CHINA, THE REGIONAL HEGEMON WITH GLOBAL REACH

BY

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The objective of my Strategic Research Project is to examine China as a rising global threat to United States national security. Post WWII positioned the United States as the hegemonic state of the world, able to exercise its Diplomatic, Information, Military, and Economic dominance as a result of the Cold War. Most significantly after the fall of the Soviet Empire, likely the last peer competitor nation with the ability to match the US (primarily in the area of Military power), China has risen to the level that guarantees it the respect of the international community. China, when measured along the instruments of power, displays those same attributes of an integral powerful state with global influence, not just economically. Can the United States still hold its position as the hegemon within the international community as it continues to fight a war, repair its economy and deal with social issues (looking at home first); while other potential nations (China) leverage footholds within the international community of nations through its innovative use of soft power? Is the U.S. willing to accommodate China’s rise or are we looking at the onset of a clash of two of the world’s most powerful players?
“As for the United States for a relatively long time it will be absolutely necessary that we quietly nurse our sense of vengeance…We must conceal our abilities and bide our Time” - Lieutenant General Mi Zhenyu, Vice Commandant, Academy of Military Sciences, Beijing, 1996

The People’s Republic of China, the world’s most populous country, and the United States, its most powerful, have been global rivals, countries whose relations are tense, whose interests are at more times in conflict than agreement, and who face tougher times and more dangerous times ahead. Although the United States is rightly preoccupied with the threat of Islamist terrorism and conflicts in Iraq and Afghanistan, there is wide consensus among American strategic thinkers that America’s greatest challenge over the next decades will be the rise of China. As Thucydides tells us, rising powers challenge the established international order.

In 1997, Richard Bernstein wrote that “even without war, the rivalry between the United States and China will be the major global rivalry in the twenty first century, the rivalry that will force other countries to take sides and will involve all of the major items of competition: military strength, economic well-being, influence among other nations, and over values and practices that are accepted as international norms.” His propositions are based on two lines of thought: first that China, after floundering for more than a century, is now taking up the great power role it believes it deserves, in efforts to regain its rightful position in the world. Second, is that the United States, for at least one hundred years, has pursued a consistent goal in Asia, which is to prevent any single country from dominating that region.
This paper will look at China as a threat to U.S. regional and global power, assess common interests and diverging interests, determine China’s path as a regional and global hegemon, and finally assess the future U.S.-China relationship in the twenty-first century, exploring what the U.S. must do to preserve its role in the world, while at the same time addressing the significance of China’s presence in the international world order. Despite the transformation of the international landscape with the rise in non-state actors, conflict between two sovereign nations, in this case arguably the two most influential global nations at the start of the twenty first century, does exist and must be recognized.

Since the late 1990s, China has grown remarkably, and the purpose of this growth, according to Chinese leaders, is to expand its influence in the region, not globally. However, other indications suggest that China may be seeking to become the new global hegemon, challenging the U.S. as the global leader. As Robert Kagan stated, as ambitious as the U.S. was at the turn of the 20th century, Great Britain, the then-preeminent global power, could tolerate its assertive policies more easily because the two countries had more in common than not; two liberal democracies with similar social, political and economic principles. The U.S. will find itself in such a position in the twenty first century as it interacts with a rising China; dealing with a country with drastic cultural and ideological differences.

U.S. national security documents recognize the importance of China and its role in the international arena. In 2002, President George Bush stated in the National Security Strategy (NSS), that the “United States welcomes a strong, peaceful and prosperous China.” President Bush understood that in order for this to happen the
United States would have to be willing to engage and foster cooperation. However, it was apparent from the shaping of the NSS in 2002, that China’s intentions may invariably have had other ulterior motives, not solely on achieving economic prosperity for the global good of the international community. President Bush stated that “China's leaders have not yet made the next series of fundamental choices about the character of their state. In pursuing advanced military capabilities that can threaten its neighbors in the Asia-Pacific region, China is following an outdated path that, in the end, will hamper its own pursuit of national greatness.”

The strategy in 2002 rested on three fundamental goals for the United States strengthening relations with China. First, the United States needed China’s support to preventing terrorism. The impact of September 11, 2001 generated the need for global cooperative efforts leading nations to help fight the war on terrorism, and China was essential to that cause. Second, China would be necessary for the stability on the Korean Peninsula, as North and South Korea continued to dialogue on strategies to strengthen relations, as well as curbing North Korea’s nuclear intentions. Third, the United States looked to China to help in dealing with the transnational and environmental threats (HIV/AIDS, pandemics, environmental issues) that could have drastic effects globally.

