries. Meanwhile, as Fuchai's kingdom declined, Yue grew rich and raised a new army.

Goujian bided his time for eight long years. By 482BC, confident of his superiority, he set off north with almost 50,000 warriors. Over several campaigns they put Fuchai and his kingdom to the sword.

The king who slept on brushwood and tasted gall is as familiar to Chinese as King Alfred and his cakes are to Britons, or George Washington and the cherry tree are to Americans. In the early 20th century he became a symbol of resistance against the treaty ports, foreign concessions and the

years of colonial humiliation.

Taken like that, the parable of Goujian sums up what some people find alarming about China's rise as a superpower today. Ever since Deng Xiaoping set about reforming the economy in 1978, China has talked peace. Still militarily and economically too weak to challenge America, it has concentrated on getting richer. Even as China has grown in power and rebuilt its armed forces, the West and Japan have run up debts and sold it their technology. China has been patient, but the day when it can once again start to impose its will is drawing near.

However, Goujian's story has another reading, too. Paul Cohen, a Harvard scholar who has written about the king, explains that the Chinese today see him as an example of perseverance and dedication. Students are told that if they want to succeed they must be like King Goujian, sleeping on brushwood and tasting gall—that great accomplishments come only with sacrifice and unyielding purpose. This Goujian represents self-improvement and dedication, not revenge.

Which Goujian will 21st-century China follow? Will it broadly fit in with the Western world, as a place where people want nothing more than a chance to succeed and enjoy the rewards of their hard work? Or, as its wealth and power begin to overshadow all but the United States, will China become a threat—an angry country set

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An audio interview with the author is at

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▶ on avenging past wrongs and forcing others to bend to its will? China's choice of role, says Jim Steinberg, America's deputy secretary of state, is "the great question of our time". The peace and prosperity of the world depends on which path it takes.

Some people argue that China is now too enmeshed in globalisation to put the world economy in jeopardy through war or coercion. Trade has brought prosperity. China buys raw materials and components from abroad and sells its wares in foreign markets. It holds \$2.6 trillion of foreign-exchange reserves. Why should it pull down the system that has served it so well?

But that is too sanguine. In the past integration has sometimes gone before conflagration. Europe went up in flames in 1914 even though Germany was Britain's second-largest export market and Britain was Germany's largest. Japan got rich and fell in with the European powers before it brutally set about colonising Asia.

Others go to the opposite extreme, arguing that China and America are condemned to be enemies. Ever since Sparta led the Peloponnesian League against Athens, they say, declining powers have failed to give way fast enough to satisfy rising powers. As China's economic and military strength increase, so will its sense of entitlement and its ambition. In the end patience will run out, because America will not willingly surrender leadership.

Reasons for optimism

But that is too bleak. China clings to its territorial claims—over Taiwan, the South China Sea, various islands and with India. Yet, unlike the great powers before 1945, China is not looking for new colonies. And unlike the Soviet Union, China does not have an ideology to export. In fact, America's liberal idealism is far more potent than token Communism, warmed-up Confucianism or anything else that China has to offer. When two countries have nuclear weapons, a war may not be worth fighting.

In the real world the dealings between rising and declining powers are not straightforward. Twice Britain feared that continental Europe would be dominated by an expansionary Germany and twice it went to war. Yet when America took world leadership from Britain, the two remained constant allies. After the second world war Japan and Germany rose from the ashes to become the world's second- and third-largest economies, without a whisper of a political challenge to the United States.

International-relations theorists have devoted much thought to the passing of



empires. The insight of "power-transition theory" is that satisfied powers, such as post-war Germany and Japan, do not challenge the world order when they rise. But dissatisfied ones, such as pre-war Germany and Japan, conclude that the system shaped and maintained by the incumbent powers is rigged against them. In the anarchic arena of geopolitics they believe that they will be denied what is rightfully theirs unless they enforce their claim.

So for most of the past decade the two great powers edged towards what David Lampton, a professor at Johns Hopkins School of Advanced International Studies, calls a double wager. China would broadly fall in with America's post-war order, betting that the rest of the world, eager for China's help and its markets, would allow it to grow richer and more powerful. America would not seek to prevent this rise, betting that prosperity would eventually turn China into one of the system's supporters—a "responsible stakeholder" in the language of Robert Zoellick, a deputy secretary of state under George Bush junior and now president of the World Bank.

For much of the past decade, barring the odd tiff, the wager worked. Before 2001 China and America fell out over Taiwan, the American bombing of China's embassy in Belgrade and a fatal mid-air collision between an American EP3 spy plane and a Chinese fighter. Many commentators back then thought that America and China were on a dangerous course, but Chinese and American leaders did not pursue it. Since then America has been busy with the war on terror and has sought plain

dealing with China. American companies enjoyed decent access to Chinese markets. China lent the American government huge amounts of money.

This suited China, which concluded long ago that the best way to build its "comprehensive national power" was through economic growth. According to its analysis, articulated in a series of white papers and speeches in the late 1990s and early 2000s, the country needed a "New Security Concept". Growth demanded stability, which in turn required that China's neighbours did not feel threatened.

To reassure them, China started to join the international organisations it had once shunned. As well as earning it credentials as a good citizen, this was also a safe way to counter American influence. China led the six-party talks designed to curb North Korea's nuclear programme. The government signed the Comprehensive Test-Ban Treaty and by and large stopped proliferating weapons (though proliferation by rogue Chinese companies continued). It sent people on UN peacekeeping operations, supplying more of them than any other permanent member of the security council or any NATO country.

Inevitably, there were still disputes and differences. But diplomats, policymakers and academics allowed themselves to believe that, in the nuclear age, China might just emerge peacefully as a new superpower. However, that confidence has recently softened. In the past few months China has fallen out with Japan over a fishing boat that rammed at least one if not two Japanese coastguard vessels off what ▶▶

▶ the Japanese call the Senkaku Islands and the Chinese the Diaoyu Islands.

Earlier, China failed to back South Korea over the sinking of a Korean navy corvette with the loss of 46 crew—even though an international panel had concluded that the *Cheonan* was attacked by a North Korean submarine. When America and South Korea reacted to the sinking by planning joint exercises in the Yellow Sea, China objected and got one of them moved eastward, to the Sea of Japan. And when North Korea shelled a South Korean island last month, China was characteristically reluctant to condemn it.

China has also begun to include territorial claims over large parts of the South China Sea among its six “primary concerns”—new language that has alarmed diplomats. When members of the Association of South-East Asian Nations (ASEAN) complained about this in a meeting in Hanoi in the summer, China’s foreign minister, Yang Jiechi, worked himself into a rage: “All of you remember how much of your economic prosperity depends on us,” he reportedly spat back.

Last year a vicious editorial in China’s *People’s Daily* attacked India after its prime minister, Manmohan Singh, visited disputed territory near Tibet; Barack Obama was shabbily treated, first on a visit to Beijing and later at the climate-change talks in Copenhagen, where a junior Chinese official wagged his finger at the leader of the free world; Chinese vessels have repeatedly harassed American and Japanese naval ships, including the *USS John S. McCain* and a survey vessel, the *USNS Impeccable*.

Such things are perhaps small in themselves, but they matter because of that double bet. America is constantly looking

for signs that China is going to welsh on the deal and turn aggressive—and China is looking for signs that America and its allies are going to gang up to stop its rise. Everything is coloured by that strategic mistrust.

Peering through this lens, China-watchers detect a shift. “The smiling diplomacy is over,” says Richard Armitage, deputy secretary of state under George Bush. “China’s aspiration for power is very obvious,” says Yukio Okamoto, a Japanese security expert. Diplomats, talking on condition of anonymity, speak of underlying suspicions and anxiety in their dealings with China. Although day-to-day traffic between American and Chinese government departments flows smoothly, “the strategic mistrust between China and the US continues to deepen,” says Bonnie Glaser of the Centre for Strategic and International Studies in Washington, DC.

