China’s Rise and American Hegemony: Towards a Peaceful Co-Existence?

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Synopsis

This essay is primarily concerned with the effect of China’s inevitable rise on Sino-American relations. Most importantly, it discusses whether China will rise peacefully or if its growing power will result in aggression and confrontation towards the United States. The essay fundamentally argues that continued American anxiety over the ‘China threat’ is increasingly unnecessary as America’s overwhelming power dissuades challengers, including China, from attempting to modify the status quo. However, the essay acknowledges that tensions over energy security, Taiwan, and the perpetuation of nationalism within China continue to sour the relationship. The essay’s analysis is placed in a theoretical framework that favours realist optimism over realist pessimism and conventional liberal institutionalism. Thus, although starting from a traditional realist-inspired national-interest base, this essay does not assume that China and America are bound for inevitable conflict. The essay’s argument is bolstered by continued reference to political theory, and specifically shaped by thinkers such as Kenneth Waltz, Henry Kissinger, John Mearsheimer, Reinhold Niebuhr and Joseph Nye. Therefore, the essay is juxtaposed between thick theoretical analysis and contemporary evaluations of the global security environment and the realities of modern international relations. The essay draws primarily from scholarly articles and books, governmental policy papers, and contemporary newspaper and internet articles.

Chapter I will discuss the theoretical underpinnings that characterise both the American and Chinese policies towards U.S.-Chinese relations. Specifically, it will outline how global events have affected governmental policy and, as a result, have pushed both countries simultaneously towards realist optimism. Chapter II analyses economics and energy security. Moreover, it looks at the importance of continued economic growth to China’s rise and the maintenance of America’s neo-empire. Further, the chapter reviews the problematic nature of declining energy supplies. Chapter III evaluates the power of the American and Chinese militaries and focuses on a case study of Taiwan. Finally, in chapter IV, the essay assesses the Asian balance of power and looks at the increasing importance of alliance-building in the region.

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Twenty-first century Sino-American relations are increasingly shaped by the perception and acknowledgement that ‘China is a player at the table.’ As a result, many American policy-makers are obsessed by the realist pessimist idea of the ‘China threat,’ perhaps drawing on Samuel Huntington’s prediction of a ‘clash of civilizations.’ The eminent
pessimist John Mearsheimer urges America to contain China’s rise, predicated on Hans Morgenthau’s notion of the eternal struggle for power, which, ‘by its very nature…is never ended, for the lust for power, and the fear of it, is never still.’ However, America cannot prevent China’s rise. The reality is that positive Sino-American relations are both beneficial and necessary for the future economic prosperity and security of both states. Declining tensions in the Taiwan Strait, as economic ties between China and Taiwan evolve, should provide a useful clue as to the future trajectory of Sino-American relations—though conflict is never inevitable. For its part, China has launched a skilful, self-fulfilling foreign policy public relations campaign which primarily uses realist optimism and touches on liberal institutionalism. This policy is aimed at increasing harmony, trust and cooperation in the international arena. America, however, has consistently impugned Beijing’s motives and has pursued a policy of hedging its bets, but is increasingly moving from realist pessimism to a more open realist optimism. Further, many American decision-makers are convinced that Chinese foreign policy is manifestly targeted at ending American hegemony. While China’s rise is not in question, the ends to which it will use its burgeoning power are unclear. David Lampton, for example, thus recommends that ‘Americans must balance the impulse to treat China as it is with the foresight to recognize China for what it may become.’ By approaching the relationship from a realist optimist theoretical viewpoint, this essay will seek to argue that the unprecedented power of the United States (both economic and military) over China limits the scope for future conflict. Further, it will argue that the most important theoretical underpinnings guiding Sino-American relations lie in the distinction between realist optimism and realist pessimism, and not between realism and liberalism. This essay will maintain that neither sensationalist realist pessimism nor triumphalist liberal hubris reflects the likely course of Sino-American relations. Chapter I will discuss relevant political theory and analyse each state’s contemporary Sino-American policies. Chapters II and III will then review issues of economic development, energy security, and military relations with specific reference to Taiwan. Finally, Chapter IV will evaluate the future of regional balance of power politics.

