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The Rising China: Essential Disposition, Secular Grand Strategy, and Current Prime Problems

by

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Shi Yinhong: It is my honor to have this chance to make my representation here on the rising China, and first of all I should thank Sasakawa Peace Foundation USA and thank Professor Ikenberry and thank Dr. Minxin Pei who arranged this chance. My presentation is divided generally into two parts. The first part is *A Rising China: Ambiguities and Controversies*. The second part is *A Rising China: National Objectives, Grand Strategy and Prime Problems*.

Rising China: Ambiguities and Controversies

A rising China is certainly one of the most fundamental and profound facts in world politics today and tomorrow. To many people outside China, this fact is becoming the number two critical reality in shaping the world power structure and some other vital dimensions of world politics in the coming decades, only after the preponderance of the United States in importance. To many, it has created the China problem just as a rapidly rising Germany created the German problem after the accomplishment of German unification in the 1870s, or after Bismarck resigned as the Chancellor of the Second Reich in 1890.

A lot of people in the United States and other governments, academics and think tanks have been thinking of a classical issue in modern international history. What will be the prospects of national capabilities and intentions of the rising China in early or even the middle 21st Century? What is the best disposition and the long-term grand strategy toward this rising China? To make her become a liberal peaceful democracy, a responsible member of the international community, a great partner of the United States, the Western community and China's neighbors in maintaining international stability and prosperity. Or to make it substantially weakened, permanently troubled to a degree of inability or even, like some people now talk about, to wait for her collapse or imploding by the great tensions accompanying her current historical transformation.

Within China, among the Chinese informed public, international studies scholars, civil bureaucrats and military defense researchers, and even, I guess, some top level officers or leaders, China's rising as a basic fact has also stimulated various speculations, discussions and controversies about the international environment and China's place and conditions in it, both at the present and in the distant future. These speculations, discussions and controversies up to now mostly have an inconsistent, less radical, short-term and fragmented nature too much depending, in my view, on the vicissitudes of current international events and practical immediate policy requirements.

However, one still can feel and grasp at the quite different opposite sentiments, ideological inclinations and way of political and strategic thinking behind these discussions and the debates. Today, they are characterized by unprecedented complexity and self-contradiction of the recognition of China's elites on international politics and its general direction of movement, as well as their positions on the basic course the Chinese government shall take in dealing with the fundamental external political and military affairs.

The degree of the lack of foreign policy consensus and the related intensity of the real and potential controversy both among elites and the public are indeed unprecedented in

China at least since the ‘49 Communist takeover. In this respect, the particular remarkable developments in China since the later 1990s include quite widespread criticism among a large part of the public against the government’s so-called “softness” and “timidity” in dealing with the United States, Japan and China’s external security matters, the rising of quite strong nationalist sentiments, especially among a large part of China’s youth, the rapid emergence and relations of unofficial leftists both old and new in the intellectual world in China.

There are now controversies and confusions on at least seven very important issues about the direction of international change and the basic course China should take. The first is, you can say, philosophical and it can be expressed as globalization versus multi-polarization. At present, the Chinese government and many scholars in China treat this as globalization and multi-polarization. The former means general trends in the global economic and technological fields. The latter, a long but inevitable decisive trend of the international power structures. And also it can be pointed out that the former is to them a not so happy reality, especially because the too obvious preponderance of the United States, the Western developed countries and the Western multi-lateral corporations in the wave of globalization, as well as of the strong effects in eroding and limiting the state’s sovereignty and the social control by the rapidly international and transnational intercourses. The latter is to them an ideal because of the meaning of decline of the United States as the approximate global “hegemon,” especially in the political, ideological and military fields, and in China’s further rising and the general liberty of international society, in the sense like the classical “Liberty of Europe.”

However, they at the same time sense gradually the increasing contradictions between globalization and multi-polarization, the instabilities and possible security dangers to China in a real multi-polar world and Asia. And they now proclaim that it will be a very long process to achieve this multi-polarized international structure, somewhat how a Marxist would treat the collapse of world capitalism as a historical inevitability, but not dreamed to come in a few decades.

The second important issue in the debates among Chinese elites and informed public can be expressed as rising power versus established world power of future accommodation versus conflict between them. The debate on this issue is at large potential. Only a minority of scholars explicitly discuss it in published articles or books. But it’s in the minds of many people and occupies a place as the paradigm in their long-term international thinking. This is a classical fundamental issue in modern international history, especially for those who are somewhat familiar with that history. Generally, there are now three groups of people in China. The first group is those who hope for long-term accommodation with the United States, but seriously doubt its probability, believing that perhaps there may be a long Cold War confrontation or even major conflict between China and the United States in the coming decades, primarily due to the hegemonic or, in the words of their liking, “uni-polar” nature of American power and national inspiration which is quite difficult to be removed. This group of people is obviously in the majority among China’s interested elites.

Secondly, those who both hope and believe in the prospect of accommodation between the U.S. and China as a long-term prospect in the early decades of the first half of the 21st Century, though they recognize or even emphasize the long process of agonized mutual adaptation which involves so-called “national social learning” of a few generations in both China and the United States, with grave mutual suspicion, serious frictions or perhaps even limited conflict in the process as inevitable or difficult to avoid. This group of people is in a definite minority, but their influence at present is much larger than their

numbers. So those who believe in the inevitability of major conflict between China and the United States as the only historically proved solution of the problem of "power transition," or as a determined and unchangeable nature of the American "hegemonism" dictates. They have a pessimism that the United States will never tolerate a China as a world power or even No. 2 great power in Asia and the Pacific, while they, at least some among them, also hold an optimism that China might break the primary obstacles in her road to great power and great dignity through that conflict. This group of people is now only a small minority among China's elite and almost have no remarkable influence upon the so-called "official mind" (to use a phrase of the distinguished historian, Paul Kennedy), especially of government leadership and the civil branch, but at the same time they are in chord with the ways of a substantial part of the grass roots public opinion.

The third important issue relating to the basic nature and function of "American Hegemony" can be summarized as oppression by U.S. hegemony versus the function of stability maintenance of that hegemony. One can hardly find this controversy in published literature in China, but can hear it in some off-the-record formal or informal discussions among scholars, the public or even among government officials. Almost no one in China does not to some degree recognize and resent against the oppression, whether intentionally or unintentionally, from U.S. "hegemonism" against China and many other countries. But some, at the same time, also recognize and even appreciate the over-decisive role the U.S. played in maintaining stability and order in international politics, both global and regional. Especially for those who put great attention to the complexities and potential dangers of the multi-polar power struggle in East Asia and those to untraditional security threats (including those from proliferation of mass destructive weapons, transnational terrorism, ethnic and civil conflicts in failed states, etc.) in a globalized world, this role is very important or even indispensable.

In an academic conference a few weeks ago, a well-known young professor in Beijing even spoke frankly that a uni-polar world dominated by the United States will not necessarily produce vital damages to China's national interests. This is a minority opinion, but even those who never agree with this kind of idea still in their hearts, and sometimes in their expressed opinions, recognize the function of the stability maintenance of U.S. preponderance in some concrete cases and situations, and this often leads to confusion in their thinking and attitude.