President Barack Obama’s May 2010 NSS reemphasizes China’s role to global stability, and the importance of China’s role as a cooperative nation to the international well-being. “We are working to build deeper and more effective partnerships with key centers of influence, including China.” Additionally, “we welcome a China that takes on a responsible leadership role in working with the United States and the international
community to advance priorities like economic recovery, confronting climate change, and non proliferation, while continuing to monitor China’s military modernization program.”

**Shaping Power through Aggressive Diplomacy, Information, Military Power and Economics**

China’s rise in the twenty first century makes it a nation that will without question present a global challenge for the United States and its current position as a global hegemon. Contrary to a slogan Mao Zedong proclaimed decades ago, “We will never seek hegemony”; all indications point to a China that has intentions to shape the global playing field on its terms and not the United States. Exploring China’s influence in terms of the national instruments of power, one can capture the significance of China’s presence globally and the potential impact it will have in the future.

Since the late 1970s, China has focused its efforts economically. Moving away from the Soviet Style communist system in the late 1970s, China reformed to focus advancement in the global market structure and reshaping its direction to become a rising Asian nation. Throughout the 1990s, scholars pointed to China’s seemingly inexorable economic rise and pondered its potential impact on the security of East Asia and the international system. As one of Goldman Sachs study noted, “China’s unrivalled economic growth over the past quarter century has surpassed all records and created a new standard in the history of economic development.”

Since joining the World Trade Organization (WTO) in 2001, it is in this institution where China has leveraged its ability to grow a very substantial economic position it relishes today. Boasting the 2nd largest economy in the world, in company with the United States and Japan, China has had the fastest growth, averaging 9.5 percent
annually. Additionally, China holds a major portion of the United States’ debt. China is the world’s largest holder of money with foreign exchange reserves of $1.5 trillion; essentially equating to 50% more than the next competitor country, Japan. In terms of Gross Domestic Product (GDP), its value of goods and services produced for the global market will pass the 10% mark in 2013, and is projected to overtake the U.S. in 2027.

Latin America, Africa, and Europe are three regions that China feels is essential for its economic prosperity. Investments in African, Latin America, and Europe have allowed China to broaden and diversify its economic sphere of influence. China’s investment expansion globally is no new phenomena. The core of what China terms as soft power is the vision that it can, because of sustained high rates of economic growth and technology development, be the preeminent hotbed for global business opportunities. China has taken full advantage of globalization and has ventured into markets, in some cases where the U.S. has treaded lightly or been reluctant to pursue.

Recently China agreed to spend up to $23 billion (U.S.) to build oil refineries and other petroleum infrastructure in Africa. China has expanded aid and investment on the continent (2002-2007), figures estimating over $24 billion (U.S.), for mining, infrastructure, oil refining, hydropower, dam construction, telecommunications, and other areas. African-China trade represents more than 10 percent of the continent’s trade. In value terms, it is estimated at $114 billion (U.S.); $52 billion (U.S.) that Africa exports and $62 (U.S.) billion in imports. Of the China exports to Africa, machinery and transport equipment account for 38 percent, manufactured goods-30 percent, and handcrafts-22 percent. Machinery and transport equipment imports are linked to the
strong presence of Chinese firms in the infrastructure sector, specifically telecommunications, construction of roads and public buildings.\textsuperscript{21}

In Latin America, China gained membership in 2008 to the Inter-American Development Bank (IDB), the largest single lending institution for that region. An initial $350 million (U.S.) commitment bolstered Latin America’s ability to deal with developmental challenges; keeping the economies of multiple developing countries afloat.\textsuperscript{22} In December 2010 China signed a strategic bilateral deal with Venezuela. This alliance solidified a pact where Venezuela sends 600,000 barrels a day to China in exchange for China’s investment in mining and energy production.\textsuperscript{23} Bilateral deals like this are not simply targeted for Venezuela. China has agreed to lend Ecuador $1 billion (U.S.) to build a hydroelectric plant as well as oil infrastructure loans to Brazil.\textsuperscript{24} China’s expansion in Latin America allows for increased trade opportunities and an ability to open further markets in the region. The region has proven an effective market for Chinese efforts to sell more sophisticated, higher value added products in sectors seen as strategic, such as automobiles, appliances, computers, telecommunications equipment, and aircraft.\textsuperscript{25}

Europe is China’s largest market, purchasing about $282 billion (U.S.) of the country’s goods in the first 11 months of 2010, or nearly a fifth of China’s total exports.\textsuperscript{26} In the past, China has been cautious in conducting major investment deals in Europe, due to Europe’s very fragile economy.\textsuperscript{27} Chinese leaders are now however, stepping up courtship of cash-strapped countries such as Spain, pledging to buy their bonds and expand business ties.\textsuperscript{28} In January 2011, Vice Prime Minister Li Keqiang formalized 16
business agreements with Spain worth $7.5 billion (U.S.) primarily in private business; opening the door to gain additional opportunities in the region.  

