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Legacy Agenda, Part III
The Bush Doctrine and the Rise of China

By Thomas Donnelly and Colin Monaghan

As his presidency draws to a close, George W. Bush needs to attend closely to three matters to ensure that the tenets of the Bush Doctrine endure. The first of these—a surge in U.S. efforts in Afghanistan—discussed in the February 2007 National Security Outlook*, is as pressing a need as the surge in Iraq. The March 2007* National Security Outlook *highlighted the importance of the second factor—a strategy for winning the Long War in the Middle East. The third and final issue that must be taken into consideration in order to ensure the survival of the Bush Doctrine beyond 2008 is the growing political, economic, and military clout of the People's Republic of China (PRC). This* National Security Outlook *focuses on the need to devise a genuinely global response to the rise of China.*

The American China-watching community is of two minds. One camp—currently ascendant and representing a traditional, Sinocentric view—believes that to get Asia right, U.S. policy needs to get China right. That is, the key to continued peace, stability, and economic growth in East Asia depends on good relations between Washington and Beijing. This group believes that China's rise to power will itself shape the international system.

The second camp, originally dominant in the George W. Bush years, inverts these priorities. Its members believe that to get China right—by which they mean not only preserving peace and prosperity but also spurring the growth of democratic forms of government—it is necessary to get Asia right. That is, to bring Beijing into the existing, generally liberal international order, the United States needs to strengthen its ties to allies old and new—particularly Japan, India, and Australia—allowing the international system to shape China's rise.

Thomas Donnelly (tdonnelly@aei.org) is a resident fellow at AEI and coeditor (with Gary J. Schmitt) of *Of Men and Materiel: The Crisis in Military Resources* (AEI Press, 2007). Colin Monaghan (colin.monaghan@aei.org) is a research assistant at AEI.

What both schools tend to miss is that China's rise is already a global phenomenon. This has a constraining effect on the PRC: Beijing cannot easily become a regional power without taking a global view. But it also means that it will take a global effort by the United States if it is to shape China's rise in a way that will produce the "responsible stakeholder" that has been the goal not only of the Bush administration, but also of the Clinton administration in the 1990s. While the most pressing need for America is to restore its traditional alliances in Asia and foster new ones, we must also respond to growing Chinese influence in the Middle East, Africa, Europe, and even the Western Hemisphere.

Thus, the sternest test of the Bush Doctrine's staying power will be in resolving the contradictions in U.S. strategy and policy toward China. The tensions between the principles so frequently articulated by the president (his powerful embrace of political liberty, in particular) and the practices which have so often characterized American policy (the preference for stability over liberty when it comes to China) are as great a long-term danger as defeat in Iraq would be. Beijing

1150 Seventeenth Street, N.W., Washington, D.C. 20036 202.862.5800 www.aei.org

can pretend to tolerate representative political systems, as it does in Hong Kong, but the United States cannot feign indifference. China maintains normal diplomatic relations with repressive regimes in Iran, Sudan, and Zimbabwe; for China, there is no contradiction to be resolved and no danger of hypocrisy. For the United States, normal diplomacy includes strenuous efforts to promote liberal democracy, the impartial rule of law, and representative governance. Whose "norms" prevail matters a great deal.

The Evolution of Bush's China Policy

Throughout much of his presidency, Bill Clinton practiced a policy of engagement toward China and expressed his desire to establish a "strategic partnership" between China and the United States. During the 2000 presidential campaign, however, then-governor George W. Bush consistently voiced his disagreement with the Clinton policy, calling the pursuit of a strategic partnership a mistake. In his campaign platform, Bush said, "China is a strategic competitor of the U.S, not a strategic partner."[1] And early in his administration, he stated that the U.S. would "do whatever it takes"[2] to help Taiwan defend itself. All indications pointed toward a new era in Sino-U.S. relations, one in which the U.S. government would truly recognize the implications of a rising China and confront the PRC about its human rights abuses and dangerous proliferation practices. A break from the stagnant policies of previous administrations—a residue of Cold War–vintage China policies—at last appeared on the horizon.