Because of the limited time of my speech, I can only sketch briefly the other four prominent major issues in the general controversy on international politics and China's external disposition since the late 1990s in the context of China's rising. These four issues are: first, what are the general pros and cons of China's participation in various major international regimes or institutions in which the United States and its Western allies have dominance? China's entry into the WTO has raised a quite intense debate reflected in many essays, notes and statements published in Internet BBS and some journals, and even more in informal talks and conversations, especially before the concluding of negotiations, through which we have heard voices based on Western liberal internationalist ideas and on the other hand a radical perspective of dependency and world-system theories. The general pros and cons of China's participation to international regimes of arms control, non-proliferation and human rights also raise controversy.

Even the phrase, "Taking the International Track," as a general national course still has its supporters and opponents in today's China as it has had persistently during the past one or two decades.

Secondly, what is the fundamental proportion between the two major categories of U.S.

policy toward China: on the one hand, the strategic precautionary measures (for the most informed people in China use the term "containment" or even "strategic encirclement") and political and diplomatic pressures; on the other hand, "engagement," accommodation, limited cooperation and so-called "co-optation?" There is an increasing inclination by increasing the number of people since early 1999 to see the former category as the only element in U.S. policy and strategy towards China.

Thirdly, China's so-called "low-profile" versus her "active assertion" in the international political arena. This instruction of Deng Xiaoping on China's international posture and course of policy in the dramatic days of '89 left to the rising China a persistent topic for discussion and disagreements, and it will certainly in the same or different words extend through future years or even decades, making the balanced combination of "low-profile" and "active assertion" a perennial difficult issue for China's statecraft.

Fourth, the last, but perhaps most important issue, that is, is peace and development still, also in the words of Deng Xiaoping, "the main theme of our age?" In the contemporary Chinese political semantics, this deals with the basic nature of the present age of world politics and is thereby determining the fundamental condition of China's external environment and direction of her foreign policy. And there has been a quite intense and widespread debate in China since NATO's intervention on Kosovo up to these days since the September 11th terrorist attack. A lot of people with increasing numbers have serious doubts toward this most essential definition of a world situation, and some even challenge it in published articles and on unpublished talks. In some sense, you can even roughly define foreign policy hard liners and moderates in today's China by their different attitude toward this definition of the situation.

All the above disagreements, confusions, paradoxes and controversies in China's domestic opinion reflect the complexity of the United States as a vast reality to be understood by the Chinese, the complexity of China's present international position and future prospects, and the increasing diversification of the domestic political and social components in China in the process of reform, economic development, and the evolution of modern "mass politics" or even civil society. However, at the same time they also reflect that today's China in her rising is still far from having developed a system of clear and coherent long-term fundamental national objectives, diplomatic philosophy and long-term or secular grand strategy, let alone a kind of definitive and grand contemporary Chinese diplomatic tradition consensually built in the minds of millions of Chinese people, even taken for granted by them just as the tradition of isolationism in 19th Century America and that of the balance of power in Britain from Elizabeth I to at least Winston Churchill. In other words, a rising China is and will probably be for a long time an uncertain and somewhat perplexed China. Her international outlook, her attitude toward the United States and her general direction of foreign policy is still well in the process of being constructed both by herself and by external forces, among them, first of all, by the United States.

Now I will express my personal and perhaps somewhat representative point of view on several vital questions, which will determine the fate of a rising China: what fundamental national objectives China should have for the early decades of the 21st Century? What kind of essential international disposition and secular grand strategy China shall adapt to achieve these objectives? Are there very profound and determining factors to make China perfectly capable in pursuing that grand strategy successfully? What does China want domestically at the present for pursuing effectively the national objectives and grand strategy as I will now introduce? Due to the limitation of time available to me for my speech, I prefer to leave my answers to the last two questions after the two distinguished

discussants make their comments, if then you would still be interested in those questions.

Fundamental National Objectives

I believe that China should have three ends as her fundamental national objectives for at least the early decades of the new century: basic national security, the elementary affluence of the Chinese people and a possible status as a world power.

Basic national security means a state is generally secure and maintains independence, sovereignty, territorial integration and the freedom to choose its own domestic way of life on the condition that it at the same time respects the same "natural" rights of other states. China has been taking security in this sense among her first national priority for many years because first of all that the existing or potential threats to her security, due to her geographic location, the geopolitical structure of East Asia and other fundamental political, ideological and historical factors, are especially extensive or multi-dimensional.

Secondly, there are not any regional multilateral security regimes or sub-regional ones that are numerous and effective enough to mitigate the virulent effects of international anarchy in East Asia. So there are many existing or potential security dilemmas between states in this region, and among them those in which China is involved as one of the two antagonists in that pattern are certainly in the majority.

Moreover, another basic fact which only aggravates the lack of enough feeling of security on the part of China is that between a rising China and a preponderant United States as the established superpower, there are quite widespread and deep differences, rivalries, and mutual apprehensions in practical interests, power inspiration, ideology, and even national tradition and mentality. For all of these reasons to do great efforts to secure and maintain basic international security should continue to be a minimum objective of China at least in the early decades of the 21st Century.

But why do I say "basic" rather than "full" or even "absolute" security? Besides quite severe limitations, geographic, political and domestic elements impose upon China's feasible aspiration in this respect, the vital requirements of mitigating and even avoiding a security dilemma dictate that China has to be satisfied with basic rather than full or even absolute security. Or, in other words, China has to have enough patience to co-exist perennially with some relatively insecure conditions and deal with them properly in a very long historical period.

There is a slogan which originated from Joseph Stalin as well as from the Chinese which was understanding of their humiliating national experience since the Opium War, that is the "backwardness (in national strength) means taking a beating." But I pointed out again and again in China that national strength is only a necessary rather than sufficient condition for China's security. Unless the security dilemmas China is involved in are substantially mitigated, a stronger China will be a more insecure China, while a really multipolar East Asia might be one full with power politics, uncertainties, instability and international dangers.

It's very easy to understand that elemental affluence of the Chinese people should also be one of the fundamental national objectives of China in the coming decades. In the language of the Chinese government, this means that the average living standard of the Chinese people should reach the level of that of the secondary developed countries. If we consider the following conditions and developments, we will be aware that this is indeed some imperative rather than a mere ideal in the ordinary meaning of the term: the increasingly great gap between the coastal areas and the inland provinces in people's income; quality of life and the rate of economic growth; the

growing unemployed or only partly employed populace due to inefficiency and related structural reform of a lot of state enterprises; the numerous poverty groups of people in urban areas resulting from unemployment and the seriously underdeveloped state of the social safeguard system; the often shocking division between the relatively rich residents of the cities and poor peasants, especially those in the most inland of the countryside; the awareness by millions and millions of Chinese people, through openness of China to the outside world, of the much higher living standard, advanced social welfare and individual freedom in the developed countries, and the resulting "revolution of expectations" on a very large part of them. Therefore, the elementary affluence is indispensable to the sustainable social and political stability and well being of China as well as to the decent and respectable existence of her more than one billion people.

A China having more than a billion people should peacefully and constructively strive to become, and then remain to be, a world power - a world power according to the definition generally held by scholars and statesmen since the Vienna Congress and Leopold Von Ranke, with particular national power, extent of interest, international responsibilities and rights, and the common values and norms with other powers in something like a great power concert.