There is nothing inevitable about this deterioration. Peace still makes sense. China faces huge problems at home. It benefits from American markets and good relations with its neighbours, just as it did in 2001. The Chinese Communist Party and the occupant of the White House, of any political stripe, have more to gain from economic growth than from anything else.

China’s leaders understand this. In November 2003 and February 2004 the Politburo held special sessions on the rise and fall of nations since the 15th century. American policymakers are no less aware that, though a powerful China will be hard to cope with, a dissatisfied and powerful China would be impossible.

Now, however, many factors, on many sides, from domestic politics to the fallout from the financial crisis, are conspiring to make relations worse. The risk is not war—

for the time being that remains almost unthinkable, if only because it would be so greatly to everyone’s disadvantage. The danger is that the leaders of China and America will over the next decade lay the foundations for a deep antagonism. This is best described by Henry Kissinger.

The dark side

Under Richard Nixon, Mr Kissinger created the conditions for 40 years of peace in Asia by seeing that America and China could gain more from working together than from competing. Today Mr Kissinger is worried. Speaking in September at a meeting of the International Institute for Strategic Studies, he observed that bringing China into the global order would be even harder than bringing in Germany had been a century ago.

“It is not an issue of integrating a European-style nation-state, but a full-fledged continental power,” he said. “The DNA of both [America and China] could generate a growing adversarial relationship, much as Germany and Britain drifted from friendship to confrontation...Neither Washington nor Beijing has much practice in co-operative relations with equals. Yet their leaders have no more important task than to implement the truths that neither country will ever be able to dominate the other, and that conflict between them would exhaust their societies and undermine the prospects of world peace.”

Nowhere is the incipient rivalry sharper than between America’s armed forces and their rapidly modernising Chinese counterparts. Globally, American arms remain vastly superior. But in China’s coastal waters they would no longer confer such an easy victory. ■



The fourth modernisation

China is becoming a military force to reckon with in the western Pacific. How should America respond?

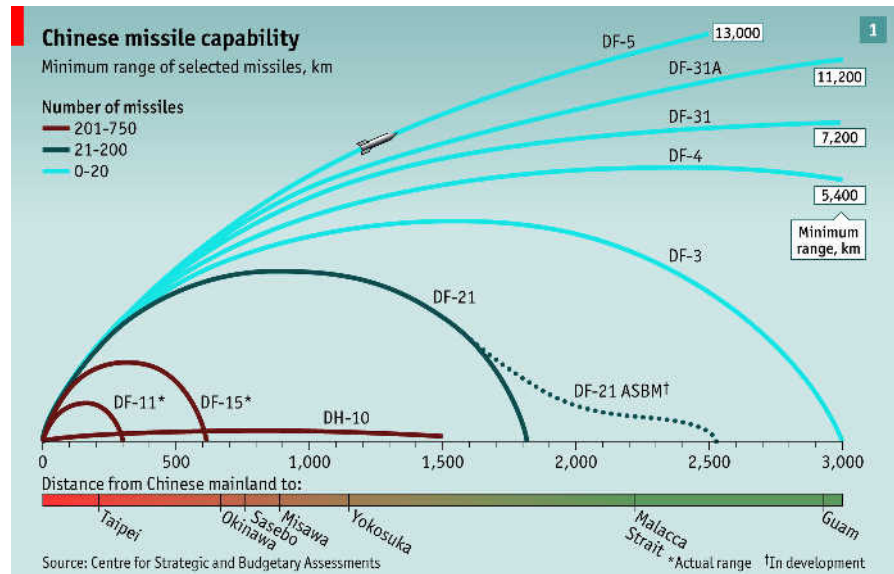
THIRTY-FIVE years ago Deng Xiaoping accused the People's Liberation Army (PLA) of "bloating, laxity, conceit, extravagance and inertia". Even so, three years later, when he set about modernising China, he put the PLA last in the queue, behind farming, industry and science. And when the commander of the navy in 1982 laid out his plans for China to become a world sea power, he did not expect his goal to be realised before 2040.

Later military modernisation became more of a priority, thanks to two demonstrations of American firepower. First, America's use of precision weapons in Operation Desert Storm during the first Gulf war convinced China that it could no longer base its defence on the weight of numbers. Second, when the PLA was hectoring Taiwan with missile tests in 1996, President Bill Clinton ordered two aircraft-carrier strike groups into the region, one of them headed by the provocatively named *USS Independence*. China had to back down.

The collapse of the Soviet Union had persuaded China's leaders that an arms race with the world's only superpower could squander enough money to pose a threat to the party's grip. To challenge America head on made no sense. Instead China put its efforts into affordable "asymmetric" weapons.

This unorthodox strategy has made the PLA's progress harder to measure. Western opinion is deeply divided. Military analysts are alarmed at what they see as a growing threat to American maritime supremacy in the western Pacific. China security specialists tend to scoff at all the scaremongering. Who is right?

Three areas of the PLA's modernisation stand out. First, China has created what the Pentagon calls "the most active land-based ballistic- and cruise-missile programme in the world". The Second Artillery has about 1,100 short-range ballistic missiles facing Taiwan and has been extending their range and improving their accuracy and payload. The Second Artillery is also improving its medium-range ballistic missiles, able to carry either conventional or nuclear warheads. The PLA has deployed several hundred air- and land-launched long-range cruise missiles. And it is developing



the world's first anti-ship ballistic missile, fitted with a manoeuvrable re-entry vehicle for added menace.

Second, China has transformed and enlarged its submarine fleet, which can now berth in the newly completed base on Hainan Island, just off China's southern coast. In the eight years to 2002 China bought 12 Russian Kilo-class submarines, a big improvement on its own noisy Ming- and Romeo-class boats. Since then the PLA navy has been introducing longer-range and stealthier Chinese designs, including the nuclear-powered Jin class, which carries ballistic missiles, and the Shang class, a nuclear-powered attack submarine. China has about 66 submarines against America's 71, though the American boats are superior. By 2030, according to the Kokoda Foundation, an Australian think-tank, China could have 85-100 submarines.

And third, China has concentrated on what it calls "informatisation", a tongue-twister that Jiang Zemin coined in 2002 to describe how the PLA needs to function as one force, using sensors, communications and electronic and cyber-warfare. China now has a good idea of what is going on far into the Pacific, thanks to a combination of satellites, over-the-horizon radar, medium-range surface-wave radars, reconnaissance

drones and underwater-sensor arrays.

China has also been working on anti-satellite weapons. American satellites have been "dazzled" by lasers fired from the ground. And in 2007 a ballistic missile launched from Xichang space centre in Sichuan blew up a broken weather satellite—no mean feat, though other countries were furious because it produced more than 35,000 new pieces of space debris.

Chinese hackers have been busy, too. In March last year Canadian researchers discovered a spy network containing more than 1,300 computers, many of them in China, that had got into governments' systems. Taiwanese and Western targets suffered from severe Chinese cyber-attacks at least 35 times in the decade to 2009, according to Northrop Grumman, an American defence contractor. The Pentagon concedes that it is not sure the PLA was behind such attacks, but argues that "authoritative" analysts in the PLA see cyber-warfare as important.

The new arsenal

What does this amount to? Military experts in America, Australia and Japan think China's new arsenals are a greater threat than its higher-profile plans to launch aircraft-carriers in the next decade ►►

or so. Alan Dupont, of the University of Sydney in Australia, says that “missiles and cyber-equivalents are becoming the weapons of choice for the conventionally outgunned.”

According to the Centre for Strategic and Budgetary Assessments (CSBA), an American research institute, Chinese fire-power threatens America's Asian bases, which until now have been safe from all but nuclear attack. The Second Artillery's missiles could swamp the bases' defences and destroy runways as well as large numbers of fighters and ships. Japan is already within range of Chinese missiles, many of them currently pointing at Taiwan. Guam soon will be (see chart 1, previous page).