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Sino-U.S. relations got off to a rocky start under the new Bush administration. On April 1, 2001, less than three months after President Bush's inauguration, an American EP-3 reconnaissance aircraft conducting a routine surveillance operation collided with a Chinese F-8 fighter plane in international airspace over the South China Sea. The American crew of twenty-four managed to make an emergency landing on China's Hainan Island and was held captive by the Chinese government. The United States demanded the release of the American crew and the return of the aircraft. The Chinese government, in turn, called for a formal apology. Eleven days later, after painstaking negotiations, the crew was released. The American aircraft, however, was not returned for another three months. Despite the eventual return of the U.S. crew and plane, the perception remained that the United States had been publicly embarrassed and China had won a small public relations victory. But the terrorist attacks of September 11, 2001, and the global War on Terror that followed necessitated a renewed American focus in the Middle East and the greater Islamic world, and gradually led to a change in the Bush administration's approach to China.

After the 9/11 attacks, China pledged to play a constructive role in international counterterrorism efforts and the Bush administration pledged to pretend that the Chinese were doing so; this was perhaps the first indicator of how the administration's strong focus on terrorism distorted overall strategy-making. Not surprisingly, relations gradually improved as the United States and China agreed on the need to cooperate on a number of security issues of mutual concern. Bush also reached out to the Chinese leadership, visiting China in February 2002 and hosting then-president Jiang Zemin at his Crawford, Texas, ranch later that year. The high-level meetings continued, culminating in President Hu Jintao's April 2006 visit to Washington.

The Bush administration's tone toward China also began to change. The president no longer referred to China as a "strategic competitor." Instead, the administration's rhetoric more closely resembled that of its predecessors. In the 2002 *National Security Strategy*, the president welcomed "the emergence of a strong, peaceful, and prosperous China" and declared that the United States will pursue "a constructive relationship with a changing China."[3]

The administration also took a step beyond its predecessors in acknowledging China's rising role in the world. The most obvious example of the importance of eliciting constructive Chinese engagement was the six-party talks aimed at reversing North Korea's nuclear weapons program. As the reclusive North Korean regime's only ally and strongest supporter, China would be indispensable in both bringing Kim Jong Il to the table and exerting political and economic pressure on his regime to meet the

international community's demands. China declared a shared interest with the United States and the other participants in the six-party talks in ensuring a denuclearized Korean peninsula—nuclear weapons in Kim's hands could ignite a regional arms race. The talks were even hosted in China, potentially increasing its influence on the world stage. Beijing also had a stake in prolonging the survival of the regime in Pyongyang and avoiding chaos on its border should the North Korean government fall. Thus, China's conflicting motives prevented it from playing a perfectly positive role in the North Korea talks, and in late 2006, when the Bush administration became eager to revive the stalled process, it fell to Washington to make unilateral concessions to entice Pyongyang back to the table.

In the absence of a credible American response, the military balance between China and Taiwan heavily favors the mainland.

Nevertheless, the administration's rhetoric toward China, like the rhetoric of the Clinton administration before it, has continued to move away from the portrayal of China as a competitor. Indeed, policy continuity—once derided by the Bush administration—now became a supposed strength: "For seven consecutive administrations, U.S. policy has been to encourage China's opening and integration into the global system."[4] But rather than attempting to integrate China further into the U.S.-led liberal international order, in the fall of 2005 then–deputy secretary of state Robert B. Zoellick laid out what has become the framework for recent Bush policy, calling on China "to become a responsible stakeholder"[5] in the international system, demanding that Beijing enforce norms it clearly does not accept. Zoellick continued, "China has a responsibility to strengthen the international system that has enabled its success."[6] The underlying logic is that it is in China's interest to buttress and reinforce American norms because these have been the conditions for China's economic growth thus far.

Thus the Bush administration extricates itself from the traditional dilemma of post–Cold War China policy: it is not our role to employ our power to ensure that China meets international standards—our standards—of behavior, but rather to explain to the Chinese what their interests are and let logic do the rest. There are a number of reasons why Beijing either defines its interests quite differently or follows a different geopolitical logic.