It is important for China to do her best to achieve this kind of status in 30, 50, or more coming years. Whether China could achieve it in the 21st Century depends on the legitimate self-respect and the self-confidence of the Chinese nation with a 1.3 billion population, the reduction of the possibility of being oppressed or even spited by the present world power, the substantial alleviation of existing or potential threats from all those states which have some unjustified intention against China, and obtaining cooperation and support from other states, including other great powers in China's international affairs.

Structural Difficulties

China is facing, and will continue to face in the long period a lot of difficulties in pursuing the above national objectives, especially those with profound domestic and international structure difficulties, and whether China can overcome them is generally, I dare to say, far from certain. For a limited amount of time, I will only sketch very briefly the domestic structural difficulties, except those I have just referred to, including: first, the uniquely heavy burden of the too vast size of the population, which is and will continue to be, the greatest factor in obstructing China from becoming rich and strong and optimizing the conditions for living of the Chinese people; secondly, the severe ecological and natural resources and restraints on China's economic growth, with the continuing deterioration of the situation in this fundamental respect, though its rate has been a little slowed due to increasing national and governmental attention; third, the increasingly obvious maladjustment or inappropriateness of some fundamental aspects of the state-governing system, especially in the context of rapidly developed urbanization, the spread and deepening of mass education, and openness to the outside world, of which the grave and nationally widely resented corruption in officialdom is only a most remarkable symbol. China has still far from resolved the problem of how to achieve a really sustainable and social stability through some feasible, efficient, liberal and democratic reform in the political as well as legal field.

For the international structural difficulties, the most remarkable one to the Chinese government and most of the Chinese informed public is perhaps the largely undesirable attitude of the United States in some fundamental political, military and ideological aspects toward the rising China, with her preponderant world and regional power. Almost having the same importance is the problem of a security dilemma in East Asia, including the Indian subcontinent. As I just mentioned, among these security dilemmas, those in which China

are involved as one of the two antagonists are certainly in the majority. In this sense, China is a country having almost the most numerous and gravest long-term security troubles among all Eastern Asian countries.

In consideration of the present state of awareness of the Chinese people, the vast psychological estrangements and the not-so-potential antagonism between the Chinese and the Japanese nations, and between the Chinese and the Indian ones, are particularly dangerous in the long term. Besides these, China also faces structural difficulties in the transnational level due to her great size and relative backwardness in participating positively and effectively in the process of globalization, in adapting her traditional way of thinking, in cultural patterns of behavior, and social, economic and political institutions successfully to the requirements of globalization, in accumulating the national experience of dealing with various new forces and changes accompanying this revolutionary wave of the modern and contemporary history of the world.

A "Diplomatic Philosophy" for China in the 21st Century

As a very big nation-state that should have long-term domestic and international aspirations and at the same time faces various structural difficulties, China ought to have some reasonable and advantageous long-term "diplomatic philosophy" which can constitute the perennial national central tradition for her external affairs on the one hand, and easily lead to an optimal grand strategy for a whole historic age on the other. Up to now, in my repeatedly expressed opinion, China still has no such kind of things, whether reasonable and advantageous or not. This is perhaps the No. 1 cognitive and policy difficulty for the current China in her international affairs.

The prime assumptions for suggesting this philosophy and strategy include, among the other most important things, awareness and understanding of the basic power structure and the fundamental tide currents of the world in the early decades of the 21st Century. As to the former, the basic power structure of the world, what is most critical will be the continued near comprehensive preponderance of the United States and the Western community of nations with U.S. leadership. There will be for a very long-term no possibility to form and maintain an international united front consolidated enough, strong enough, effective enough and permanent enough to balance against this preponderance.

As to the latter, the fundamental tidal currents of the world, what we can identify with certainty are that of globalization, domestic democratization, change of international norms toward more justice and multipolarization. The relationship between these two categories of power structure and the direction of progress is primarily the connection between the preponderance of the United States and the first three above tidal currents, that is globalization, democratization, and the change of international norms toward more justice.

Taking into account all I have said, I believe that the essential disposition of China in world politics of the 21st Century should be a combination of being on guard and struggle on the one hand and accommodation and conformance on the other. Moreover, the latter disposition of accommodation and conformance shall be in general more than the former. China should be a "normal" state in world politics in the meaning that she pursues most of the traditional national self-interests as most other states do, while conforming to the common interests defined by the consensus or mainstream opinion in the society of states.

At the same time, the Chinese should also be an innovative state and this means three major innovations in modern world history. The first, to achieve and permanently maintain and satisfy the basic national security in a highly

disadvantageous geopolitical environment and in numerous security dilemmas. Second, to achieve and maintain the elemental affluence of the Chinese people by peaceful, sustainable and a largely equitable growth in a vast country which has more than a billion people and various domestic structural difficulties. Third, as a leading actor, to contribute to a largely peaceful transformation of the centuries-long international society community dominated or controlled by the Western great powers into a new one in which the Western great powers, especially the United States, coexist with and accommodate the newly arisen non-Western great powers, and thereby promote historical great progresses of the global international system and its norms in the direction of equity and reasonableness. To speak more briefly, these fundamental national objectives, essential disposition in world politics, and the double normative self-identities form together the diplomatic philosophy the rising China should have in the early decades of the new century.

The Choice of Secular Grand Strategy

Strategy is the consciously designed fundamental way of doing things, and a secular grand strategy of a state is reference to such a way of pursuing basic national objectives for a whole historical era. Based on the above philosophy, what kind of secular grand strategy ought China to adopt or make in the next 30 or 50 or more years?

It could be said that there are five great categories of state grand strategy in theory and practice: strategy of hegemony, of self-help, of hiding, of bandwagoning, and of transcending. I shall not talk about the detail of these strategies, but I shall focus on the strategy of bandwagoning and strategy of transcending.

The strategy of bandwagoning is one that is starting from the assumption of hierarchical structure of power distribution in the international system trying to cooperate with the first-rate great power and the international regimes supported by it, and thereby obtaining its support and protection and other possible benefits, though at the cost of one's own freedom of action reduced by some degree.

The strategy of transcending, in the words of the inventor of the term, Professor Paul Schroeder, one of the most distinguished scholars on international history these years, in the words of Professor Paul Schroeder, it is defined as "an effort to surmount international anarchy and go beyond the normal limits of conflicting politics by striving for international consensus or formal agreement on norms, rules and procedures to solve the problem, end the threat and prevent its recurrence." As to the security problem particularly, transcending means trying to create, foster and develop regional and sub-regional security regimes, for the purpose of gradually producing a kind of international atmosphere and framework of institutions, in which a lot of things are stable and predictable, peaceful, more to expectation, converging and coming into a full being.

Whether the historical experience of the "Concert of Europe" in the 19th Century or the post-World War II international realities in the North Atlantic area, Western and Central Europe and those in recent years in Central and South America, part of Africa and Southeast Asia, or the well developed theories of international regimes and constructivism, all support the truthfulness of "transcending."