Chapter I – The dynamics of foreign policy-making in the United States and China

Liberal optimism is specifically focused on the ‘pacifying power of three interrelated and mutually reinforcing causal mechanisms: economic interdependence, international institutions, and democratization.’ Further, liberalism maintains a primarily positive and progressive view of human nature, in which man’s duties and rights remain at the forefront of the formulation of a state’s foreign
In this regard, Immanuel Kant's vision of perpetual peace is 'archetypally deontological.' Rights in a state of nature are provisional rather than guaranteed, remaining so until a stable international order, consisting of a federation of states, can ensure them. However, liberalism's belief in institutionalism where 'power is “tamed” by making it less consequential,' is too optimistic in the anarchic post-Westphalian order, where national sovereignty and self-interest reign.

Sino-American relations are better understood using the realist paradigm, which can be split into two strands. Both realist pessimists and realist optimists doubt the liberal assumption of harmony and the progressive perfectibility of states. The realist optimist Kenneth Waltz posits, 'can we logically expect one state to rely upon the willingness of others to cooperate?' Further, Reinhold Niebuhr espouses a pessimistic view that 'the interests of the self cannot be followed if the self cannot obscure these interests behind a façade of general interest and universal values.' As such, the United States and China have followed supposedly liberal-universalistic policies that are in fact firmly couched in national self-interest. For instance, America's desire for Chinese democratisation has more to do with obtaining greater access to Chinese markets and the increase of the U.S.'s own security than a real concern for human rights and freedoms. Likewise, China's entrance into multiple arms treaties such as the Missile Technology Control Regime (MTCR) in 2004 can be seen more in terms of public relations than any true unease about arms proliferation.

This essay sees more value in the realist optimist approach to U.S.-Chinese relations, because realist pessimism wrongly assumes that China will match American power, and further, will use this power aggressively and to the detriment of the international system. Waltz opines that 'a state will use force to attain its goals if, after assessing the prospects for success, it values those goals more than it values the pleasures of peace.' Neither America nor China wants war, undermining realist pessimism, because both states acknowledge the costliness of any potential conflict. To this extent, war becomes a lose-lose scenario. Realist pessimist thought stems from a dark view of human nature in which 'there is no progress toward the good, noticeable from year to year, but undecided conflict which sees today good, tomorrow evil, prevail.' Conflict is thus inevitable, and final success impossible, because man can neither learn from history nor act rationally. Waltz disagrees with this pessimism because he believes human nature to be only one cause of war. Even by assuming that human nature is fixed, he believes that conditions for peace can still be found. For example, Henry Kissinger uses the 1815 Concert of Europe to demonstrate than man has successfully ordered peace. In this
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sense, the balance of power forged in 1815 highlights the importance ‘of the lesson of history.’ Finally, realists disagree in their analysis of John Herz’s original concept of the ‘security dilemma.’ Pessimists foresee a vicious cycle of arms races and rising tension, based on ‘action-and-reaction,’ while optimists understandably point towards a relatively stable balance of power and the deterrent value of nuclear weapons. This chapter will analyse how theories of international relations inform the foreign policies of America and China and will outline a shift toward increased engagement and collaboration between the two countries.

America’s Search for a China Policy, and the Move Towards Realist Optimism

American foreign policy has long been characterised as a struggle between messianic idealism, the belief that the United States should serve as a ‘city upon a hill,’ and the realities of an anarchic international system. Kissinger argues that the United States should seek a foreign policy informed by ‘enlightened rationalism,’ a prudent goal that acknowledges America’s self-appointed role as a moral beacon, but does not embroil the United States into entanglements in which it has no vested interest. Elements of this dichotomy can be seen in America’s current China policy. On the one hand, President George W. Bush’s promise to ‘extend the peace by encouraging free and open societies on every continent’ ties in with Deputy Secretary of State Robert Zoellick’s belief that ‘being born ethnically Chinese does not predispose people against democracy—just look at Taiwan…. Conversely, however, the Department of Defense’s 2006 Quadrennial Defense Review (QDR) warns that the U.S. must ‘hedge against the possibility that a major or emerging power could choose a hostile path in the future.’ Moreover, Bush’s 2006 National Security Strategy announces that America’s new China policy ‘seeks to encourage China to make the right strategic choices for its people, while we hedge against other possibilities.’ Thus, America’s China policy can be construed as realist optimism tinged with a defensive pessimism regarding China’s future ambitions.