China has embarked on a “charm offensive” in Asia, engaging U.S. allies, settling disputes with neighbors, supporting multilateral forums, and conducting a staggering level of sophisticated diplomacy. Many speculate this is China’s strategic attempt to pursue global cooperation peacefully in efforts to spur their economic success. No question, Chinese leaders have openly stated the fact that China does not shy away from assigning its best diplomats in dealing with potential Asian partners and nations beyond the Asian region. Chinese diplomats have been able to adopt a nuanced, flexible, and responsive stance on most regional and global issues and employ a wide range of tools to expand influence. China’s commercial diplomacy has benefitted from the region’s widespread interest in free trade agreements (FTAs) which began to mushroom in Asia in the late 1990s. For China these FTAs offer a means of using the China market to cultivate influence and compete with Japan and the U.S.; while nations reciprocally see the benefits of peace and security as well as doors to economic opportunity.  

The year 2002 was a keystone year for the Chinese. That year China and the Association of Southeast Asian Nations signed the Declaration on the Conduct of Parties in the South China Sea (DOC) and the Framework Agreement on Comprehensive Economic Cooperation, a non-binding agreement for peaceful resolution of conflict in this region. These two agreements laid the groundwork for sustained Chinese engagement in Southeast Asia, an area in the world with critical economic, security, and geopolitical importance to the United States.
comprising the South China Sea is disputed by China, Taiwan, and four other ASEAN members: Vietnam, the Philippines, Malaysia, and Brunei. What has transpired over time is the development of economic and investment opportunities for the Chinese. In 2007, 2009, and 2010 the Chinese negotiated three agreements with ASEAN, encompassing goods, services, and trade strategies, which are now the focal mechanisms for China's economic diplomacy in the region. As a result, China has now surpassed the United States as ASEAN’s third largest trading partner behind the European Union and Japan, and is on pace to assume the leading position very soon.  

China’s commercial diplomacy is credited with financing large scale technical assistance and infrastructural projects in Southeast Asian Countries and global regions, targeting those poorer countries that have vast amounts of resources, but limited capacity to capitalize. As seen in regions like Africa and Latin America, China works with these nations to build infrastructure (Quality of Life), road networks, and other facilities, using Chinese companies and importing Chinese workers. These projects are popular with recipient governments because they typically come without the stipulations characteristic of loans from the World Bank and other aid institutions.  

China boasts a very large military (People’s Liberation Army-PLA) that has reaped the benefits of a growing economy for a number of years. China says it pursues a national defense policy aimed solely at protecting its territory and people, in keeping with its concept of “peaceful development”. However, there are indications that China is preparing its military with a capability to project power both regionally and globally, in a variety of ways. For almost two decades, China has been modernizing its military from one with an outdated air force and limited conventional missile strike capability to
one with modern aircraft and air defenses and a large growing arsenal of conventional ballistic and land attack cruise missiles.\(^{39}\) The PLA Air Force, one major service component, currently is the third largest air force in the world, behind those of the United States and Russia. China is currently developing a 5\(^{th}\) generation advanced fighter with the ability to maneuver stealth, and as capable as the United States Air Force’s F-22. This fighter platform is expected to be developed and operational by 2018.\(^{40}\) China moved forward in 2009 with their aircraft development plans by purchasing Russian-made RD-93 engines for their multi-role advanced fighter aircraft.\(^{41}\)

Recently China has begun efforts to project its naval power beyond the Pacific Ocean by deploying a flotilla of ships to the Gulf of Eden in 2008 to assist with the international efforts to counter Somali piracy.\(^{42}\) This is a Chinese-led effort internally, aimed to protect Chinese vessels. These ships are not part of the international collective security missions to safeguard the global commons.\(^{43}\)

China has over the last few years, negotiated with several countries in Asia to position fueling stations along global commons to facilitate an extended global projection capability and expand its naval presence. China is assembling the production and basing capacity to make its aircraft carrier program one of Asia’s largest military endeavors.\(^{44}\) The production program, which began in 2009 and is estimated to be completed in year 2020 or shortly beyond, calls for five combination nuclear and non-nuclear carriers, similar to the former Soviet Varyag and Ulyanovsk class carriers.\(^{45}\) This new fleet of aircraft carriers and complimentary fleet escorts will likely be positioned at newly constructed Chinese naval bases within the Asian region, and provide extended power projection and deterrence capability.\(^{46}\)
The PLA today has over 2 million people, and is the largest military in the world. Though these numbers fluctuate, it still remains a very significant sized force in comparison to the United States. The PLA ground force has been the focal service component for China’s military leadership for decades. According to a 2006 defense white paper, China’s ground forces are moving from “regional defense to trans-regional mobility” and are enhancing their assault and special operations capability. Today, China’s PLA ranks in comparison with the regional nations, and is positioning itself to compete with the likes of the United States. Clearly this is a nation whose military is abundantly manned, seeking modernization aggressively, and is setting the conditions to extend power across distances. Most importantly, like the U.S., China possesses nuclear weapons.