China's submarines, missiles and anti-ship cruise missiles threaten America's aircraft-carrier strike groups within 1,000 to 1,600 nautical miles of the Chinese coast. According to Ross Babbage, an Australian defence analyst and founder of the Kokoda Foundation, if China had an anti-ship ballistic missile, coming in fast and without much warning, it would be even harder to defend against. And China's space and cyber-weapons could serve as what Chinese planners label an “assassin's mace” in a surprise attack designed to smash America's elaborate but fragile electronic networks. That would leave American forces half-blind and mute, and its bases and carriers more vulnerable still.

In sum, China's abilities to strike have soared far beyond seeking to deter American intervention in any future mainland dispute with Taiwan. Today China can project power out from its coastline well beyond the 12-mile (19km) limit that the Americans once approached without a second thought. Mr Okamoto, the Japanese security expert, believes China's strategy is to have “complete control” of what planners call the First Island Chain. Ultimately, China seems to want to stop the American fleet from being able to secure its interests in the western Pacific.

America's most senior officials have taken note. Last year Robert Gates, the defence secretary, gave warning that “investments [of countries like China] in cyber- and anti-satellite warfare, anti-air and anti-ship weaponry and ballistic missiles could threaten America's primary way to project power and help allies in the Pacific—in particular our forward air bases and carrier strike groups.”

Mr Babbage is blunter: “Current defence planning is invalid,” he says. He and the analysts at CSBA argue that America needs to rethink its strategy in the Pacific. It

should strengthen its bases and be able to disrupt Chinese attacks with decoys and by spreading aircraft and ships around the region. American forces must have better logistics and be able to fight even when their information networks are impaired. Crucially, they must be in a position to disable China's electronic reconnaissance, surveillance and battle-damage assessment, some of which is protected by a system of tunnels beyond easy reach of American weapons.

Pacific in name only

Critics say the cold warriors are suffering from a bad case of “enemy-deprivation syndrome”. For a start, the impression that China's defence spending has soared is misleading. The PLA's budget has broadly kept pace with GDP in the past decade, after two decades in which its share of GDP fell (see chart 2). Experts differ about the size of China's defence budget, which is only partly disclosed. Sam Perlo-Freeman, of the Stockholm International Peace Research Institute, puts overall spending in 2009 at \$99 billion in 2008 dollars, though some estimates are higher and the official total is only \$70 billion. The United States is planning to spend \$663 billion. As a share of GDP, China spends less than half the American figure and less than it did at the start of the 1990s. “There is not much evidence of an arms race,” says Mr Perlo-Freeman.

Some doubt the quality of China's equipment. One retired American admiral says that much of the Russian equipment it bought was “junk”. Despite China's progress, it lags in guidance and control, turbine engines, machine tools, diagnostic and forensic equipment and computer-aided design and manufacturing. “China has come a long way fast,” says Professor Dupont, “but military modernisation gets

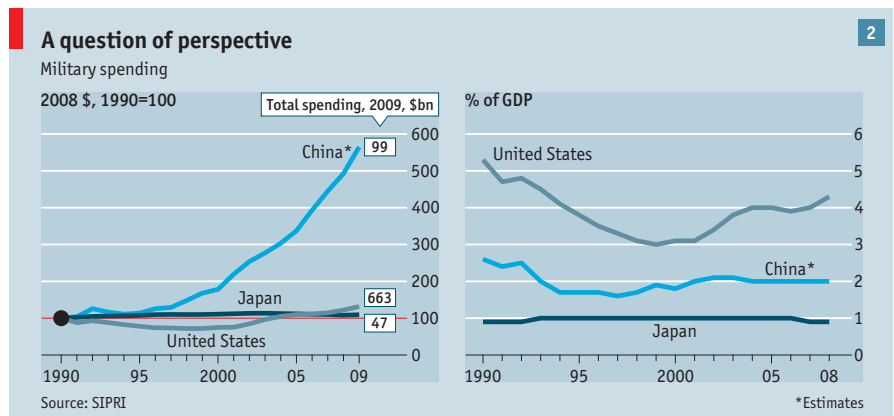
harder from here.”

Some have doubts about China's manpower, too. The PLA is much more professional now than when it was a peasant army, but it lacks experience. Nigel Inkster, of the International Institute for Strategic Studies (IISS), recalls one of the founders of the Chinese navy once telling him: “It's not that I didn't know much about sailing, but I hadn't ever seen the sea.”

Complex subjects like submarine warfare take years to master. “If you fight, there are holes,” says the IISS's Christian Le Mière. “And until you do, you don't know where they are.” The retired admiral thinks Chinese forces suffer from a lack of trust, which could slow them up in battle. “We give our people responsibility and initiative,” he says. “That's anathema to them.”

Robert Ross, a professor at Harvard, argues that the pessimists overestimate China's threat and underestimate America's powers. The United States is better able to track the other side's submarines; it is superior in cyber-warfare and less vulnerable than China in space—if only because it has built-in redundancy. China would struggle to penetrate the countermeasures and electronic camouflage that protect American ships. Carlyle Thayer, of the Australian Defence Force Academy, notes that it has already deployed 31 of its 53 fast-attack submarines and three Ohio class nuclear submarines to the Pacific.

For all the uncertainties in this debate, three things are beyond dispute. First, China has already forced American ships to think about how and when they approach the Chinese coast. The closer American vessels come, the more missiles and submarines they face and the less time they would have to react to a strike. Anyone sailing a carrier worth \$15 billion-20 billion with a crew of 6,000 would think twice about taking on that extra risk. To deny



▶ America possession of seas it has dominated for decades, China does not need to control its own coastal waters; it just has to be able to threaten American ships there. Hugh White, a former Australian security and defence official, foresees the western Pacific becoming a “naval no-go zone”.

Second, China's ability to project power is improving. Its submarines, missiles, and cyber- and electronic warfare, once poor, now pose a threat. Its J10 would be a match for Israel's fast jet. China's weapons will continue to improve, and its forces will gather experience. Provided that the economy does not fall over, budgets will grow, too, absolutely and possibly as a share of GDP. Other things being equal, China can project power into its backyard more easily than America can project power across the ocean. At risk is what Mr Gates has called “the operational sanctuary our navy has enjoyed in the western Pacific for the better part of six decades”.

Third, although the United States is able to respond to China, it will have to overcome some obstacles first. America's mili-

tary spending in Asia is overshadowed by the need to cut overall government spending and by other military priorities, such as Afghanistan. Jonathan Pollack, of the Brookings Institution, points out that some ideas, such as replacing aircraft-carriers with more submarines, would inevitably run into opposition from the navy and from politicians whose constituencies would suffer. “For many officers the navy's core institutional identity is indelibly tied to carriers and the power-projection mission they perform,” he says. “Reducing their numbers is going to be a very painful process.” Above all, big shifts in military planning take decades: America needs to think now about China in 2025.

All this points to an important principle. Military planning is framed differently from diplomacy. Diplomats are interested in what they think states intend to do, but military planners have to work with what they think states can do. Intentions change and states can mislead. If you are charged with defending your country, you need to be able to meet even improbable threats.

That logic works in China, too. America has not been shy of going to war in recent years. Not long ago a retired Chinese admiral likened the American navy to a man with a criminal record “wandering just outside the gate of a family home”. American strength in the 1990s made China feel insecure, so it transformed the PLA to shore up its policy on Taiwan and protect its economically vital coastline. Yet by adding to its own security, China has taken away from that of its neighbours and of the United States. Perhaps China does not mean ever to use its weapons aggressively. But American defence planners cannot rely on that, so they must respond.

In this way two states that never intend harm can begin to perceive each other as growing threats. If you do not arm, you leave yourself open to attack. If you do, you threaten the other country. A British historian, Herbert Butterfield, called this the “absolute predicament and irreducible dilemma”. It is one reason why relations between China and America will probably sour. ■

Less biding and hiding

China is becoming more nationalistic and more assertive. How will other countries react?