The beginning of George W. Bush’s first term suggested that the United States’ China policy was based on the need for military deterrence and containment. Bush labelled China as a ‘strategic competitor’ while reinforcing the United States’ position on Taiwan, claiming that America would ‘do whatever it took’ to help defend Taiwan. The Bush Doctrine, defined by Walter Russell Mead’s ‘maximalist, bone-crushing’ Jacksonianism, maintained that ‘international order [was] a direct by-product of U.S. primacy. System stability increase[d] in step with U.S. power.’
In short, challengers beware. President Bush's early realist pessimist position, one that feared Chinese expansion and favoured undisputed hegemony, is broadly in line with John Mearsheimer's suggestion that the U.S. should 'cut China off at the knees.' However, the events of 11 September 2001 altered the United States' security environment, significantly changing the dynamics of U.S.-Chinese relations. Overnight, realist optimism emerged, and China became a security co-operator, a useful ally and friend in the war on terror. In his 2002 West Point graduation speech, Bush asserted a muscular variant of realist optimism, claiming that 'America has, and intends to keep, military strengths beyond challenge…thereby, making the destabilizing arms races of other eras pointless, and limiting rivalries to trade and other pursuits of peace.'

As early as the October 2001 Asia-Pacific Economic Co-operation (APEC) Summit, Bush optimistically revelled in what he termed a 'new spirit of partnership and amity with Beijing.' Perhaps affected by the continuing morass in Iraq, Bush's foreign policy has mellowed, with a concomitant effect on China. Bush's second term foreign policy agenda has changed tack: the front cover of Time Magazine in July 2006 read 'The End of Cowboy Diplomacy.' The emergence of the North Korea issue has defined this shift. In 2002, Bush declared North Korea a member of the 'axis of evil,' and threatened that the 'only path to safety is the path of action.' His response to North Korea's July 2006 nuclear missile tests was therefore surprising, and brought China to the forefront of the imbroglio. Bush pledged to 'make sure we work with our friends and allies … to continue to send a unified message' to North Korea. This reliance on Chinese help is a sign of growing engagement, and by placing greater trust in Chinese intentions, America signalled that it thought China could be a useful strategic security ally.

However, the realist pessimist Reinhold Niebuhr’s fatalistic contemplation of the pretence of universal values is also evident. In a September 2005 speech to the National Committee on U.S.-China Relations, Zoellick called on China to become a 'responsible stakeholder' in the international system, and for example, 'China should take more than oil from Sudan.' Bush continued this theme in November 2005 during his landmark visit to China, where he urged China to embrace social, political and religious freedoms, and announced plans to further increase trade with China. U.S. Director of National Intelligence John Negroponte has also counselled Congress that China may soon become a 'peer competitor' in the Asia-Pacific region. Importantly though, this realist pessimism perhaps reflects domestic political concerns rather than actual policy. Even Mearsheimer concedes that China is not yet a 'potential hegemon.' Although hints of pessimism linger, America's cooperation with China regarding North Korea can be seen as an optimistic strategic shift. By allowing China to lead negotiations and receive regional kudos, the United States has signalled a more positive view of China as a conservative, responsible power. Finally, both the White House, and former Secretary of Defense Donald Rumsfeld, have emphasised that they do not see China as a threat, but more as an opportunity.
reinforcing the increasingly realist optimist nature of America’s China policy.

China’s Rise and a Conservative Foreign Policy

The principal worry of American decision-makers revolves around what they think China will do with its nascent power. Zheng Bijian, a former Chinese government official, has described China’s strategic route as a ‘development path to a peaceful rise.’ This peaceful rise is based on efficient industrialisation, the construction of a harmonious socialist society, and most importantly, the transcendence of ideological differences in its striving for peace, development and cooperation with the international system. Further, he maintains that China will not be tempted to tread the same path as previous great powers, who became obsessed with ‘external expansion, aggressive war, and the pursuit of hegemony…[as]such a path leads nowhere but to failure.’ Indeed, Bijian’s prediction that China will only become even a moderately developed country by 2048 is at the heart of realist optimism. That said, Niebuhrian pessimists doubt the authenticity of China’s ‘good-neighbor’ and ‘good citizen’ policies, a follow-up of the benign policy of ‘omnidirectional smiles’ inaugurated in the 1980s. This pragmatic foreign policy has its roots in Deng Xiaoping’s 28 Characters written in 1989. Xiaoping exhorted China to ‘conserve your strength and conceal your resources; don’t aspire to be the head; do something eventually.’ It is the ‘eventually’ that realist pessimists continue to worry about.