China has been modernizing its nuclear weapons systems and continues to emphasize its “no first use” policy. There is concern for the United States that China has finally deployed the Dong Fang 31, a solid fueled, nuclear tipped intercontinental ballistic missile, which provides China with credible and secure second strike capability.

China has sought to demonstrate that its military and paramilitary forces can make successful contributions to regional and global security, via increased participation in UN peackeeping missions. Since first responding to an invitation to provide UN peacekeepers in 2000, China has by 2009 provided more than 2,000 in ten operations around the world. Additionally, China has improved the quality of its participation in multilateral security dialogues with most major countries in Asia, showing its commitment to support cooperative regional security with all of Asia.
China is increasing development and fielding advanced capabilities in cyberspace, which are not only focused on collecting sensitive information but also achieving desired effects capable of causing economic harm, damaging infrastructure, and influencing the outcome of conventional armed conflicts.\textsuperscript{51} In many ways, China’s contemporary focus on cyber warfare is an extension of traditional Chinese stratagems, namely Sun Tzu’s “overcoming the superior with the inferior” (i.e., asymmetric warfare).\textsuperscript{52} It is intimately connected to the country’s broader geopolitical strategic interests: regime survival; dominance in Asia; and growing influence on the global level.\textsuperscript{53} The progress in this area of information technology has been remarkable over the last decade. There has been evidence over the past few years indicating that the Chinese have attacked U.S. government computer systems.\textsuperscript{54} Computer network attacks in spring of 2009 on the Pentagon and the New York Stock Exchange point to China as the culprit. Nathan Gardels, editor in chief of New Perspectives Quarterly, commented that 90 percent of probes and scans of U.S. defense systems lead back to China.\textsuperscript{55}

As Richard Lawless, then Deputy Undersecretary for Defense for Asian and Pacific Affairs noted back in 2007: “Chinese capabilities in this area have evolved from defending networks from attack to offensive operations against adversary networks”.\textsuperscript{56} Former Director of National Intelligence, Mike McConnell recently stated in a February 2010 interview that “the Chinese are exploiting our systems for information advantage; looking for characteristics of weapons systems and the acquisition of other valued information.”\textsuperscript{57}
Impacts to the United States

Bilateral trade relations have over the years strained relations between the U.S. and China, in large part due to the trade imbalance it has with China. The U.S. trade deficit with China has increased steadily since China’s entry into the WTO, and the United States has run a cumulative deficit in goods with China of over $1.76 trillion. This has concerned U.S. policymakers, in that it has the potential to provide China with increased leverage over the U.S. on major bilateral and economic issues. In 2009, China was the second largest U.S. trading partner and the third largest U.S. export market; having a substantial impact on the U.S. commercial market. U.S. imports from China have grown much faster than U.S. exports to China. China’s ability to produce goods at low costs has invariably had an effect on the economic conditions in the U.S. U.S.-based manufacturing markets have closed their businesses here in the United States, seeking opportunities in China and other nations where goods can be produced much cheaper. China has been observed by U.S. and foreign investors as a country who promotes industrial policies that manipulate the trade rules to benefit China domestically.

The erosion of U.S. influence in diplomacy within the Asia-Pacific region stems in large part from the widespread perception that the U.S. is distracted and preoccupied by the events outside the region, particularly the Middle East. Many do see the U.S. as still having an influential role in diplomacy in Asia, but if not nurtured effectively in the years ahead, China has the diplomatic strategies necessary to strike alliances that foster peaceful and cooperative behavior, push alienation of U.S. influence from perceived lack of interest, and built on enhanced trade opportunities that China offers for the region.
James Mulvenon, Director of the Center for Intelligence Research and Analysis, said “China’s military modernization makes perfect sense, this is a natural evolution commensurate with China’s rise as a great power”.\(^{60}\) Defense Secretary Robert Gates stated in 2009, that China is a global challenge of great significance, as a result of these emerging military capabilities that it aggressively pursues.\(^{61}\) China’s military rise threatens regional stability within Asia. As China continues to modernize its military, other Asian nations will see it as a necessity to modernize their respective military’s as they perceive China threatens regional prosperity.