China's Military Expansion

The most striking evidence that the Chinese see things differently is the ongoing modernization of the People's Liberation Army (PLA), the formal name of all Chinese military services. It would be difficult to find a major power less in danger from external threat than China, so why is it pursuing such an aggressive pattern of force transformation, one that is certainly more radical than anything underway in the United States? The Pentagon's 2006 *Quadrennial Defense Review* concluded: "China has the greatest potential to compete militarily with the United States and field disruptive military technologies that could over time offset traditional U.S. military advantages absent U.S. counter strategies."[7]

Since 1996, the Chinese defense budget has increased by more than 10 percent each year over the previous year's total. The most recent official figures indicate an annual military budget of approximately $35 billion, but this excludes manpower costs, which in a military more than 3 million strong are substantial. It is also unclear how the PLA funds its operations and maintenance needs. Taken together, personnel and operations costs account for more than half the U.S. defense budget. Further, calculating the purchasing power of the official PLA budget inflates the market value to somewhere in the range of $70–105 billion.[8]

China's military expansion is aimed at improving its military options vis-à-vis Taiwan and pressuring Taipei to accept "reunification" with the mainland. But a key operational component is having the capacity to defeat or occupy Taiwan before the arrival of American military assistance. During the "missile crises" of 1995 and 1996, when the PLA bracketed Taiwanese waters in missile "tests," Beijing took account not only of the strong response of the Clinton administration but also of the challenges of the U.S. military deployment. The PLA leadership noted the two weeks needed to send U.S. carrier battle groups to waters east of Taiwan, and has concentrated on improving its abilities to further complicate an American response. This includes, in addition to the deployment of more than 700 short-range ballistic missiles aimed at Taiwan,[9] a fast-paced program of submarine construction and the modernization of other elements of its military to deny American forces access and freedom of movement should a crisis erupt in the Taiwan Strait. In the absence of a credible American response, the military balance between China and Taiwan heavily favors the mainland.

While the Chinese publicly state that the intention of their military modernization programs is to deter "separatist forces" in Taiwan,[10] other indicators reveal grander motives; after all, military capability is not constrained by the announced intent of the force that possesses it. Thus, the Japanese are becoming increasingly concerned about growing PLA power projection; the discovery of a Chinese submarine in Japanese territorial waters was alarming to Tokyo. The new forces and weapons systems China desires can be used against virtually any nation. Beijing is modernizing and upgrading its intercontinental ballistic missile forces, which can reach the continental United States.[11] The development and expansion of its strategic nuclear weapons could exponentially increase the threat China's military poses to other forces in the region and around the world.

It seems as though cross-strait tensions serve merely as the framework that justifies China's continuing military expansion with an eye on what it likely views as the long-term strategic threat: the United States. If trends continue, China's burgeoning power projection capabilities could permit it to place tremendous restrictions on U.S. access to strategic locales throughout East Asia and the Pacific, such as the East China Sea or the Straits of Malacca. China's military ambitions extend beyond defending the mainland and reacquiring Taiwan by force. The most recent example is China's January 2007 successful missile launch to destroy one of its satellites. As the U.S.-China Economic and Security Review Commission (USCC) stated in its 2006 annual report, the PLA "is becoming a force capable of challenging the U.S. military in the western Pacific and beyond."[12]

Even more troubling is the secretive nature of China's military modernization. This should not come as a surprise considering Deng Xiaoping's precept to "bide our time, hide our capabilities."[13] The Defense Department estimates that China allocates two to three times more to its military budget than it acknowledges. China's furtiveness begs more questions about its ultimate intentions and its desire to become a constructive member of the international community. Moreover, it increases misunderstanding, which can, in turn, make a conflict more probable. Chinese major general Zhu Chenghu's remarks in the summer of 2005 that "the Americans will have to be prepared that hundreds of cities will be destroyed by the Chinese"[14] did little to alleviate America's concerns.

Unfortunately, China's growing military prowess is not the only cause for concern for the United States. In addition to bolstering its power projection capabilities in its own backyard, China has also sought to win friends and influence nations both friendly and hostile toward the United States. These are not the sort of relationships that characterize the actions of a "responsibly stakeholding" state.