For the rising China in the early decades of the 21st Century, while the strategy of self-help should serve as the strategic basis, it will not only be unable to mitigate security dilemmas but aggravate them. Moreover, as pointed out before, balancing, one of the key components of self-help, can not be effective enough at the grand strategic level for a long time. As to the strategy of "hiding," it will be obviously unfeasible for China which is located in the center of the Asian Pacific geopolitical structure and as a very big country to open up to the outside world.

China should take "bandwagoning" and "transcending" as her secular grand strategy. What is the "bandwagoning" of China in the early decades of the 21st Century? At the bottom, "bandwagoning" in this case means rising on the above mentioned fundamental tide currents of the contemporary world, and that in turn means first of all insisting and developing China's reform and opening-up, entering into international regimes and conforming to international norms as broadly as possible, and learning advanced technology, advanced administrative methods, advanced political approaches, advanced ways of thinking, and an advanced pattern of behavior of international conduct. China has to construct a general relationship of accommodation with the United States and the Western community of nations, developing with them as many common interests, common values, common rules and common institutions as possible, and has to obtain and cultivate various chances embedded in the basic international and transnational environments China lives in through necessary and affordable compromise and concessions.

Because of the problem of a security dilemma, China's pursuit of national security in the 21st Century must include the strategy of "transcending." This demands that China shall participate or strive to participate in all those international security regimes that could be expected to produce more benefits than costs to China. In particular, China should contribute as much as possible to the creating and fostering of regional and sub-regional security institutions in East Asia. Only depending on international security regimes that can mitigate substantially or even in the end remove the security dilemmas, can a rising and increasingly stronger China become a safer China.

Now I would like to conclude my presentation. China, by the essential disposition in world politics and the secular grand strategy elaborated above, could, I believe with prudent optimism, achieve her fundamental national objectives, a basic security, elementary affluence of the people, and possible status as a world power that would co-exist with and accommodate the United States. Because, first of all, national social learning by more than one generation of the two great nations, the Chinese and Americans, will be the most powerful force in the long run in the contemporary age in which a major war between great powers are becoming increasingly unimaginable, thereby making peaceful coexistence and ultimate mutual accommodation become increasingly inevitable.

Thank you very much.

Bates Gill: Thank you very much, Professor Shi. And let me also thank John Ikenberry as well as Keiji Iwatake and the Sasakawa Foundation USA for this opportunity. I also want to extend a pleasant "Xin Nian Kuai Le**"** to everyone for this beginning of the year of the horse. Especially thanks to you, being away from your family during this important time in the Chinese calendar.

Shi: Thank you.

Gill: I know you're not here to listen to what I have to say, so I'm going to keep my remarks very brief and I do apologize to everyone profusely for having to depart somewhat early. I'm not an historian and I have long admired, however, Professor Shi's grasp of these grand questions of history and, most of all, I think we should all be very pleased to have an opportunity to hear him because of his willingness to draw his country's attention in a very frank way to the enormous historic challenges which China faces and to provide, I think, in a candid way some ideas on how they might best address them.

I'm a little uncomfortable as a student of China, however, to try to attribute policies and strategies to some single entity that we call China. If anything, we've learned in the past ten or twenty years, this so-called country, China, is becoming far more complex and

difficult with each passing hour, it seems, to analyze with a great degree of confidence.

Having put out those caveats, though, I will try to consider, first, some trends that I see in U.S.-China relations which pose some problems I think, but also offer up some new opportunities and try to draw our attention to those new opportunities perhaps as a way of finding convergence on a strategic scale for our two countries to go into the future in a more stable way.

And then, secondly, just say a few words about what I hope great historians like yourself can influence in China on some thinking about China's future. Let me break the first part of those remarks into two parts. First, what I see as a likely divergence between the United States and China going forward, and these areas of likely divergence I think we could define as largely within what I would call the external realm of Chinese policy, foreign policy, China's policy on the world stage, vis-à-vis American policy on the world stage.

Divergence between the U.S. and China

There's a great deal of divergence and difference, and I think potential problems loom for our two countries going forward. One reason for this may be that when China or when the Chinese people look out into the world I think there's been an interesting change from the past. I think increasingly we might be able to identify a greater and greater degree of confidence amongst the Chinese people of their ability to operate based upon especially the recent successes of the reform era, to operate more confidently and to at least see at the end of that tunnel some light of great power status in the external realm.

That, obviously, is going to come into some current confrontation potentially with the American role in the international system. And without going into detail, I think it's very easy to identify a number of what I would call grand strategic questions or grand pillars of world order over which our two countries simply do not agree. And I would enumerate them very quickly as such things as the role of nuclear weapons in strategic defenses, the role of alliances and regional security mechanisms, what is the appropriate makeup to provide security and stability, the role of questions of sovereignty and intervention. And here I would fold in the perennial question of Taiwan, as appropriate measures to secure regional and global peace, non-proliferation remains a problem in the U.S.-China relationship.

And I think as Professor Shi suggested even our two countries would disagree over the appropriate structural balance of power in grand global terms, which is most conducive and beneficial to peace and prosperity in the world. These are big questions, very important ones, and we don't agree on a lot of them. And, again, this is in the external realm and I think these are areas where we're going to continue to see a lot of friction in the U.S.-China relationship going forward. The second part though is where I see some opportunity and maybe even potential convergence.

Potential Convergence between the U.S. and China

So I'm moving from likely divergence to potential convergence between our two countries. And here I would see some potential convergence in what I would call in the areas of internal challenges for China. Because here, as Professor Shi has very eloquently suggested, here we have far less confidence I would think among the typical Chinese and even, more importantly, among the typical Chinese leader of their ability to deal with these internal challenges going forward.

I think we should take very serious note of Professor Shi's three points of what he called structural difficulties on the domestic scene, uniquely heavy burden of populations, severe ecological and natural resource restraints and the problem of, as he so diplomatically put it,

state governance and corruption. Those are the fundamental issues. The newspaper headlines term them other things: unrest, unemployment, fraying social safety net, corruption, the problem of the spread of HIV/AIDS in China, and the list is as long as your arm.

I believe that when Chinese leaders lie awake at night in thinking about the future I don't think Taiwan or missile defense or the role of nuclear weapons with the United States is something that keeps them awake. I think what keeps them awake are these, as you put them, structural difficulties, which ultimately will lead to the demise of the Communist party in China.

So in this sense, these internal challenges are indeed strategic in nature, at least strategic in the sense that it is a life or death question for the current leadership or at least the current party leadership, let's say, in China going forward. And it's for that reason, because they are strategic issues for the political leadership in China and because they are serious practical problems that China's facing that it would be in the American interest to seek greater cooperation and accommodation and even various forms of assistance to help assure that these internal challenges can be met in a smooth way that ultimately leads to a transition inside China, political, social and economic, which is favorable to the Chinese people and to American interests as well.

I think there is a lot of room for cooperation there and I'm hopeful that as our country contemplates how best to get along with China in the years ahead we take more seriously the possibilities of cooperating and finding potential convergence in these areas of internal challenges which are indeed strategic problems for China and potentially for us if they're not properly dealt with.