The 2010 Congressional Report addressed U.S. growing concern with China’s improving military capabilities as these advancements challenge the U.S. military’s freedom of access in East Asia.\(^{62}\) Additionally such advancements have created uneasiness with other regional states, India, Japan and South Korea to name a few.

Cyber attacks on U.S. infrastructure presents both global economic and national security concerns. A successful cyber attack could disrupt financial flow of currency, causing United States’ global economic markets to fold and invariably affect currencies across the world; as most regional and state currency markets are regulated by the U.S. dollar. Additionally, a successful cyber intrusion has the potential to degrade military high tech weapon operating systems, thereby compromising national security. Of essential importance is that these systems and their potential vulnerabilities create opportunities for the Chinese, other nations, and non state actors to gain information that can subsequently be used against the U.S. or its traditional allies.

**Exploring Mutual Interests and Cooperation**

The U.S. and China have a number of shared interests that could potentially lead to a very productive and prosperous relationship, despite the glaring indications of
China’s push to global hegemony. First, the world’s two dominant economies want to prosper economically. China’s economic growth creates opportunities for the U.S. to benefit from its rising prosperity, but it raises expectations in America that China will be a responsible international economic actor. The verdict is still out on whether China remains rational in dealing with the U.S. while focusing its energies on continued economic growth.

The impact of climate change in the twenty first century will have a resounding impact on large developing nations; and without question will have a tremendous impact on both the U.S. and China alike. The U.S. and China along with several other large nations, account for nearly 80 percent of the greenhouse emissions; a direct link to global warming a ripe environment for increased droughts, flooding and other catastrophic events. The U.S. and China agreed to join the Copenhagen Accord in 2010, joining other states such as Japan, India and many nations of the EU. This is a positive sign of both nations’ commitment to explore renewable sources of energy to aid the environment in the twenty first century.

**Diverging Interests**

There are several areas where China and the U.S. agree to disagree in terms of each nation’s intentions and interests globally. There are four very critical issues that continually cause relations to ebb and flow over time: human rights, Taiwan, the Korean peninsula, and nuclear proliferation.

As China continues its relations with the U.S., human rights are vitally important. In the past two decades successive U.S. administrations cumulatively have developed a comprehensive array of tactics and programs aimed toward promoting democracy, human rights, and rule of law in China. The trend line of China’s respect for
internationally recognized human rights has remained generally flat since the 1989 Tiananmen Square Massacre, not improving and occasionally worsening. Based on a comprehensive U.S. State Department report, China has continually waivered in its commitment to upholding human rights for its citizens. Human rights advocates have charged that the Obama administration has emphasized bilateral cooperation on global economic, environmental, and security concerns at the expense of human rights in its policy toward China. However, the U.S. has shown signs it continues to press China’s adherence to upholding human rights. Most recently the U.S. announced that the U.S.-China bilateral Human Rights Dialogue resumed for the first time in two years. As this forum continues over time, much attention will focus on how the U.S. and China’s relationship develops as a result of its willingness to address human rights issues at the national level.

The second area of contention that has strained relations with China is the issue of Taiwan. The United States remains firm in its commitment to a one-state China policy, focusing on the peaceful reunification of Taiwan. Taiwan, in its current state, is a tremendous ally for the U.S., founded on the ideals of trust and cooperation dating back to World War II. Since that time U.S.-Taiwan relations have flourished through trade and investments, matters of international security, educational exchanges and other areas of mutual interests. China, on the other hand has claimed sovereignty over Taiwan since 1949. The United States under the Taiwan Relations Act, as written within the policy, will support the nation of Taiwan if threatened, as a threat to Taiwan threatens vital interests to United States. After more than a decade of double-digit
increases in PLA military expenditures, some believe that China is on the verge of being able to coerce Taiwan into unification with the mainland; and on the mainland’s terms.  

Despite efforts to reunify, mainland China has still been able to develop diplomatic ties, garnering the luxuries of economic prosperity with a democratic Taiwan. China is the largest export trading partner for Taiwan and is the 2nd largest import market for Taiwan. Additionally, Taiwan and China have officially signed trade agreements that allow Taiwan access to the global markets that China provides. There are signs that the two nations can still overcome differences and conduct business with mutual interests involved.

The U.S. continues today to conduct trade with Taiwan, who has diverged itself from a one party system and has become a democratic state. Taiwan’s democratic experience has proven that liberal democracies can flourish in Asian societies alongside Confucian values. The U.S. is a major supplier of weapons and military equipment to the forces of Taiwan. If China presses the issue to exert control over Taiwan and the Taiwan Straits, which is the major waterway route for shipping with Japan, this could lead to the U.S. exercising various components of grand strategy as deemed necessary if it truly threatens a vital interest. Diplomatic negotiation, in most cases is always the optimal option in seeking resolution as a deterrence option. The U.S. however will reserve the right to use additional measures as deemed necessary. As recent as January 2011, during Chinese President Hu Jintao’s visit to the U.S., the Taiwan-U.S. relationship still remains of concern to the Chinese.