“WHO is your enemy?” It was a fine Beijing day in early summer this year. In the seminar room on the campus of Peking University one of a delegation of visiting American academics posed the question to Wang Jisi, dean of the School of International Studies. There was a moment's silence. Mr Wang hesitated before looking up and replying: “Most Chinese would say the US is the enemy.”

And yet, as Robert Ross sets out in his book, “Chinese Security Policy”, America and China have had a remarkably productive partnership since President Richard Nixon and Henry Kissinger turned up in Beijing in 1972. At first this was based on a shared antagonism towards the Soviet Union, which China had fought in border clashes in 1969. Under Mao, China had often bullied its neighbours, but had now subordinated this part of its foreign policy because co-operation with America was more important. Under Deng Xiaoping, Mao's eventual successor, China even reluctantly accepted America's continuing arms sales to Taiwan.

When the Soviet threat evaporated,

China continued to put foreign policy second—this time for the sake of economic development. Again, that required co-operation with America, the best source of demand, technology and investment. Deng summed up the policy in a famous slogan: “Coolly observe, calmly deal with things, hold your position, hide your capacities, bide your time, accomplish things where possible.” When the world began to worry about China's surging power, a senior official tried to calm fears, pledging a *heping jueqi* (peaceful rise). Even that had to be watered down, as the *jue* in “rise” suggests “towering as a peak”. These days Hu Jintao, China's leader, prefers the deliberately bland “harmonious world”.

Over the years China's leaders have worked hard to steer relations with America through their inevitable crises. By and large, they have succeeded. Now China's behaviour—most recently towards Japan, South Korea and the South China Sea—has begun to alarm China-watchers. Yet why would the country's leaders suddenly risk undermining a policy that has brought China such prosperity?

There are two possible reasons. One is that China's strategy has begun to change. Some Chinese argue that, now their country is strong, it no longer needs to kowtow to American power. The other is that Chinese society itself has begun to change. In what Richard Rigby, of the Australian National University in Canberra, calls “a fragmented authoritarian one-party state”, the leaders need to listen more closely to what other people think.

If we can, we will

Start with China's changing strategy. China has a keen sense of its growing national power and American decline, sharpened by the financial crisis, which uncovered flaws in America and Europe and found China to be stronger than many had expected. “There is a perception in China that the West needs China more than China needs the West,” says one diplomat in Beijing. America's difficult wars have added to the impression. According to Raffaello Pantucci, a visiting scholar at the Shanghai Academy of Social Sciences, Chinese analysts “gleefully” conclude that NATO ►►

► forces will lose in Afghanistan.

"We used to hide our power—deny our power," a Chinese scholar told David Lampton of the School of Advanced International Studies in Washington. "But then this became increasingly impossible as our strength increased." For a time this led to redoubled efforts to reassure America and the region. But today, according to Yuan Peng, of the China Institutes of Contemporary International Relations in Beijing, "many Chinese scholars suggest that the government give up the illusion of US partnership and face squarely the profound and inevitable strategic competition."

China's desire to assert itself springs from a natural appetite. A rising country is like a diner sitting down to a full table: until he starts eating, he does not realise how hungry he is. "Power changes nations," writes Robert Kagan, an American foreign-policy commentator. "It expands their wants and desires, increases their sense of entitlement, their need for deference and respect. It also makes them more ambitious. It lessens their tolerance to obstacles, their willingness to take no for an answer."

China has been good at suppressing that appetite, but it also has growing reasons to project power. Chinese companies are scouring the globe for the raw materials they need. Already China is Saudi Arabia's biggest customer. It imports about half of the oil it burns, a share that will rise to two-thirds by 2015 and four-fifths by 2030. China cares what happens in the countries that supply it.

An irony not lost on Kurt Campbell, America's assistant secretary of state, is that China's strategy of acquiring natural resources has so far been based on what he calls "an operating system" provided by the United States—which guarantees stability and the free flow of maritime traffic. One reason why China is now building an ocean-going navy is to protect its raw materials and goods from embargoes.

This reflects a lack of faith in the global trading system, part of an underlying fear that the West is fundamentally hostile to China's prosperity—"Westernising, dividing and weakening", as the slogan goes. Jonathan Paris, a London-based security specialist, says young Chinese are disenchanted by what they see as Western China-bashing. Some influential groups think that foreign calls for China to be a "responsible stakeholder" are in fact designed to keep the country down, and that it should co-operate only if the West makes concessions on issues such as Taiwan and Tibet.

The question is whether China's lead-

ers agree that now is the time to assert the country's power. The apex of Chinese politics is so closed to the world that analysts cannot be sure. In 2009 Mr Hu said China could "actively" make modest contributions to international issues. On their annual summer retreat, at the resort of Beidaihe, the country's leaders reportedly debated whether China should edge away from Deng's "bide and hide" slogan. Some influential party journals that may reflect the leaders' thinking have concluded, "not yet". However, even that position strikes



some diplomats as a shift. In the 1990s the argument was about whether China could work with America in the long run. Now it is about when to apply pressure.

Whatever the leaders think, they are operating in a society that is changing rapidly. These days they are more influenced by a new set of foreign-policy interests, including resource companies, financial institutions, local government, research organisations, the press and online activists. Linda Jakobson and Dean Knox of the Stockholm International Peace Research Institute (SIPRI), who have studied these groups, say many of them feel strongly

that China should be "less submissive" towards the outside world.

Such people's assertiveness partly reflects the patriotism that the government encouraged in order to prop up its legitimacy after it brutally put down the protests in Tiananmen Square in 1989. First came a weekly flag-raising ceremony with a rousing address in every school. Next, museums and relics were designated "patriotic education bases". In 1991 Jiang Zemin, then general secretary, wrote that patriotic education "let the Chinese people, especially the youth, enhance their pride and self-confidence in the nation and prevent the rise of the worship of the West".

The rise of nationalism

The first generation to get that treatment is now nearing its 30s, and its nationalism shows every sign of being genuine and widespread. "On Tibet and Taiwan it's not just Chinese ministers who bang tables," says Lord Patten, who negotiated the hand-over of Hong Kong from Britain to China, "but Chinese dissidents, too." "This is a people with a sense of their past greatness, recent humiliation, present achievement and future supremacy," says Mr White, the former Australian security and defence official. "It's a potent mix."

China's more commercial media have found that nationalism sells. According to Susan Shirk, an American academic and former deputy assistant secretary of state, readers like stories complaining about Japan, Taiwan and America—and the censors are usually happy to see coverage of such things. SIPRI found that the most influential journalism on foreign policy appears in the *Global Times*, which is written by hardline nationalists.

The country's excitable "netizens" tend to spread the idea that China is misunderstood and to see a slight round every corner. In 2008, during a Chinese row with Vietnam over the South China Sea, another suggested teaching the Vietnamese a lesson—and published an invasion plan to show how. This feeds China's sense of victimhood. One blogger and journalist, called Fang Kechang, worked out that since 1948 the Chinese people had officially been "humiliated" at least 140 times—and that the insults were more common in the reform era than in Mao's time.

What passes for public opinion in China is not the only source of pressure on the leaders. The factions within China's elite "selectorate", no passive monolith, have also been finding their voice. And that, too, tends to nudge policy towards national- ►►

ism. Foreign affairs used to be the business of the pro-detente foreign ministry. It was mocked as the “ministry for selling out the country” and, supposedly, was sent calcium pills by members of the public who wanted to stiffen its spine.

Now the issues are more complex, domestic ministries and mid-level bureaucrats are also involved—and they tend to be more nationalistic than senior foreign-ministry officials. The SIPRI researchers found that the ministry of state security, in particular, has a bigger role in foreign policy. At the climate-change talks in Copenhagen authority lay with the National Development and Reform Commission, charged with economic development. China attracted foreign criticism for taking a hard line, against the foreign ministry's advice.