Moreover, China’s domestic situation and the authoritarian Chinese Communist Party (CCP)’s constant fight for domestic legitimacy is worrying. For example, Ross Terrill has noted that China vigorously pursues a foreign policy aimed at maximising internal stability, and ‘often acts like a state afraid of its own citizens.’ As China’s economy soars inexorably, the CCP’s legitimacy base has increasingly been moved away from an ideological communist context towards a more dangerous nationalism. Furores over former Japanese Prime Minister Junichiro Koizumi’s visits to the controversial Yasukuni Shrine, the Sino-Japanese contest over the Spratly and Senkaku Islands, and the rigid Taiwan policy suggest the careful cultivation of defensive nationalist ‘victim narratives,’ and a dissatisfaction with the status quo. Realist pessimists fear greater legitimacy deficits will increase the temptation, which human nature cannot ignore, to revert to a more radical nationalism and a more aggressive foreign policy as a means of contriving a stronger sense of Chinese identity.

However, the degree to which a state attempts to change the status quo can vary.
Thus, China does not currently demonstrate a fundamental revolutionary wish to overthrow the entire international system, but rather a minor tweaking. Indeed, China’s rise has come by playing by Western capitalist rules. Therefore, this essay cautions against sensationalism. In the regional sphere, China now appears unimpeded by either Japan or Russia for the first time in two centuries, and thus is beginning to project its influence in the region. Cooperation on North Korea illustrates that the United States is willing to collaborate with China to reach its regional security goals. Additionally, China has also used liberal institutionalism to increase political power and further engage with the region. The recent October 2006 ASEAN-China Commemorative Summit sought to deepen political, security and economic ties, and concluded that the strategic partnership had ‘boosted…development and brought tangible benefits to their peoples, [and] also contributed significantly to peace, stability and prosperity in the region.’ China’s gradual, natural progression of influence should not be feared. Alluding to soft power, liberal theorist Joseph Nye illustrates China’s slow shift by contending that ‘it will take much longer before [China] can make an impact close to what the U.S. enjoys now.’

On the other hand, David Shambaugh, for instance, suggests that ‘the United States may still dominate the [regional] balance of power, but not the balance of influence.’ However, the empirical evidence does not support Shambaugh. For example, while the Shanghai Cooperation Organisation (SCO) gives China a firm foothold in Central Asia, and has led to Sino-Russian demands for the removal of U.S. troops in the region, this ignores the SCO’s limited nature and its beneficial aspects. Thus for instance, the Shanghai Convention on Combating Terrorism, Separatism and Extremism is an important development, and should enhance cooperation and provide greater security for the region. Finally, the November 2006 Asia-Pacific Economic Cooperation Forum, held in Vietnam, showcased China’s growing influence, but further highlighted the U.S.’s continuing role in the region. Though Asian states are increasingly dealing with China economically, the region ‘[still] wants the US involved’ to guarantee continued security and harmony.

Overcoming negative American attitudes of China’s rise is of paramount importance to China, proving its transformation from a revolutionary firebrand to a reliable guardian of the status quo. This realist optimist approach has caused China to actively encourage the U.S. to continue to involve itself in the region’s security and economic affairs. In 2005, the CCP released two policy White Papers and keenly emphasised that ‘China will never seek hegemony,’ whilst noting the ‘unswervingly…, irresistible’ pursuit of peace, development and cooperation. This campaign has also extended to international institutions and international treaties. China joined the Nuclear
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Suppliers Group in 2004, stands for the eventual prohibition of nuclear weapons and is a signatory of the Comprehensive Test Ban Treaty (CTBT), advocates the prevention of arms races and space weaponisation, and is now particularly active, where it was once ambivalent, in the United Nations. It has to date taken part in fourteen UN peacekeeping missions, and currently has 3,000 active peacekeepers. If the most important question facing the U.S. revolves around China’s move from a regional to a global power, China has efficiently sought to assuage fears of revisionist impulses. Therefore, while hints of tension exist, it is clear that China and America are both pursuing a careful policy of cooperation and engagement, making confrontation less likely.

Chapter II – Economic Growth and Energy Dependence: Conditions for Conflict?