Let me just turn then very briefly to what I thought was a very interesting comment by Professor Shi. He said, "a rising China will be a perplexed China." I think that's very interesting and one that we should keep in mind because I don't have much doubt, I mean I think there are these internal challenges, of course, but I think even in spite of those internal challenges it's highly likely in my mind that even with those challenges as China goes forward it will become an increasingly more important and more influential and more powerful player in the regional and international system.

China's Increasing Power and Influence

Maybe it will be two steps forward, one step back, but I think we can easily envision a more powerful and influential player in China in the years ahead. Is it a good thing that this more powerful and influential player is a perplexed player? Is it uncertain what its role should be? It is not clear about its normative contribution, if you will, to global peace and prosperity and security.

As Professor Shi has said, while this sort of traditional definition of power which we can expect China to have in the future may be a necessary aspect of security and great power status for China, it is not a sufficient condition for China's full achievement of its great power aspirations. For that I think China will think both the sort of basic accouterments of national power that are traditionally defined on the one hand, but on the other hand something that it doesn't have right now, and from what I take from Professor Shi's remarks, is not even at the beginning of beginning to create, and that is something you might call a kind of globally vital, a globally resonant norm, that China can claim to represent going forward.

That is to say, what does China stand for? It would be interesting to hear Professor Shi's response to that because until China stops being a perplexed power and understands more clearly and competently what it stands for and that what it stands for is globally resonant and vital and is attractive to the broader international community, then I don't

think it can claim to have fully achieved the kind of great power aspirations that it so deeply desires.

In other words, I think it's pretty easy for us to think about what China stands against. I think it's easy to think about what China is against. For China to move ahead in the way that I think all Chinese people would hope and I think even the global community would hope, much work I think needs to be done to determine just what it is China stands for. And when it can confidently say that and find support globally, then it can say that it has truly joined the ranks of great powers.

Minxin Pei: Okay, first of all, I want to thank the Sasakawa Peace Foundation and John for giving me another opportunity to share some of my thoughts on Chinese foreign policy and today I'm really delighted to be a discussant for Professor Shi, who is surely one of China's most original and creative and, of course, independent minds of foreign policy. I'm not going to go over his presentation point by point, except I would like to say that toward the end of his presentation he raised a very intriguing idea of a transcending national strategy, a grand national strategy for China which would be both viable and also effective in avoiding confrontation or conflict with the U.S. and the U.S.-led Western community in the process of China's rise.

The question I want to pose and try to answer today is whether China's foreign policy is serving China's national interests, especially in the very difficult international environment where China is widely perceived as a revolutionary power and as Professor Shi has explained, China is a country in East Asia that faces very severe security dilemmas which really means China . . . any increase in China's national power is a concern of many of its neighbors.

Regional and Global Security Dilemma

So how can China cope with both its regional security dilemma and its global security dilemma? I identify three major problems, really fundamental problems, that make China's adjustment to its new status as a rising power, whether its rising is inevitable or not remains an issue as Professor Shi said, but in the process of being viewed as a rising power China's foreign policy has not served its national interests well for three reasons.

First of all, I think China's traditional strategic cultural approach to diplomacy is really a kind of "hyper-realism" if there's such a term, which might be quite right as a form of approach to a fundamental diplomatic philosophy in the 19th Century. But in the 21st Century or late 20th Century, this approach to international relations is becoming increasingly inadequate, if not irrelevant, in many areas because governed by this kind of approach to diplomacy, Chinese decision makers pay excessive attention to nation states as actors while neglecting non-state actors, and even though I think they do an adequate job in maintaining relations with traditional actors, they have great difficulty in dealing with non-traditional actors, especially international NGOs, non-traditional security, non-traditional international affairs areas such as human rights, environmental protection. And if you look at how China deals with the challenge posed by human rights, which has now become a very important international issue and an issue on which China appears to be very weak, the Chinese government really has no effective counter measures.

Secondly, China . . . this kind of mentality makes Chinese decision makers almost ignorant of, if not oblivious to, the power of soft power, the view, the value, of soft power. As Bates said it, China really does not know how to project an image that's internationally appealing even when it is physically powerful. And it also in this area, it has great difficulty, again, in dealing with soft issues, in trying to form international alliances based not on traditional interests, but on shared norms and values.

And also this kind of mentality makes China very, very ambivalent in dealing with inter-dependence. Although China is, by the estimates of most people, a huge beneficiary of inter-dependence, this trans-inter-dependence and economic globalization. However, China does not want to pay the price for inter-dependence, especially when paying such a price means sacrificing its traditional national sovereignty. Again, you look at where China has been quite resistant, that's in the area of the international criminal court, which under-mines those cross-border issues that impinge national sovereignty. And that's a problem for China's hyper-realists, is that the realism paradigm no longer functions even where traditional power policy is concerned because one of the most unique features of international politics today is that there's no cultivating international alliance against American uni-polarity, and that may, I think, really throw China's strategic thinkers into a loop. They just do not know how to function in an environment where balance of power logic becomes totally dysfunctional. And that gives them a lot of difficulty in either coming up with a set of rhetoric that would convince them that their diplomatic philosophy is right, while also making foreign policy that would safeguard China's national interests without coming into a collision with the U.S.

Problematic Process of Policymaking

This is where I see as sort of the problem lies at the more intellectual level. And then I also see a major problem in terms of the process of policymaking. If you look at how Chinese foreign policy is made, I would say that it's not that different from how foreign policy was made twenty years ago even though domestic conditions of China have changed enor-mously, I would even say fundamentally, and of course the external conditions China faces have changed dramatically. This is a process that is relatively, if not highly closed, decision making structure and process which limits the flow of information to decision makers and also fails to ensure the quality of such information. If you look at how top Chinese leaders react to international crises, their initial reaction tends to be quite clumsy if not ill-advised and the consequences of their initial reactions are often very, very costly because they often had to climb down from those limbs they were creating for themselves. And here you look at sort of how they reacted to the NATO bombing of the Chinese embassy in Belgrade, they set the cone so high it was defined as intentional at the beginning so that toward the end they really could not find a solution that would be acceptable both to themselves and the U.S.

And also in this foreign policy making process relevant interests inside Chinese society . . . today I think you can legitimately claim that outside the government structure there are quite a few well-informed Chinese scholars or businessmen that do know a lot about international affairs, but their role in making foreign policy is almost negligible if not non-existent. There's no independent sources of information analysis and, more importantly, challenging ideas that could pose . . . that would call government's policy into question.

And also even within the government not all interests, departmental interests or regional interests, are taken into account when key decisions are made. One example was when the WTO agreements were negotiated, the Ministry of Agriculture, which really is going to address one of the most difficult post-recession issues, how to deal with agricultural subsidies, was not even involved in this. And as a result I think China's exclusive foreign policy making process or information collection, transmission analysis process, does not serve decision makers really well.

Future reforms will have to be made to make this process more open and multi-polar. Another example is if you look at Chinese rhetoric of the sort, of how diplomatic rhetoric is created, you see that several major foreign policy themes that form at least to the outside world the core of objectives of China's foreign

policy in my judgment probably would not have become such had there been independent analysis and challenges from an independent foreign policy establishment, such as the Carnegie Endowment.