The PLA's influence is harder to read. On the one hand since the 1992 party congress no officer has been picked for the all-important standing committee of the Politburo. At the end of the Cultural Revolution more than half the Politburo was from the PLA; now only two out of 24 are. On the other, writers from PLA research institutions are more outspoken and conspicuous than they used to be, using newspaper commentaries and television appearances to put over the PLA's views.

Unlike professional Western armies, the PLA speaks out on foreign policy. In his book “The Party”, Richard McGregor points out that it contains roughly 90,000 party cells—one for every 25 soldiers. Although promotion these days depends on competence as well as ideology, the PLA's political role gives it a voice in security policy. Unlike Mao and Deng, today's leaders did not have a military background, so they may need to hold the PLA close.

There is no reason to believe that the leaders' authority has dimmed. If they think a policy is of paramount importance for the country or the party, they will get their way. The authorities can still put down pretty much any demonstration if they choose. But politics is rarely black and white, even in China. Government is usually about shades of grey. When the leaders hear a single message from the press, netizens and their own advisers, they may feel they need to listen. When public opinion is split, they can usually afford to ignore it. James Reilly, of the University of Sydney, who has studied China's policy towards Japan, says that public pressure is most potent when the elite is divided.

Either way, the authorities will watch public opinion, if only because protest can become a covert form of opposition. Anti-



Japanese demonstrations in South Korea in the 1960s fuelled the pro-democracy movement—just as protests against African students preceded the Tiananmen protests in 1989. Foreign policy has a history of destabilising governments in China, says Rana Mitter of Oxford University, and the Chinese are quick to blame foreign failures on domestic weakness—“disorder at home, calamity abroad,” they like to say.

Nationalism may frame an issue before the leaders get to deal with it. By the time the row over, say, the disputed Senkaku/Diaoyu Islands reaches their desks, the propaganda department, along with commentators in the press and statements from the PLA, may have created a context that they cannot back away from without looking weak.

This dynamic is not new. It greatly complicated the mid-air collision between a Chinese fighter and an American spy plane in 2001, which the PLA had (wrongly) blamed on the Americans. But just now, in the run-up to the change of the country's leadership in 2012, seeming to be a push-over could wreck careers.

The risk, writes Ms Shirik, is that “compromise is likely to be viewed as capitulation.” That creates dangers for anyone in China who favours detente. Speaking to Mr Lampton about Taiwan, one Chinese scholar put it this way: “If we suppose that there are two options and they use tough measures...and the leader fails to resolve [a problem], he is justified. But if [he] uses too much honey and he fails, he is regarded as guilty by all future generations.”

In the long term the leaders' scope for action will depend on China's economic growth. A booming China will indicate that the country is strong enough to press its case in the world. A weak China where growth has stumbled and the party feels under pressure at home could stir up trouble abroad. That does not leave much scope for a less assertive China.

Supposing that the leaders want to cleave to Deng's original injunction to

“bide and hide”, three things are in their favour. First, popular nationalism counts for most in territorial disputes, such as Taiwan and the islands off China's coast. According to Jian Yang, of Auckland University, New Zealand, nationalism plays less of a part in technical areas such as economics, which may matter as much, if not more, to China's leaders. Second, China does not obviously have a grand alternative vision to the liberal order that America has sponsored since the second world war. It need not run into ideological battles abroad.

But third and most important, there is a lot that America and China agree on. Both want a healthy world economy, a stable Asia, peace in the Middle East, open sea lanes, a limit to proliferation, an open trading system, and so on. They have plenty of reason to want good enough relations to accomplish such things.

Turn up the assertiveness

The most likely outcome is a more assertive China that wants to get more done abroad without fundamentally upsetting the world order. On sensitive territorial issues where the party's credentials are at stake, China may be uncompromising and increasingly unreasonable. Elsewhere its leaders will probably be looking for deals—though they will insist on better terms, as befits a global power.

How easily will the world accommodate this more assertive China? For the best part of a decade China has tried hard to reassure its neighbours that they have nothing to fear from its rise. So its new assertiveness will be doubly uncomfortable, especially if it is mixed up with bad-tempered territorial disputes. In other words, Asian security will be determined not just by how China uses its new strength but by how other countries react to it. This was the idea behind China's conciliatory New Security Concept. Other countries will relax if they are reassured that China does not pose a threat. Unfortunately, the charm offensive has not altogether worked. ■

In the balance

Their wealth depends on China, their security on America. Which way should Asian countries face?

IN HIS book "The Rivals", Bill Emmott, a former editor of this newspaper, quotes a senior Indian foreign-service official on the subject of India and China. "The thing you have to understand", he says, "is that both of us think that the future belongs to us. We can't both be right."

When economists and businesspeople look at China's rise, they see a blessing in which everyone stands to gain from everyone else's prosperity. The country has become the chief trading partner for most parts of the region—even if the West is an important source of final demand. As China becomes richer, it will become a market for the rest of Asia, just as the region will become a bigger market for China.

Alas, security does not work that way. When two countries do not really trust each other, greater security for one undermines the security of the other, as that Indian official revealed. In a troubled continent like Asia, countries therefore look to America to save them from an increasingly powerful China—to "the water far away" for protection from "the fire nearby".

Naturally, Asian countries want to have it both ways: to resist China's power but to continue trading with it; to benefit from American security but without sacrificing Chinese commerce. This is a difficult trick to pull off, and if relations between America and China become harder to manage over the next decade or so, as looks likely, the region will sit uncomfortably between two poles. The lesser powers could even add to the tension between the two giants.

That would frustrate China, which has been at pains in recent years to reassure its neighbours by doing the right thing, as well as by soft-soaping them with all the talk about a "peaceful rise". It has, for instance, gone out of its way to settle its border disputes—and on notably generous terms. Taylor Frael, of the Massachusetts Institute of Technology, concluded that in settling 17 of its 23 territorial disputes China usually agreed to take less than half of the contested land. It has also usually been generous in economic diplomacy, signing a series of free-trade agreements across Asia. "In the space of a decade", according to Marc Lanteigne, of Victoria University in Wellington, New Zealand, "China has

transformed itself from a sceptic of liberalised and preferential trade into one of their strongest proponents."

China has joined multinational groupings (even, in the Shanghai Co-operation Organisation, helping to found one). It is now a member of more than 50 intergovernmental and over 1,000 international non-governmental outfits. You can find Chinese delegates at the ASEAN Regional Forum, ASEAN Plus Three, the ASEAN Defence Ministers' Meeting and APEC—and that is only the meetings starting with A. Asian states hope that, like Gulliver, China can be bound by these regional threads.

That is to put a lot of faith in multinational forums, however. Criticising diplomats for trying to talk peace might seem harsh, but Asia has too many regional assemblies. The Japan Centre for International Exchange counted 277 multilateral intergovernmental meetings about security in 2007 alone.

Nick Bisley, of La Trobe University in Australia, who has studied Asia's regional-security groups, concludes that this seeming abundance is really a mask for mistrust, as each Asian country tries to shop in its own favoured forum. Meetings can be superficial and leaders tend to shy away

from taking real, binding decisions. Being in the media spotlight does not help. Asia's various forums and treaties "looks more like a list of cats and dogs than a coherent and predictable framework for the future", writes Gary Schmitt of the American Enterprise Institute in Washington.

Part of the trouble is that these forums have to purge a lot of bad blood. Although China gets on better with its 14 neighbours now than it has done for centuries, it still fully trusts none of them—and vice versa. Relations with Japan have never got over the imperial occupation. Since 1949 China has skirmished with Russia and fought the UN in Korea and India and Vietnam.