Third is the U.S. vision of a unified Korea. China’s reluctance to see a unified Korea goes directly against the idea of U.S. presence in Asia. The possibility of a
strengthened U.S. presence, a nation of democratic principles, so close to its borders is troubling for China more so than the presence of any other nation.\textsuperscript{73} A U.S. presence in Korea would not only guarantee U.S. regional hegemony, but also create Chinese insecurities over possible U.S. military involvement in the rest of Asia.\textsuperscript{74} China has maintained a deliberately neutral role in response to actions by the Democratic Peoples’ Republic of Korea (DPRK). Many times China has been reluctant to pressure Kim Jong IL to stop actions deemed detrimental to international stability. China has maintained such a relationship with the North nation since the 1950s, sheltering it politically and economically, while not customarily receptive to causing strife between the two. Only when the situation directly impacts China’s interests does it feel compelled to convince North Korea to change its actions.

Admiral Mike Mullen, Chairman Joint Chiefs of Staff, recently stated that “China has more influence over North Korea than any other nation, and must do more to rein in the regime.”\textsuperscript{75} Recent actions by North Korea in November 2010, where it fired artillery into the South Korean island, lends legitimate concern for China’s lackluster influence over North Korea.

In large part China has been reluctant to scold the North Korean regime, feeling any destabilization of the country could lead to an influx of refugees into China. Such an impact of this nature, China feels has the potential to adversely impact its economic development and further exacerbate the unemployment issues currently in existence in portions of the country.\textsuperscript{76}

A fourth issue is the actions of the Chinese with regards to nuclear proliferation and Chinese negotiations with Pakistan. China signed on a signatory for the Nuclear
Proliferation Treaty (NPT) 1992 and as a member of the Nuclear Suppliers Group (NSG) in 2004. However, the NSG cautions member nations from sharing nuclear technology with countries who have a record of proliferation and are non signers of the NPT, which Pakistan is not. China, as of this year (2010) plans to build two nuclear reactors in Pakistan, a deal valued at $2.4 billion (U.S.). This agreement is a significant step in reaffirming the longtime alliance between the two nations particularly as their shared rival India and the U.S. ties deepens.\textsuperscript{77} China has been a major nuclear supplier to Pakistan over the years, and the likelihood of such transactions has been linked to nuclear acquisitions by Libya, Iran, North Korea and others.\textsuperscript{78} The U.S. has been adamant about China’s intentions to pursue its plan. China has argued that the U.S. has made similar plans to support India, another non signer of the NPT, as India potentially threatens China’s influence in the Asia region.

\textbf{Validating the China’s Hegemonic Rise}

China has displayed signs that support the argument it is pushing to rise as a global hegemon in the twenty first century. Unlike what occurred with the U.S. and the USSR, a nation with a firm stance to its communist principles which ultimately caused the downfall of the USSR, China embraced the U.S. as a friend in the early 1970s. This relationship has remained a fundamental tenet of its foreign policy for some thirty years, a strategy under Deng Xiaoping that would ensure China’s peaceful and relatively trouble-free external environment would allow it to concentrate its efforts and resources on economic development.\textsuperscript{79} The precondition for being a hegemonic power, including the ability to preside over a formal or informal empire is economic strength.\textsuperscript{80} The Chinese approach is well illustrated by Deng’s comment: “Observe developments
soberly, maintain our position, meet challenges calmly, hide our capacities and bide our
time, remain free of ambition, never claim leadership.”

During the 1970s, in efforts to institute reform, China made significant steps to
solidify Deng’s vision, by gaining acceptance in many of the multilateral international
organizations, whereby it would legitimize its rise as a regional and global power. The
two most prominent institutions were first China’s entry into the United Nations in 1971
and subsequently its entry into the WTO in 2001.