For example, I don't know whether it's true today, because for throughout much of the 90s one of the slogans every Chinese foreign minister and the Chinese president espoused is that the world is moving toward multi-polarity without understanding what it means, while without actually confirming for themselves that it is not the case. And that kind of rhetoric does not serve China's interests well because it is viewed, interpreted, in Washington as China's implicit challenge to American preeminence in these national affairs.

And finally I want to say that China's authoritarian regime has become in many instances its own worst enemy when it comes to foreign policy. Of course, that's related to the exclusive closed foreign policy meeting process.

Flaws from the Nature of Autocracy

But I see four additional flaws that can be traced to the nature of autocracy in China. First of all, this official rhetoric that is essential for domestic political reasons is often at odds with the same government's foreign policy goals, so it has, if you look at how foreign policy issues are portrayed, and analyzed in domestic publications, they're often very bombastic, nationalistic, they raise expectations of the Chinese public. On the other hand, if you look at how actual foreign policy is conducted it's quite moderate, muted, flexible, accommodating. So the government, in fact, creates this expectations step and also creates two sets of realities, the propaganda reality and international politics reality that it has great difficulty in explaining to the Chinese public.

The second one is that its own official propaganda machine operates on a set of perverse incentives that encourage the operators in that apparatus to exaggerate foreign threats, to overplay instances where China's sentiments were harmed or hurt by American policy or international policy. And in most instances, I would say that because of the fact that the foreign policy establishment in China and the propaganda establishment in China are two distinct institutions.

They have very distinct goals. But on the other hand, the propaganda department can often jump the gun and create a situation which the foreign policy bureaucracy finds very difficult to deal with. And that's, I think, that was the case in the NATO intervention in Yugoslavia. If you want to understand why the Chinese public reacted to the mistaken bombing so violently, that had a lot to do with how the intervention was portrayed even before the bombing took place.

And third, that loose control within this authoritarian regime, and I heartily agree with Professor Shi that internal corruption has become such a systemic cancer in decision making policy implementation in China that agents within the Chinese government cannot be relied upon to carry out the top government policy. That creates all kinds of problems for China in dealing with the U.S., even though the national policy, the policy of the national government, is to honor certain agreements, is to control violations of human rights to a certain level, it cannot really enforce such commitments at the lower level.

And finally, I will say that despite our conventional association of strong men with real power, authoritarian rulers on the international stage are weak players because their power is not protected by the political process and/or a set of political institutions, so they cannot really be counted upon to be flexible without consulting their colleagues back home first. And they, therefore, can only project a very tentative, weak image on the international stage. And that's why I would say that even though I hope that China will meet the challenges of a rising power, but

without dealing with these fundamental issues, all of which involve domestic political reform, I have a lot of reservations about whether China can actually accomplish its goal.

Thank you.

Ikenberry: Thank you to the discussants. I think rather than directly ask the professor to respond, we will open it up for questions and take a few and then let our speaker respond to those questions and weave his response to the two discussants as he goes forward. When we recognize you, please give us your name and affiliation and we'll take it from there.

Q & A

Questioner: I'm with the U.S.-Japan Research Services. I do have one question. After the integration of Hong Kong into China as one China, two systems, what about the prospect of bringing Taiwan eventually through peaceful negotiations, then you have one China, multiple systems. How does this work out for the future when you talk about transcendence, transcending challenges? I'm very curious, one China, multiple systems, or does it have to be integrated into one power which is maybe traditional, more, but, how do you see the future development along these lines, one China with multiple systems which may extend to the outer world which the discussant talks about international relations.

How do you see as a historian this possibility? One China with multiple systems or China maybe through domination, in conflict with the U.S. power coming to Asia. I'm not sure how you see the historical point of view as well as the current order, the future development on this.

Ikenberry: You want to go ahead with that one.

Shi: As I understand it, one China, two systems, this is a political slogan and principal idea expressed as a kind of wish of the Chinese leaders. Taiwan, just like Hong Kong and Macao, should in the legal sense integrate into China, and all they want is a legal sovereignty, legal sense, no other effects. This means that the social system and the mechanism of authorities in Taiwan will remain intact, but to the outside world, a unified Chinese government is only representative. So I think that this does not mean that it should imply the current relationship between the mainland and Hong Kong. This pattern will be moved to Taiwan, no. As I understand that, it means that one China, two systems, Taiwan has its system, and its long-independent political existence and the regimes and social systems and political systems will remain intact. And another pattern is in Hong Kong, this is a so-called specialized district in China. And I think that for most of the Chinese leaders this principle comes from a political pragmatism. Of course, there's difficulty in convincing Taiwanese people to understand this. You know that there are a lot of miscommunications between the mainland and Taiwan and, of course, in Taiwan there are some political forces which exist that still dream of an independent state of Taiwan.

So I think at present this principle does not have its good state of acceptability in Taiwan, but I think actually that this principle is correct, it expresses a pragmatical wish that we shall have a unified China only in the legal sense.

Questioner: I'm with the Asian Studies Program at Georgetown. If I understood you correctly, at several times in your talk you used the term democratic development or democratic evolution. Could you define for us the concept of democracy that you envision for the long-term future of China and how would you reconcile that with Jiang Zemin's statements last July that there would never be a multi-party democratic system in China?

Pei: Well certainly a democracy will have to incorporate competitive politics, the competitive political process, elections, parties and the

whole gambit of institutions that we normally associate with democracy. Of course, we don't know whether that will take place in China in the immediate future, but certainly I have very high hopes that eventually it will arrive in China, although I'm not so sure whether it will arise as the result of a regime-initiated process or as a result of regime collapse. But eventually it will be there.

And I also cannot tell you the cost, how high the cost of that transition will be, whether it will involve some kind of implosion, national disintegration, civil strife or so forth. So as far as Jiang Zemin's statement is concerned, I would remind . . . I would like to remind the audience that there was a far more powerful leader than Jiang Zemin in modern China. His name was Mao Zedong and he pledged that capitalism would never return to China, and see what's going on in China today.

Questioner: I'm with the Carnegie Endowment. I thank you very much, Professor Shi, for your remarks. There were two points that you made that I found very interesting. I think they are very related to one another. You said that you thought that China really wants or should have, I wasn't quite sure which, basic security, not full security much less absolute security. And then you said also that you thought that a stronger China might be a more insecure China.

Now to me what that suggests and I think drawing from what you said as well is that the reason why you say this is in part because of the enormous security dilemma that China faces in the region as it becomes stronger, that if it becomes a stronger power it will generate more opposition to itself. So the best alternative to that is to develop a strategy where it doesn't really seek to become the strongest power.

It, to a certain . . . as you said, it should bandwagon and then it should transcend by joining in the existing international institutions and participating in them more fully. But all of this to me kind of begs the very basic question of what China's interests are over time if you assume that, indeed, its aggregate power grows. If its basic power capabilities become greater, at what point . . . I shouldn't say at what point . . . in what way do its interests then change from what they are today? Because to me there's a great deal of difficulty when I look at statements about China's interests and its grand strategy trying to disentangle what interests are based upon structural questions, enduring issues that will be there regardless of whether China is strong or whether China is weak because of geostrategic questions.

What interests are based upon weakness, that China really has certain types of interests basically because it's a relatively weak great power and it's an aspiring great power? And thirdly, what interests are basically based upon ideology or system or the beliefs of the Chinese leadership as Minxin has just said? I mean these are three very different sets of determinates for what influences China's interests.