Naval battles

In addition China has pressed its sea claims with a vehemence that it has mostly avoided in land-border disputes, perhaps because fish and mineral riches are at stake. In the past 36 years China has skirmished over the Paracel Islands with Vietnam (1974); over the Spratly Islands with Vietnam (1988) and the Philippines (1994); with South Korea over Socotra Rock (2006); and with Japan over the Okinotori Islands (2004) and the Senkaku/Diaoyu Islands (most recently, 2010).

With so many neighbours pulling in so many different directions, Beijing's foreign policy faces inevitable contradictions. When North Korea sank the *Cheonan*, China had to choose between security and its increasingly close ties to South Korea. In siding with the North, it sent a damaging signal to the South that it was unwilling or unable to control its ally. Likewise, Chinese relations with India are complicated by what happens in neighbouring countries. Not only does India mistrust China in Pakistan, but it vies with it in places such as Nepal and Sri Lanka that it sees as within its own sphere of influence.

How, then, do Asian countries cope with China's strength and the shortcomings of multinational organisations? They are slowly but steadily buying weapons as they get richer. In its defence white paper last year Australia worried aloud about a powerful China and suggested renewing and doubling its submarine fleet as well as designing a more capable "future frigate". ▶▶



▶ Vietnam has ordered six Kilo-class submarines from Russia. Earlier, Singapore bought two Swedish Archer-class submarines and Malaysia and India between them bought eight French Scorpène-class submarines.

Japan, too, has been arming itself in a roundabout way. Although its official defence budget is only 1% of its GDP and over the past decade has shrunk by about 5% in nominal terms, in real terms it has remained almost static. Japan has also been shifting resources towards its navy, which is still more than a match for China's. And Richard Samuels, of the Massachusetts Institute of Technology, has shown that the Japanese coastguard, financed outside the defence budget, now has a fleet of ships and rules of engagement that are laxer

George Washington off the Vietnamese coast. American naval ships have docked in Vietnam, which has agreed to repair American Sealift Command vessels. It seems longer than 35 years ago that the two countries were at war.

So-so about Uncle Sam

Yet there is nothing straightforward about looking for security to America—Asia's least distrusted power, as Lee Kuan Yew, Singapore's "Minister Mentor", has described it. Sometimes countries have to overcome obstacles at home. During George Bush's presidency, India and America cemented their new entente with a deal to work together in nuclear power. Yet even that degree of intimacy stirred up domestic opposition from left-wing Indi-

Cohen and Sunil Dasgupta argue that they also suffer from inter-service rivalry, poor procurement and a lingering suspicion of the use of armed force (which from independence was associated with British colonial rule).

Or take South Korea, a long-term American ally, which has veered from security to economics and back again. Under President Roh Moo-hyun the country peeled off from America in an attempt to demonstrate its independence as an Asian power with increasingly close economic links to China. In 2007 Roh won America's agreement that from 2012 South Korea would once again have command of its own forces in the event of a war. He also supplied the North when America cut off energy aid. However, his successor, Lee Myung-bak, has wrenched policy towards American security once more. He has delayed the transfer of wartime command to 2015 and taken a hard line on North Korea.

In Japan different factions exhibit all these tendencies and more. Parts of the governing Democratic Party of Japan have sought to move Japan closer to China. Parts of the Liberal Democratic Party, now in opposition after decades in government, represent the presence of 36,000 American military personnel in bases dotted across the country. Others are so wedded to pacifism that the Americans wonder if the Japanese would actually turn up if they were needed. And yet others harbour doubts whether Japan can always count on America. To many Japanese, the row over the Senkaku/Diaoyu Islands has shown how prickly China can be. After the coastguard arrested the fishermen, China cancelled meetings, gummed up Japanese trade and stopped exports of rare earths. Japanese diplomats were pleased that Mrs Clinton spoke out in their support. Yet MIT's Mr Samuels thinks America needs to reassure Japan, its most vital ally in Asia. If Japan appeared to doubt it, America would see all of its Asian alliances suffer.

The calculation for China is different. Its efforts to cultivate its neighbours have produced only mixed results. Economic ties buy a certain amount of goodwill, but much of the region rushes off to America at the first sign of trouble. As China's appetite to assert itself grows, that could easily become a source of dissatisfaction, which would feed the superpowers' mutual mistrust. Either way, America and China are likely to compete to win the loyalty of the region. That, too, could poison the most important relationship of all—the one between China and America. ■



than those of the self-defence forces.

As well as arming themselves, Asian countries have drawn closer to the United States. This was on dramatic display at the ASEAN regional forum in Hanoi in July. In a piece of choreography that infuriated China, ASEAN members complained one after the other about the heavy-handed way their neighbour was asserting a claim over the South China Sea. The statements culminated with Hillary Clinton, America's secretary of state, underlining how her country would intercede to ensure safe passage through international waters.

Progress has been made bilaterally, too. In August Vietnam and America began high-level military co-operation, with a meeting in Hanoi. Vietnamese officials have been aboard the aircraft-carrier *USS*

ans. A fully fledged defence agreement with America to contain China does not seem on the cards for now. India would not relish a junior role and it prides itself on its non-alignment.

Nor would it wish completely to cast out China—a rival, yes, but also an ally on such things as climate change and global economic issues. Besides, as Rahul Roy-Chaudhury of the IISS points out, Indian politicians are disconnected from the armed forces. Without an effective national security council in which to make its case, the navy has only slowly been able to convince the government that China may become a threat.

The Indian services can mount impressive operations, but in a new book on the country's military modernisation Stephen

Friends, or else

Living with China's rise will test America's diplomacy as never before

IN A recent essay Hugh White, a former Australian security and defence official, describes the following exchange with his American counterparts: "I put this catechism to them: 'Do you think America should treat China as an equal if its power grows equal to America's?' The answer is always no. Then I ask, 'Do you think China will settle for anything less than being treated as equal?' The answer to that is always no, too. Then I ask, 'So how do you expect the US and China to get along?' I usually get a shrug by way of reply."

That shrug is a measure of America's difficulty in designing a China policy. America wants China to be a thriving market for its goods. It also wants China to become an active, responsible power in world affairs. Yet at the same time it feels threatened by China's growing economic, industrial, diplomatic and military might. When America dislikes a position China has taken, it cries foul. This mix of partnership and rivalry is a recipe for confusion.

One way to resolve these tensions would be to put security first. America could aim to block China now before it gets any stronger. America won the cold war by isolating the Soviet economy and stalemating its armed forces. But trying that again would be a bad idea, as Robert Art explains in a recent issue of *Political Science Quarterly*. For one thing, the cost would be astronomical; for another, America might suffer as much as China. The two countries' economies are intertwined and China owns more American government debt than anyone else. In war, nations override such factors out of necessity. If an American president tried to override them in peace out of choice, he would face dissent at home and opprobrium abroad.

The risks of containment

In any case, a policy of containment risks backfiring, except against an unambiguously hostile China. Unless America could persuade large parts of the world to join in, China would still have access to most markets. A belligerent United States would risk losing the very alliances in Asia that it was seeking to protect. And Joseph Nye, of the Kennedy School at Harvard, has argued that the best way to make an enemy of Chi-

na is to treat it like one.

America may one day feel it has no choice but to focus on security alone, which is what China fears. By contrast, to focus on economics and forget security makes no sense at all. America has vital interests in Asia. It wants to prevent nuclear proliferation in the Korean peninsula and Japan. It has allies to protect and threats to police. It needs accessible sea lanes and open markets. America is the world's pre-eminent power. It cannot surrender Asia without losing influence everywhere else.

Hence for the past 15 years America has fallen back on a two-track China policy. Barack Obama articulated the first track on his visit to China in November last year. He told the students at Fudan University, in Shanghai: "The United States insists we do not seek to contain China's rise. On the contrary, we welcome China as a strong and prosperous and successful member of the community of nations." This means, as the president later explained in front of Hu Jintao, his Chinese opposite number, that China's "growing economy is joined by growing responsibilities".