Some experts view the UN as an organization that reduces states’ power.
China’s involvement has allowed it to prosper as a rising power, advance its foreign
policy objectives, and leverage its position internationally. China’s position on the UN
Security Council allows it however to constrain or alter U.S. positions, by using its veto
power, on very sensitive and controversial issues that likely affect China’s foreign policy;
a policy centered on economic development, reassurance, countering constraints,
diversifying access to natural resources, and reducing Taiwan’s international space.
China historically has seen the UN as a prime venue to reduce international support for
a U.S.-backed Taiwan, and has been able to prod nations to transfer their formal
diplomatic relations to Beijing. China has also used the UN as validation of its support
to global challenges and participation in UN activities for the global greater good.
Lastly, a central but more discrete driver of China’s UN membership is to constrain the
U.S. exercise of power and minimize U.S. ability to impose its solutions as a single
country to international problems. However, this strategy China uses can work in
reverse. If the UN is effective, it will also keep China from asserting itself in ways that
are adverse to the collective body of sovereign nations and hold it accountable for actions outside of UN guidelines, thereby limiting its hegemonic influence.

China’s entry into the WTO in 2001 marked another significant milestone setting conditions for global influence. No state has benefited more than China from globalization and liberal trade. The WTO was the institutional mechanism that opened China to exponential direct foreign investment opportunities it could not achieve as a closed communist regime. As a result China benefitted from an influx of capital (from $1 billion US in 1985 to $74 billion in 2007). Starting in the 1990s, China began to export capital as well, encouraging Chinese firms to seek investment abroad, often in developing countries. China’s plan of pursuit has remained consistent and today sits a global economic hub driving international markets, creating opportunities for a conglomeration of struggling nations around the world.

Prognosis for 21st Century US-China Relationship

Realists generally hold to the belief that rising powers tend to cause tension with those nations that possess international influence. Rising powers seek not only to secure their frontiers but to reach out beyond them, taking steps to ensure access to markets, materials, and transportation routes; to protect their citizens far from home, defend their foreign friends and allies, and promulgate their values; and, in general, to have what they consider to be their legitimate say in the affairs of their region and of the wider world. In this view, the era of China’s rise will feature an increasingly powerful China and a declining U.S. locked into an epic battle over the rules and leadership of the international system.

For more than a decade, many international experts have indicated that China is the most likely peer competitor nation to the U.S., as a legitimate balancing national
power or one that will eventually surpass it. There is no question that China has become a central focal point of concern with regards to U.S. foreign policy. In every critical area of U.S. interest, be it strategic, diplomatic, economic, military, or informational, China plays a role in the U.S. ability to achieve its objectives. The task before both nations is to broaden and strengthen the areas they see as open to cooperation, while narrowing and diplomatically addressing those areas in which they differ. The most complex global issues affecting the 21st century cannot be solved without both China’s and the U.S.’s support and cooperation to work as leading nations. For the United States more importantly success in dealing with a rising China will rest on achieving desired effects through the instruments of power, fully understanding the difficulties and challenges that lie ahead in the twenty first century.

The most resolute aspect of U.S. national power lies in the military. The United States is at a crucial stage, with expected cuts in defense spending in the years ahead. It appears that decreasing the national debt will emerge as a priority while accepting risk in national defense. There is high expectation from the U.S. political leadership that a Peace Dividend will take affect shortly after the U.S. ends military operations in Afghanistan, as operations in Iraq have already transitioned into an advisory role with Iraqis in the lead. This Peace Dividend will subsequently call for substantial drawdown of military end strength numbers, as have been customary in past post-U.S. wartime engagement. It is almost certain that the defense budget will be a prime candidate for cuts as defense spending now constitutes about 19 percent of the federal budget and more than half of U.S. discretionary spending. If these cuts are significant, without a
full assessment of the international landscape, ie...potential state and non state adversaries, they will potentially threaten U.S. security and position in the world.

China’s military is of great concern for the United States, without question. U.S. officials who work with China say that the PLA does not answer to the country’s civilian government. Instead the government and the PLA are coequal entities, whereby the PLA gets its instructions from the Politburo Standing Committee, a group of non military members with no military experience. This organization could present a very irrational state of affairs for resolving future differences with the U.S., and could inevitably lead to conflict.

What we expect to see in the future years is a push by the U.S. to get other regional allies to position themselves in order to compete with China’s military advancements, as a means to stabilize the region. In January 2010, Secretary Gates traveled to Japan to champion Japan’s support to a more regional security role. This request from the U.S. involves many reasons, two of which are to help ease tension on the Korean peninsula and also to counterbalance rapid buildup of China’s military capability. With the growing expectation of a U.S. military drawdown, it will rely heavily on engagement strategies that will balance the power of nations to void U.S. military intervention everywhere, and all the time.

Diplomatically, the U.S. has to look to fostering global cooperation with China regardless of the long term nationalistic views. Despite the many diverging national interests and beliefs, the U.S. will have to find a way to deal with China. Simply put, to expect China to transform into a democratic state, embracing the ideals, values and interests that come with that, is far reaching to say the least. Current and future U.S.
administrations must be able to cultivate those mutual interests: economic and climate change (identified earlier), as global problems that must have “leading powers” invested in finding solutions. Democracy is an unreliable predictor of allegiance to likeminded democracies; a democratic China will be no different.\textsuperscript{94} If the collective interests for both nations are not firm and in agreement, there will be opportunities for strife.