> In recent years, Chinese leaders have strengthened contacts with some of the most despicable and anti-American regimes on the planet. Hu Jintao has held extensive talks with some of the world's worst tyrants, including Iran's Mahmoud Ahmadinejad, Venezuela's Hugo Chávez, Sudan's Omar al-Bashir, and Zimbabwe's Robert Mugabe.

Enhancing China's Geopolitical Power

China's emergence as a global power has implications for the United States far beyond East Asia and the Pacific. Incited by its growing hunger for energy, resources, and technology, China has set out over the last few years to ingratiate itself with potential partners all over the world. Beijing's approach is much more mercantilist—it often seems to believe that physical control of resources is preferable to allowing the "marketplace" to deliver these commodities in the most efficient manner—than market-oriented. Indeed, China seems to value strategy over economy, particularly in securing energy resources. And it has encountered success, resulting in a growing confidence in international arenas and an enhanced capability to obstruct American strategic objectives.

Although Chinese diplomacy is ostensibly in pursuit of noble goals such as peace, stability, and friendly relations with other countries, it is quite clear that it has a deeper aim: "to balance American power, create an alternative model of governance, and frustrate the ability of the international community to uphold its norms."[15] In recent years, Chinese leaders have strengthened contacts with some of the most despicable and anti-American regimes on the planet. Hu has held extensive talks with some of the world's worst tyrants, including Iran's Mahmoud Ahmadinejad, Venezuela's Hugo Chávez, Sudan's Omar al-Bashir, and Zimbabwe's Robert Mugabe.

China actively supports oppressive governments like these. In addition to serving as the primary prop for Kim's regime in North Korea, it has shielded the military junta in Burma from international condemnation. On January 12, 2007, China "vetoed a U.S.-sponsored U.N. Security Council resolution criticizing Burma's human rights record."[16] The construction of Chinese naval bases in Burma that would grant it access to the Indian Ocean was a motivating factor. China has also prevented the UN from enacting tougher measures against Iran for its violations of the Nuclear Non-Proliferation Treaty or against the Sudanese government in Khartoum for its genocidal actions in Darfur. The people of Zimbabwe continue to starve as Hu courts Mugabe. When the world questions how a "responsible stakeholder" can elicit the friendship of these regimes, China responds that the internal affairs of these states are not its concern. In addition, the PRC has signed economic or energy agreements with Venezuela, Iran, and other resource-rich nations in West Africa and Latin America. While it is too much to describe China as the leader of an antidemocratic rival "bloc" of states, there is reason enough to ask whether these are the actions of a responsible stakeholder.

Sino-U.S. Economic Relations

As always, the strong point of Sino-U.S. relations is trade. On the surface, it would appear that the economic relationship between China and the United States is quite positive. China is the United States' third-largest trading partner, with total trade reaching $285 billion in 2005, up from just $33 billion in 1992.[17] American exports to China have grown more rapidly than those to any other country over the past three years, and by the end of 2005, the United States had become China's second largest foreign investor, with total U.S. investment in China reaching an estimated $54 billion.[18] In addition, the U.S.-China Strategic Economic Dialogue, established by Secretary of the Treasury Henry M. Paulson, provides a forum for senior economic leaders from both countries to meet on a regular basis.

But the bilateral economic relationship is not without problems. The U.S. trade deficit with China now exceeds $200 billion.[19] This is due not only to the competitive advantages China enjoys, but also to the policies of the Chinese government, such as its decisions to maintain a low value for its currency with respect to the dollar and to control the exchange rate. Beijing has been slow to open its financial markets, not only to American companies, but to serious outside influence; financial murkiness remains a tremendous hurdle.

Another source of conflict is China's failure to adhere to its World Trade Organization obligations to protect intellectual property rights. It is estimated that the American firms lose more than $2.5 billion annually because of counterfeiting.[20] The USCC reports that China's weak enforcement of intellectual property laws is compounded by its moves to ease its export licensing regime. This, the commission concludes, will make counterfeit goods easier to export.[21]

It is hard to avoid the conclusion that, despite the general openness of the Chinese economy to the world, there remain vital areas in which Beijing's political considerations trump market-oriented impulses. Moreover, the economic reforms now most needed in China, such as those in the financial sector, are more challenging than past reforms—that is, more challenging to the control of the Communist Party and the leadership. More importantly, the argument that economic liberalization would inevitably lead to political liberalization has yet to be proven in China. The idea that American policy and strategy should be driven by an appeal to China's better interests is dubious at best.