China’s Rise(?) and Economic Interdependence

Realist pessimist John Mearsheimer advises American policy-makers to pay attention to what he terms ‘the balance of latent power.’ This pessimistic view assumes that should China become a viable economic rival to the United States, it would necessarily use this economic power to forcibly challenge the status quo. Samuel Huntington, for example, notes that in the past ‘the external expansion of the UK and France, Germany and Japan, the Soviet Union and the United States coincided with phases of intense industrialization and economic development.’

Recent opinion polls also show that sixty percent of the West, rather than seeing the Chinese market as an opportunity, remain wary of China’s growing economic reach. This chapter will begin by assessing China’s economic power vis-à-vis the United States and what that means for their evolving relations, and will then look at the emerging threat of a conflict over oil.

The Chinese economic vision, first propounded by Deng Xiaoping, links China’s ‘security, global influence, and domestic stability’ to its economic status. Hence, China’s economic development is critical to the CCP’s continued legitimacy and for China’s global power status, an overt reliance entitled ‘GNPism.’ In the United States, polls suggest that the economy was the second most important issue (behind Iraq) to American voters in the run-up to the November 2006 mid-term elections. Meanwhile, the British historian Paul Kennedy’s seminal theory on ‘imperial overstretch,’ brought up to date by empire theorist Niall Ferguson, highlights the importance of economics for the maintenance of America’s neo-empire. Within this, the conduct of American foreign policy is
specifically designed to guard American economic preponderance.<ref>65</ref>

Given Mearsheimer’s prediction, one must first ask whether China is realistically about to become an economic peer competitor of the United States. Neo-classical economists point to the massive U.S.-China trade imbalance and China’s emergence in 2003 as the second largest global economy<ref>66</ref> and largest recipient of foreign direct investment (FDI) to underscore their fear of China’s economic rise and the feeling that ‘China is on steroids.’<ref>67</ref> However, this linear approach to economic growth, rooted in hyperbole, is misleading in its short-term approach. If China were to continue growing at its current average growth rate of nine percent per annum until 2025, its GDP would still stand at only 30% of the American total.<ref>68</ref> Indeed, realist pessimist conjecture about when, and if, China will overtake the size of the American economy appears unrealistic. According to Aaron Friedberg, pessimists who predict the overtaking year to be 2015 base their assertions on extremely ‘optimistic predictions’<ref>69</ref> of China’s future growth trajectory. Further, for all the bluster about the U.S. trade deficit to China, which stood at $202 billion by the end of 2005, the Chinese total is only 26% of America’s total trade gap.<ref>70</ref> Far from indicating that China ‘cheats’<ref>71</ref> through unfair exchange rates and cheap labour, the American trade imbalance is in fact a reflection of poor U.S. macroeconomic policy, and the ‘China threat’ is used as a convenient political fix. Negative sentiment still invades government policy, and is demonstrated by the recent congressional testimony of Thomas Christensen, who argued that the imbalances caused by China’s trade surplus and exchange rate inflexibility ‘erode political support for strong relations with China and encourage the forces of protectionism.’<ref>72</ref> The 2006 U.S. Trade Enhancement Act (USTEA), which deals with currency ‘misalignments’ and the 2006 Foreign Investment and National Security Act, which relates to cross-border mergers and acquisitions (and was drafted in response to the Dubai Ports World and Unocal fiascos), both stem from American trepidation of China’s economic strength.

However, in order to fully assess the state of the Chinese economy, one must ask what makes a strong economy, and further, what does this economic power mean? Friedrich List argues that a nation’s wealth cannot be solely defined by its material capital, but by the ‘interaction between material capital, [and] man’s skills, industry and initiatives,’<ref>73</ref> or capital of mind. Thus List warns that even with material wealth, ‘[if]…he does not possess the power of producing objects of more value than he consumes, he will become poorer.’<ref>74</ref> In his 2006 State of the Union address, President Bush alluded to List’s economic prescription when he announced the American Competitiveness Initiative (ACI). The ACI seeks to maintain America’s technological leadership through heavy investment in research and
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development, innovation and education, whilst noting that the U.S. is currently home to one-third of the world’s scientists and engineers, and accounts for one-third of global R&D spending. In addition, the American economy continues to far outstrip industrial rivals in the European Union in terms of economic growth. America’s 2005 growth rate of 3.2 percent exceeded the 0.9 percent and 1.4 percent growth rates in Germany and France respectively. Thus, while China may be rising, the overwhelmingly strength of the American economy should dissuade a Chinese challenge.