The U.S. and UN must ensure China contributes to the global public goods. This principle adopted in 1992 by the international community, establishes different obligations from developed and developing countries, based on their internal capacities.\textsuperscript{95} International status, weight, and voice in the international arena should be linked to concrete contributions to global security.\textsuperscript{96} The U.S., as well as the UN, cannot allow China to decide when and where to be a part of global solutions; it has to remain firm in its dialogue. As the 2010 NSS emphasizes, the U.S. will rely on such bilateral relationships to deal with the dynamic evolution of the international environment.\textsuperscript{97} The U.S. and UN must leverage China’s desire to have a seat at the table and gain access to institutional resources as a way to hold it to global commitments. The twenty first century global challenges require global solutions, and China has to contribute, and not only in the realm of economics.

Lastly, the world has become more globalized and this involves two very essential stakeholders; the U.S. and China. The U.S., both during the presidential term of George Bush and under the current term of President Obama, has openly stated that it wants to embrace a growing China as this is vital to global economic prosperity.\textsuperscript{98} Both nations have established interdependent economies that link the two together,
whereby fluctuations in either of the two economies have regional and global implications.

Robert D. Hormats, Under Secretary for Economic, Energy and Agriculture addressed in April 2010 the importance of a broad bilateral economic relationship with China. He states that some 40 years ago under President Nixon, the U.S. and China understood that a relationship focused on economics would place the two nations on a path toward peace, prosperity, and security; not just for our nations but the world at large.99 “Today, that means everything from economic recovery and stability to climate change.”100

The cornerstone of the U.S. and China relationship rests with economic success for both countries, a success in which both countries achieve tangible results. America’s most misrepresented foreign policy instrument is trade, which has tremendous benefit from domestic stability, domestic wealth, and the ability to provide goods at relatively low costs to American consumers; as well as seeding dollars into the military industrial complex. The U.S. must continue to encourage bilateral dialogue with China, strengthening a relationship whereby both nations fully understand and have an appreciation of the magnitude of their existence, with regards to the global economic well-being.

Conclusion

China will present itself as a regional and global power in the twenty first century. The U.S. cannot afford to underestimate the significance of China’s presence in all corners of the globe and in all categories of national power. As other global threats emerge it will be easy to steer U.S. attention away from the actions of nation states, who may also threaten global stability; shaping what could potentially be a scenario
much like that between the U.S. and the former Soviet Union. The U.S. must be effective in shaping diplomacy with those emerging powers as well as institutional organizations to facilitate conditions that achieve collective interests by stakeholders.

The U.S. and China must coexist for the global good and regional stability. This will not preclude the U.S. from taking appropriate measures to preserve national interests within a region that continues to be the most developing region in the world, for the stakes are just too high. What the U.S. needs from China is a commitment to support international and global security, not in the sole interest of China, however for the global good of all nations. Global terrorism remains a viable threat to global security. The collective efforts of world powers along with the resources they all bring impedes non-state actors from gaining decisive advantages which can render sovereign nations powerless in their pursuit of global order.

Equally of concern are the actions of such nations as North Korea and Iran, whom China has continued to remain partners with and, in some cases, has facilitated their intentions to enhance their nuclear capabilities. The U.S. needs a China that fully promotes the statutes of the NPT, and prosecutes those seeking to exploit, and demonstrate the intentions to use these nuclear weapons against sovereign nations. The issue over nuclear proliferation must not be one where China supports a nation who traditionally has been termed illegitimate within the international community and the U.S. And likewise the U.S. must also be consistent in dealing with those countries who have not signed on as supporters to the NPT, not appearing to have subtle compromises with certain nations. Actions like these on behalf of both the U.S. and China only heightens tensions between the two.
China continues to shape its reform envisioned in the 1970s. The recent visit by Chinese President Hu Jintao reconfirmed China’s pursuit, not resting on the achievements of the last 40 years. China demonstrates it wants to be a major contributor economically. The verdict is still out as to how economic prosperity will drive its military capabilities. However, if you look at China’s road to progress over the last 40 years, its military advancements, regional and global efforts economically, and diplomatic strategies, these are signs that indicate this once closed society has created an ability to make a global impact.

The U.S. can not overlook the reality that China is much different than 40 years ago. Bound by the grasps of communism, it was satisfied with a regional sphere of influence as long as the U.S. stayed away. Today China has proven a desire to broaden itself; the U.S. has to see that this transformation is for all the right reasons.

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