"Engagement" is backed by a second policy, best described as hedging. America must be able to deploy enough force to deter China. Presidents do not articulate this track quite so eagerly, but Admiral Robert Willard, head of Pacific Command, was clear enough in his remarks to Congress earlier this year: "Until...it is determined that China's intent is indeed benign, it is critical that we maintain the readiness of our postured forces; continually reinforce our commitment to our allies and partners in the region; and meet each challenge by the PRC in a professional manner that is consistent with international law."

America faced some straightforward, if terrifying, calculations in its monochromatic relationship with the Soviet Union. By contrast, its technicolour dealings with China are less apocalyptic, but many times more complex—almost unmanageably so.

In principle, the policy's two tracks fit together well. Engagement is designed to reward good behaviour and hedging to deter bad. In practice, however, the hedge risks undermining the engagement. To see why, consider that the existence of two

tracks acts as an excuse to leave important issues unresolved in America. China hawks and China doves can all support the policy, because both can continue to think that they will ultimately be proved right.

That is politically handy in Washington, but hardly ideal as a policy. The engagement tends to be run by China specialists in the state department and the hedge tends to be run out of the Pentagon. In theory the policy's two dimensions should be weighted according to whether or not China's behaviour is threatening. With the best will in the world, the departments of state and defence do not always work well together. All too often, a twin-track policy can function as two separate policies.

Read my lips

That matters because Mr Obama's generous words towards China are not taken at face value there. However sincere, no president's words could be: pledges are broken and presidents come and go. America sends a signal when it redeploys naval forces to the Pacific and its admirals tell Congress that "China's interest in a peaceful and stable environment is difficult to reconcile with [its] evolving military capabilities." Those judgments make good sense for America's security, but they get in the way of the message that the United States welcomes China's rise and has no intention of blocking it.

Hedging is not engagement's only complication. For much of the past 15 years, commerce drew America towards China. Indeed, globalisation became a large part of the engagement story. But now that one in ten Americans is without work, economic policy has taken on a protectionist tinge. If China loses the political backing of America's big-business lobby, which has lately been growing restive at its treatment in China, then the tone in Washington will shift further. Thus commerce could also start to add to Chinese fears that America will ultimately choose to block it.

The second doubt about America's China policy is whether America has fully accepted what engagement asks of it. The policy rests on two notions. First, that China can develop as a "satisfied power"—one that feels no need to overturn the post-war

order created and maintained by America. And second, that if China more or less abides by global norms, America will be able to accommodate its interests. So engagement supposes that China and America can find a stable mix of Chinese adherence and American accommodation.

Does China abide by "global norms"? At one time the common belief was that, as Bill Clinton said, "when it comes to human rights and religious freedom, China remains on the wrong side of history." Some Western analysts like to issue caveats about devious, far-sighted Chinese strategy. Against this racial stereotype, however, it was America, not China, that founded its policy on the maxim of Sun Tzu that it is best to win without fighting.

Chinese values have changed beyond recognition since Mao's day, when terror was dismally routine. As Richard McGregor writes in his book, "The Party", terror is now used sparingly. Hu Jintao's China works on seduction and bribery rather than suppression. And yet China is still a one-party state and terror remains essential to its survival. When the party needs protecting, it is applied without scruple.

Likewise, in international affairs China no longer backs insurgencies against its neighbours or routinely adopts intransigent positions, seemingly for the sake of it. Yet the West still finds it a difficult partner. American critics such as Gary Schmitt of the American Enterprise Institute in Washington accuse China of a "supermarket approach": it buys what it must, picks up what it wants and ignores what it does not.

Hope is not a policy

The hope is that in years to come China will indeed grow to be more democratic and that it will play its part in world affairs. But, says Richard Armitage, deputy secretary of state under George Bush, "hope is not a policy." Given the problems of Western democracies and China's economic success and relative stability, says Richard Woolcott, a special envoy for the Australian prime minister, China's conversion to a multiparty democracy no longer seems quite so inevitable. Just now, the Communist Party looks firmly in control.

Suppose, therefore, that China remains a communist, authoritarian, one-party state with a growing appetite to get its way. Can America accommodate it?

Some American thinkers, like John Ikenberry, of Princeton University, make the argument that America has created a rules-based system that is uniquely able to absorb new members. Institutions like the



United Nations, the G20, the Nuclear Non-Proliferation Treaty (NPT) and the World Trade Organisation (WTO) could, in theory at least, operate even without American leadership. According to this picture, America can accept China so long as it fits in with this order.

But the picture is flawed. America has indeed been willing to be bound by rules in ways that 19th-century European powers never were. That is one reason why so many countries have been prepared to live under its sway. However, when America thinks important interests are at stake, it still ignores the rules, just like the next hegemon. In 2005 the bid of the China National Offshore Oil Company to buy America's Unocal was, in effect, blocked after a public outcry. When America wanted a nuclear deal with India, it rode a coach and horses through the NPT. It fought in the Balkans in the 1990s and again in Iraq in 2003 without the endorsement of the United Nations. It may yet go to war with Iran on the same basis.

This is not to dispute the merits of each case, though some of those decisions looked foolish even at the time. Rather the point is that superpowers break the rules when they must—and nobody can stop them. Over time that logic will increasingly apply to China too. America must decide whether "accommodating China" means living with this or denying it.

In fact, there are difficulties with judging whether China is a responsible stakeholder. From the Chinese point of view, America always seems to define acceptable international conduct as falling in with its own policy. In the words of Yuan Peng, of the China Institutes of Contemporary International Relations in Beijing,

America's complaint is "not that China says no to global responsibility or denies its role in world affairs, but rather that it declines to say yes to every US request".

Accommodation is easy when that means letting China do what America wants. But will America let China do things that it does not want? The shadow overhanging America's engagement policy is that China will not change enough to satisfy America and America will not yield enough to satisfy China. That may sound abstract, but it could at any time become brutally real, either on the Korean Peninsula or across the Taiwan Strait.

Korean conundrum

Nobody knows whether the North Korean regime will survive, nor what might come after Kim Jong Il and Kim Junior. But imagine for a moment that, on the death of the Dear Leader, North Korea descends into anarchy or lashes out, as it did in the island attack last month that killed South Korean servicemen and civilians. The ensuing crisis would severely test the capacity of China and America to live with each other.

Everyone would be worried about North Korea's nuclear weapons. America may want to seize them, but China would not like American soldiers on its borders. Nor would China wish America or South Korea to assert control over the North, an ally and a buffer. In the longer run, China may expect to regain the sort of influence over a unified Korea that, as the dominant Asian land power, it has exercised throughout most of history.

This raises a host of questions. Would America trust China to mop up North Korea's plutonium and enriched uranium? Would China accept the idea that South Korean troops should re-establish order in the North? Would it allow Korean reunification? If that happened, would America contemplate ultimately withdrawing its troops from the peninsula?

Depressingly little thought has been given to these questions. As far as anybody knows, China is not willing even to discuss them with America, because it does not want to betray a lack of confidence in its eccentric ally in the North. Yet, if talking about Korea is awkward now, it will be even more fraught in the teeth of a crisis.

If the two Koreas share the world's scarier land border, the Taiwan Strait is its scarier sea passage. China's insistence on reunification is absolute. The story is told of how, a few years back, the editor of a Shanghaiese newspaper celebrated a new semiconductor factory in the city as

▶ the biggest in China. Because he had forgotten about Taiwan, he had to offer self-criticism and take a pay cut.

However, rather than beat Taiwan with a stick, China these days spoons it honey instead. Hundreds of flights a month link the mainland to Taipei. The free-trade agreement with Taiwan signed this summer included measures to help Taiwanese farmers, who tend to support the pro-independence Democratic Progressive Party (DPP). China has recently hinted that it might one day be willing to point its missiles away from Taiwan.