And it seems to me from your remarks you seem to think that the overriding factor over time will be the fundamental issue of (a) that China won't really be strong enough to overcome opposition within the region and that, therefore, (b) it will have to adapt itself in very radical ways to the existing set of norms which one could argue are essentially determined by the United States and the liberal democracies. So that assumes certain sets of issues about China's interests and such, and so I'd like to just get you to try and define those for me a little bit more clearly. Thank you.

Shi: Thank you for your good question. My basic idea is that China is in progress and this means first of all its strength, general strength, is rapidly increasing, especially economically, but militarily is not so strong. I think that if you look at more, not only Chinese politics, but Chinese society and Chinese economy, you can find the greatest change, the greatest

progress in the past twenty years in China. We have increased economic liberty. And if we think about Western history, democracy should have a very solid basis. This liberty comes first from the economic field and we have this great progress.

Of course, the political system has a lot of wrongs and flaws and backwardness, but I think that if we have enough patience to look at China, not in terms of one year or two years, but in five years or ten years or twenty years, I believe that China will, of course with many difficulties and even too slowly but certainly, progress toward a liberal democratic system which will not copy the Western world, but will learn from the West and will be integrated with China's particular problems and situations perhaps in the coming one decade or two decades. Even if China becomes a much greater power than now, China still will face a very real and grave problem of security dilemmas, especially in East Asia.

At the same time, China should progress in the direction of participating in international institutions and regimes, and especially in the security field China should play a role. I believe in China in the future of course with many difficulties and uncertainties, but believe in the future China will gradually play a role, perhaps with the United States in gradually creating, developing multi-lateral effective regional and sub-regional international security institutions in East Asia to transform this most anarchic area in this world as now into something in the future like the Central or even you can say Eastern Asia gradually, like the formation of your Atlantic community in the past half century.

I think, of course, at present, China has still a lot to be done in the following two areas. One is a real liberal and democratic system which does not copy the Western world, but learns from the West and is integrated with the Chinese political situation. And secondly China still has a long way to go in participating and creating and deriving security, modern security, in East Asia. But, if you look at the past ten years or fifteen years, although you can see in past years an isolated China with a lot of hostility toward the outside world, in this one or two decades China already has made progress in the area of international participation.

Of course, even we in China sometimes lose our patience to see that. The government progresses too slowly, but in China I think among the leaders, even among the government, even among the government leaders, there're still a lot of people who want to promote China to progress in this direction a little quicker.

Ikenberry: Could I just ask the two speakers here, I think Professor Shi is essentially arguing that China will solve these security dilemmas and disarm the neighbors regionally and globally in the wake of its rise which is built on simply China being China. It's going to become more powerful in terms of material capabilities just simply as it develops and this creates dilemmas, security dilemmas, and the hope is that through reform and Beijing and the encouragement of institutions in the region it can sort of perhaps avoid the German example, the post-Bismarck German example, and become more like Bismarck, that is to say nimbly reassuring and binding itself with neighbors and through institutions, alliances and so forth. Or maybe the other better example is the 1990 German unification, the way it chose to disarm its neighbors by redoubling Germany, redoubling its efforts towards the European Union and anti-monetary union. It bound itself to its neighbors thereby reassuring them in the wake of in this case German unification.

Minxin, you are in some sense saying that China can't really do that because it has a foreign policy problem that's deeply rooted. It can't really act nimbly, it's an over-the-top kind of realist state. So my question to you is how do you react to the professor's argument about the kind of optimistic possibility of

reform and then a more engagement kind of accommodating strategy? Or to ask it more sharply, how deeply rooted are these problems that you've identified, the type of realism, the dysfunctional foreign policy, the absence of soft power capabilities?

Pei: I think a more fundamental restructuring of China's domestic politics will certainly get at the roots of these problems. However, that's not possible. But the problem I outlined in my discussion is really a problem of degree, because I see under the current regime the problem as being very severe. But some adjustments can certainly start the process of addressing these weaknesses, inherent weaknesses in China's approach to foreign policy. And that might create a positive dynamic that would further encourage China to be much more internationalist in its world outlook and also develop more self-confidence and a more inclusive process as well as in a more open domestic political process.

China does have a very important opportunity in the next few years. There will be a semi-regime change, because the scope of the leadership transition will be so huge and the people who are going to rise to the top have a lot more international contact and experience. So I do not rule out the possibility that minor if not quite important adjustments will be made, especially I think in the following two areas, China's participation in international efforts and peace keeping. Right now China has made some very tentative steps, by whether it will contribute combat troops, whether it will contribute other assets.

The other area is to take another look at the relationship with Japan, because there's a dynamic going on between China and Japan that's very similar to that between Germany and France in post-World War II that's a massive full-fledged economic integration. I think if China solves its security dilemma with Japan, half of East Asia leaving aside India, East Asia if not Southeast Asia's security dilemma will be solved perhaps ninety-five percent. So I think that's an issue . . .

Ikenberry: The issue would be Russia, the equivalent of Russia.

Pei: Equivalent of Russia, yeah. But I think that's an issue I speculate that will deserve a very important look for the next administration in China.

Ikenberry: Ben and then Don.

Questioner: I go to the George Washington University. This question is in the same vein as the past three or so. Is it possible to restore domestic politics and specifically the problem of corruption? Is it possible to clean up corruption from within? Can the CCP do it without having an implosion? Another professor that I studied under, Dr. Pon Wei of Beijing University, said that if the CCP can clean up corruption it'll be empowered forever. Do you see this being possible and, if so, what steps can the CCP do to go about this? I know even Jiang Zemin has commented publicly how frustrated he is about cleaning up.

Ikenberry: Let's take a couple more. Don and then one over here and then . . .

Questioner: Professor Shi, thanks for a very stimulating presentation. Near the beginning of it, you talked about the trends of the latter part of the 90s among the Chinese people and I gather you mean among the youth but not necessarily exclusively the youth, towards a greater degree of nationalistic sentiment, a criticism, sharp criticism, of softness of governmental party authorities towards Japan, the United States and so on and so forth. Of course, to some degree this has taken place in many countries, especially in Asian countries, in other parts of the world as well, but it seems to be more serious and to a greater degree in China than elsewhere. I wonder what you attribute it to. Is it simply the end of the Cold War, the rising United States, and so on? And

what are its implications? How serious . . . is it just going to be a passing fad and not going to affect much of anything except people's opinions or is this something which for the future suggests some important role in Chinese policy and the way China tries to react with the rest of the world?

Ikenberry: One more question to the gentleman over here.

Questioner: While I was listening to the presentation by Dr. Shi and discussions by other discussants, I could not help but recall another debate or discussion that used to be prevailing in this town ten to fifteen years ago. In those good old years for Japan people used to talk quite a lot about the rising Japan and now nobody talks about the rising Japan. Instead, they sympathize with Japan. They are worried that the demise and plight of the Japanese economy could affect adversely the rest of the world and they are hoping or praying that the people of Japan will restore the confidence as soon as possible.