Toward a New China Strategy

The Bush administration hopes to resolve the dilemma of its China policy by announcing—in addition to the continued embrace of economic and diplomatic "engagement"—a countervailing approach to security based on "hedging" against growing Chinese military power and deleterious geopolitical influence. While this is an improvement on the policies of past administrations—if only because the contradictions of U.S. policy are at least explicit—it remains essentially confused. Indeed, the solution to this conundrum lies less in devising creative new ways to think about the Chinese than in better understanding our own political desires, our power, and its limits, both short- and long-term.

The first task is to reconsider the idea that "market forces" are somehow separate and distinct from the mechanisms that enforce them. It is too often forgotten that the "hidden hand" of economic principle depends first upon a political and security framework; economic efficiency is the offspring of strategic effect, and today's globalized economy is largely the creation of the United States and its allies. The current economic order is an historically contingent phenomenon, not simply the

expression of inevitable forces. The government in Beijing is not a producer of global security, but a consumer of the relatively benign international order that is crucial for efficient global trade. We cannot expect China to value highly a "good" that it receives for free—and indeed, it clearly views American hegemony as something less than an unalloyed good.

One might argue that the current account deficit is, in part, a de facto Chinese investment in U.S. security guarantees, the tribute the merchant pays to protect his trade. If so, it is an ambiguous return on the American investment, since a substantial portion of our defense investment is devoted to hedging against Chinese adventurism. During the past decade of PLA modernization and expansion, no American president has made a significant issue of the Chinese buildup.

It is time to end the *sotto voce* approach. We must do more than wait for the Chinese to observe the "logic" of the situation. In his remaining time in office, Bush can reframe the U.S. approach to Beijing, but only by introducing this subject into Sino-U.S. diplomacy openly. Our security agenda cannot be subordinated to our economic desires.

The second step is for the president to initiate a new collective security process in the Asia-Pacific region. This administration has taken a number of important strategic steps throughout the region, most notably the budding partnership with India, but it has yet to escape the traditional bilateralism of past U.S. policy. One of the most enduring yet nefarious tropes of Asia experts is that past poor relations among Asian states prevent any form of multilateralism. This legacy of the past has been further entrenched by the challenge of responding to China's rise. In fact, there have been behind-the-curtain movements among Asia-Pacific nations themselves—the recent Japan-Australia agreement being a moving example of overcoming the past—that are meant to hedge against Chinese influence. But without a stronger American hand and an American president's involvement, these offstage moves are themselves hedged and half-hearted. China is a rising, but not yet really great power; to shape China's path, the United States needs the collective help of its regional allies.

Finally, the United States must accelerate and expand the changes in its Pacific posture—both diplomatically and militarily. The Bush administration earns good marks for reorienting, restructuring, and rebasing U.S. armed forces in the region, but this process has suffered from the diversion of resources to fight the Long War in Afghanistan and Iraq; it is a measure of how far short we have fallen of the "two-war" benchmark that is the traditional yardstick for the American military. It is also a further indictment of how other U.S. agencies such as the State Department have atrophied in the post–Cold War years. It is particularly important to regenerate expertise in areas other than China; not only is the policymaking community smaller, but it is increasingly Sinocentric.

The attacks of September 11, 2001, awoke America from its post-Soviet slumber, and George W. Bush has led us a long way since that day. Beyond the crucial effort to achieve victories in Iraq and Afghanistan, and even as Bush provides the day-to-day leadership that is essential in wartime, he must step back from the immediate fray, as this series of *Outlooks* has argued, to contemplate these larger strategic priorities for the century to come. We need a more comprehensive strategy for the Long War, the conflict that began well before 9/11 and will continue long after. But we also need a new strategy to cope with China's rise. These two strategic challenges are intertwined—we have seen already how Beijing is becoming drawn into the volatile politics of the Islamic world—and we cannot afford to wait any longer to find a coherent response.

AEI editorial assistant Evan Sparks worked with Messrs. Donnelly and Monaghan to edit and produce this National Security Outlook.

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