For the moment the policy seems to be working. The DPP lost power in 2008. Never mind that its successor, the Kuomintang, is the Chinese Communist Party's old enemy. Under Ma Ying-jeou, Taiwan is being pragmatic. The Taiwanese people appear

to want neither to enrage China by seeking independence, nor to want to surrender their democracy to a one-party state.

This is just fine with America. Its arms sales to Taiwan continue, but it could just about live with a single China so long as unification came about peacefully. What it could not abide would be unification by force. Strictly, the Taiwan Relations act of 1979 does not compel America to come to Taiwan's aid. However, barring egregious provocation of China by Taiwan, America would have little choice but to intervene. If America just stood by, it would lose the trust of its allies across the world.

Taiwan remains a flashpoint. Taiwanese democracy could lead to a desire for independence, Chinese nationalism could make reunification more urgent, and America could be afraid of appearing

weak. Even now, when the mood is good, the island is a test of Chinese and American restraint. America needs to be clear that it will not be manipulated: Taiwan cannot rashly bid for independence on the assumption that America will protect it. China needs to understand that coercion would destroy its credentials with the rest of the world. America does not expect China to renounce its aims; it does expect China to satisfy them within the system.

Policymakers often sneer at diplomats for their compromises and half-truths. Yet the high calling of diplomacy is to find antidotes to the rivalries that poison geopolitics. Not since the 19th century have they had as great a task as managing the relationship between China and America. In Mr Obama's administration they have a name for this: "strategic reassurance". ■

Strategic reassurance

Many things could worsen relations between China and America. Here are ten ways to make them better

BIDING your time and hiding your powers makes sense if you are a weak country that expects to become strong. Eventually, though, you will want to take advantage of the opportunities that your new power has created. Has that moment arrived for China? Its military power is, globally, no match for America's. But the PLA is beginning to deny America's 65-year dominion over the Western Pacific. Fuelled by nationalist opinion, a debate is under way within China's elite over whether now is the time for the country to stand up. This will influence China's leaders, even though the signs are that for the time being they would prefer to concentrate on economic growth and their huge domestic problems.

The outside world is suspicious of China and worried about what sort of power it will turn out to be. Asian countries are torn between looking to China for their wealth and turning to America for their security. If China throws its weight around, they will vigorously resist.

America feels increasingly vulnerable, too. Its armed forces have identified the threat in the Pacific. Its economic diplomacy has become aggressive and unpredictable. This further complicates America's China policy, an uneasy and potentially confusing combination of engagement and hedging.

That makes for a highly dangerous mix of forces. After a decade in which America was distracted by terror and China preoccupied with economic growth, China's foreign relations are now likely to become more difficult. The risk has been underlined in the past few months by a series of disputes, with Japan over some islands, over the sinking of the *Cheonan*, and over claims to China's coastal waters.

Those one-off rows must not be allowed to frame China's relations with the rest of the world. Yet each assumes inordinate significance, because of the fear that China will be aggressive and the suspicion in China that America means to block its rise. Every incident is seen as a test of what will come next.

Prevention, not cure

The solution is to find ways to minimise the mutual mistrust between China and America. This will be difficult but not hopeless. China is not looking for new colonies and it has no ideology to export. It shares many American aims: stability, nuclear non-proliferation and, most of all, a thriving world economy. These goals are best served by peace.

Mistrust feeds upon mistrust, aggression upon aggression. In geopolitics, as in life, the best medicine is prophylactic. If ever the relationship falls into antagonism,

it will be hard to pull back. The leaders of America and China talk volubly about their desire for good superpower relations. If they mean what they say, here are ten goals to aim for:

- China needs to be certain of having a nuclear second strike. As Robert Art of Brandeis University argues, both China and America will feel more confident if they know their homelands are secure. China has been spending money to ensure that it could answer a first strike. America should willingly surrender this military advantage because it is destabilising—and instability frustrates the overriding policy aim, which is China's peaceful rise.

- America should seek to maintain military superiority in the Western Pacific. For the sake of all its Asian alliances, the United States must be able to guarantee the sea lanes and to present a credible threat that it will come to Taiwan's aid against a Chinese attack. For the time being, it still can. But to retain that advantage, America will need to harden its forward bases, invest in missile defence and submarines and counter China's capacity in asymmetric electronic, cyber and space warfare. This will inevitably add to Chinese insecurity. On the other hand it will add to the security of China's neighbours. Just now that is more important.

- China needs to share more of its nuclear ▶▶



and conventional military doctrine with America. Compared with the elaborate cold-war communication between America and the Soviet Union, China and America do not talk. Military-to-military links were among the first things to go when America sold arms to Taiwan earlier this year, just as they were in 2001 when Donald Rumsfeld, then secretary of defence, severed them after that mid-air collision. Military-to-military contacts are not a reward for good behaviour but an essential part of building trust.

- Asia needs rules to help prevent maritime disputes from escalating. Collisions at sea, for instance, are much easier to manage if the rules have been set out beforehand. Collisions are less likely to happen at all if a code determines what counts as a safe passage. In 2002 ASEAN and China signed an agreement encouraging good behaviour in the South China Sea, but it has been neglected. Only after the recent fuss did China show a renewed interest.

- America and China need to talk now about the things that look likely to lead to disputes later on. That means contingencies for North Korea—in secret if necessary. As Kenneth Lieberthal, of the Brookings Institution in Washington, DC, argues, it also means talking about such issues as space and cyber-warfare. The two countries have put a lot of work into their Strategic and Economic Dialogue, but this tends to be dominated by the news of the moment. It should focus on the future.

- America should abide by its own rules—and if it must break them, it should factor in the real cost of doing so. America wants China to be prepared to live with the world as it is. If it breaks the rules, it will feed suspicions in China that, one way or the other, its rise will be denied. In terms of security, keeping the rules means avoiding actions that, in Mr Art's words, appear "punitive and unprovoked". In economics it means avoiding protectionism, which is doubly self-defeating as it both undermines Chi-

na's faith in the system and makes America poorer and less able to defend itself.

- The Chinese Communist Party should stop using censors and commentators to spread a virulent form of nationalism. Its leaders will find foreign relations easier to manage if they draw less on historic grievances. That will be hard for the party, which craves the legitimacy that comes from having seen off Westerners and the Japanese. But it should eschew resentment if it wants China to co-exist easily with the rest of the world.

- China and America should try to do as much business as they can through multinational forums, such as the G20 and the United Nations. Bilateral dealings are easier and less time-consuming. But they are opaque and they leave the rest of Asia wondering what is really going on. Nothing builds the capacity of the system as does using it successfully.

- Asia needs to sort out the thicket of regional-security organisations. With America and Russia set to join as full members next year, the East Asia Summit looks the most promising place to become the re-

gion's security forum. That will take a leap of faith from countries like Singapore, which has a special place in ASEAN. However, Asia needs to put collective security first for once.

- Asian countries should put more effort into non-traditional security. According to Katherine Morton, of the Australian National University, a lot of work is to be done in such areas as climate change, health, the environment, piracy and terrorism, where threats by their nature cross borders. Just as important, however, non-traditional security presents a chance for Asia's military forces to learn how to work together without the usual tensions—as when China sent its ships to help an international naval force prevent piracy in the Gulf of Aden. Some Asian countries are squeamish about the effect of non-traditional security on their sovereignty. They should swallow hard.

Time to choose

After King Goujian won his famous victory over the kingdom to the north, he so revelled in his power that he turned into something of a despot. One faithful adviser fled for his life, another fell on his sword at the king's command. In the 1980s some Chinese writers saw this as an allegory for the cruelty of the triumphant Mao Zedong.

There are many interpretations of King Goujian's story. It can stand for vengeance, despotism, self-improvement and much else. Likewise, China's rise is neither guaranteed to be chiefly about the prosperity of 1.3 billion people nor condemned to be about antagonism or conflict with the rest of the world. The future, like the story, is what we make it. ■

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