Well, my question is do you find anything in common between Japan a decade ago and China as of today or do you see more distinction or differences between Japan ten years ago and China as of today? Or are there any lessons you might be able to draw out of the failure of Japan during the last decade?

Ikenberry: Is that a challenging question! Professor, to answer all three of these questions in five minutes.

Shi: First of all, the problem of corruption. I think the Chinese government, especially this generation in particular, Jiang Zemin is somewhat serious about suppressing, to control the corruption problem, because this problem is increasingly becoming a political one which survives on the propriety, the basic minimum propriety of the regime. But I don't think that they are willing to eliminate the corruption. They think the corruption is such a problem you cannot eliminate. And all they want is to control the corruption, especially in the middle and high levels to restore in some degree the propriety of the regime among the people.

And I can tell you that what is the greatest characteristic of this generation after Deng Xiaoping of the Chinese leaders. One of them is prudence, or even you can see that conservatism, so they will deal with the problem of corruption by using this approach. They are very prudent and they are not determined and they don't expect and believe they can eliminate the corruption. They only want to control it, in some degree. On the other hand the people in China are not so confident that the present leaders are serious in suppressing corruption, enough serious, but if they are compared with before they are a little satisfied with that, this thing at last is helping it. I know Professor Pon Wei that you mentioned in Beijing. I think he is one of the representative leftists in China today, and I don't believe that he seriously thinks that the corruption can be eliminated and thereby the government can be more consolidated than before. I think the government intent is to want to go this way, that is represented by the so-called action of representatives. They want to broaden their power base. They want to include more dynamic elements into the party to maintain their control of China.

And a parallel opinion, especially in the late 1990s, often criticizes the Chinese government's so-called softness and timidity, especially toward the United States, toward Japan, and toward the military buildup generally - the problem or issue of military buildup and national major security issues. I think this is quite extraordinary if you think that the characteristics of Chinese government in the past toward foreign threats are almost always quite harder and quite tough. This proves that the generation, the party leadership since Deng Xiaoping are even committed to do their best, to establish some constructive relations with the West, especially with the United States. And I believe that the next generation of Hu Jintao will also be committed

to do their best to derive some constructive relationship with the West and especially the United States.

And the second is that I think that compared with Mao Zedong and Deng Xiaoping, the present generation of Chinese leaders is not so, you can see they're not such great strategists and they are not so bold men, they are not so determined men, and they at their bottom naturally intend to make their response softer than their predecessors and sometimes they are such people that lack enough strategic and modern international experience. They are perplexed sometimes.

And on the other hand I believe that in large part due to the actions of the United States since the end of Cold War, especially since the mid 90s, you can see that Chinese people's sentiments against the United States and you can see nationalist sentiments are rapidly growing in China.

Of course, part of this can be due to the factor that China becomes much stronger and the Chinese people become a little more confident, but I think that in eyes of the Chinese, their understanding is that the United States is often doing unjust things toward China. So one of the basic things of my presentation today is that I want to talk about, some of you can see, the division and fragmentation of Chinese elites and public opinion.

This means that there are two or more than two forces in today's China and what kind of forces, moderates or hard-liners will gain the upper hand, in a great degree will depend on what the United States does to China or what the United States does to China as viewed by Chinese people. And I think that the United States certainly should do more beneficial things towards China, toward the present Chinese government, to let the moderates or those wanting to have good relations with the West, and ultimately with the United States in the future, have hard evidence to let the Chinese government, have hard evidence to talk to Chinese people that their commitment to do collaboration with the West is correct. And if the United State does too many things which provide the evidence of truth to China's hard-liners, the situation will become worse.

I think the lessons of Japan, this problem . . of course, the two countries, China and Japan, are quite different. But I think that first of all Japan is a great nation. It has more than one hundred million very intelligent and very hard working people and they have already accumulated very available experience of modernization and post-modernization in the past fifty years. So I don't think that the rising of Japan to some level is stopped suddenly. I think that because perhaps the past rapidness of Japan's growth is perhaps natural. And I think that China, at least, should learn from Japan's lessons in two fields. One is that the adjustments and the inappropriateness of political factors, the political machine of the states is very important. And China now should promote more positively its political reform. And the second is that the economy is such a thing, sometimes it will grow very, very rapidly and sometimes there will be many problems and too much confidence. And I think the greatest statesman will learn that the economy in some sense is like a war. The friction is uncertain and is continuing, and China's economy is growing quite rapidly, but there are many not only structural difficulties as I mentioned, but there are many policy difficulties and some weak points and fault lines.

But I think that the present government, especially Zhu Rongji, has a great sense about how weak China's economy is, not in appearance, but in real things. And they are very prudent, very serious, to do things to strive to control the factor of imploding from developing into an uncontrollable degree.

Ikenberry: Well, I think this has been a wonderful way to inaugurate the year of the horse. So you can join me in applauding our speakers. (End)

About the Panelists

Main Speaker

Dr. Shi Yinhong is Professor of International Relations and Director of the Center for American Studies, Renmin University. He also is the Director of the American History Research Association of China. He has been a visiting fellow at the Harvard-Yenching Institute and a Fulbright research visiting scholar at the University of North Carolina at Chapel Hill. Dr. Shi received a Ph.D. in international history from Nanjing University. He has published *New Trends, New Structures, and New Norms: The 20th Century's World Politics* (2000), *World Politics, 1956-1958*, editor (1999) and *The Origins of Confrontation and Conflict; U.S. Policy towards the Communist China and the Chinese-American Relations, 1949-1950* (1995), and more than 160 articles.

Discussants

Dr. Bates Gill is Director of the Center for Northeast Asian Policy Studies and a Senior Fellow in Foreign Policy Studies at the Brookings Institution. Dr. Gill received a Ph.D. in foreign affairs from the University of Virginia. He was co-editor of *Weathering the Storm: Taiwan, Its Neighbors, and the Asian Financial Crisis* (2000) and published *China and the Revolution in Military Affairs* (1996), in addition to articles in newspapers and scholarly journals. Dr. Gill also is the author of a forthcoming book, *Contrasting Visions: United States, China and World Order* (Brookings Institution Press).

Dr. Minxin Pei is a Senior Associate with the Carnegie Endowment for International Peace. Before joining the Carnegie Endowment, Dr. Pei was a faculty member of the politics department at Princeton University. He has received numerous awards, including the Olin Faculty Fellowship, the National Fellowship of the Hoover Institution and the Robert S. MacNamara Fellowship of the World Bank. Dr. Pei received a Ph.D. in political science from Harvard University. He has written *From Reform to Revolution: The Demise of Communism in China and the Soviet Union* (1994). He also has published articles in *Foreign Affairs, The New York Times* and *The Los Angeles Times.*

Moderator

Dr. G. John Ikenberry is the Peter F. Krogh Professor of Global Justice at Georgetown University. Additionally, he was a Senior Associate at the Carnegie Endowment for International Peace and a Fellow at the Woodrow Wilson Center for International Scholars. Dr. Ikenberry is the author of numerous publications, including, *State Power and World Markets: The International Political Economy* (2002), *After Victory: Institutions, Strategic Restraint and the Rebuilding of Order after Major Wars* (2000), and *Reasons of State: Oil Politics and the Capacities of American Government* (1988).