Using the same criteria, the weakness of China’s economy becomes clear. Shaun Breslin argues that China acts as a ‘manufacturing conduit,’ due to the fact that 70 percent of Chinese exports are made by or for foreign companies, minimising Chinese export profits. In this regard, the ‘made in China’ label is deceptive—perhaps ‘assembled’ or ‘completed in China’ would be more appropriate. China’s stagnant domestic economy, and the failure of all but the coastal regions to attract FDI are further illustrations of this. Pessimists point to heavy Chinese investment in high technology, cementing China’s status as the second-ranked investor in global research and development, to raise fears of China’s military modernisation. However, Robert Ross seeks to assuage this panic by noting that if there is to be a revolution in military affairs in East Asia, ‘it will be a largely American revolution.’ Moreover, though China may have ranked as the second largest economy in 2005, it could only muster 107th in GNI per capita calculations, using the purchasing power parity method. Using the Gini coefficient further emphasises Chinese inequality rates, which have risen sharply from ten percent in 1980 to over thirty percent in 2001. Thus, China can be a weak and strong economic state simultaneously.

What does this differing economic power mean for Sino-American relations? Walter Russell Mead builds on Joseph Nye’s liberal notions of hard and soft power to develop a theory of ‘sticky power,’ a form of structural power. Mead argues that America can use sticky power to force states to do what America wants, a form of containment, because weaker economic states are unable to escape the U.S.’ economic grip once penetrated. Kissinger, for example, describes America’s ‘unparalleled ascendancy...’ in economics compared to ‘...even the greatest empires of the past.’ In terms of China, this means America has been able to fast-track China’s integration into the globalised economy, for example with its 2001 accession into the World Trade Organisation (WTO). Although recent reports suggest a slowing of Chinese ‘momentum towards reform,’
substantial progress towards economic market opening has taken place. 

Mead's theory decreases the likelihood of Sino-American conflict, because hostilities would ‘cripple China’s financial system [and] deprive its industries of their best customers.’

However, China’s sheer size endows it with sticky power also. The ‘endless market,’ as John Hay termed it in the nineteenth century, is a unique opportunity for the United States. This has resulted in the government’s quiet dropping of human rights as a restriction on American investment (though the U.S. Agency for International Development continues not to fund Chinese development programmes on the grounds of religious freedoms and human rights). Further, China has skilfully accumulated $252 billion of U.S. Treasury bonds, whose sale would put huge pressure on the value of the dollar and American exchange rates, but would be equally damaging to the Chinese economy. In this sense, ‘China now helps underwrite American power,’ undermining possible containment attempts. The Sino-American economic relationship is captured by Deng Xiaoping, who claims that ‘the South wants to escape from its poverty and under-development and the North also needs the South to develop, otherwise where will the North find markets for its products?’

Economics has thus created a twenty-first century version of mutually assured destruction according to the chairman of computing firm Intel, and the most relevant question, as Ferguson posits, is who stands to lose more from potential conflict? China’s artful economic rise has made this question impossible to answer, and perhaps deems the confrontationalist approach of Mearsheimer and others outdated and inapplicable. In this sense, the liberal optimist economic interdependence argument and this essay’s realist optimist evaluation of China’s vastly inferior economy seem most plausible in assessing future Sino-American economic relations.

Problematic energy security

List’s final determinant of economic power is capital of nature, focusing on a state’s natural resources. Kenneth Pollack, a former advisor to Bill Clinton, opines that the global economy ‘rests on a foundation of inexpensive, plentiful oil, and if that foundation were removed, the global economy would collapse.’ Both America and China have significant domestic energy supplies, accounting for 75.5% and 90 percent of their current energy requirements respectively. However, both states are now net oil importers, pushing the garnering of future oil supplies to the forefront of the foreign policy agenda. This rightly worries realist pessimists, who point to Morgenthau’s warning that in an anarchical
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society, with no-one to serve as arbiter, competition for scarce resources inescapably results in an ensuing struggle for power. By 2030, China’s energy consumption is predicted to be 13 percent of total global demand, of which 70 percent will be imported. In the 2006 State of the Union address, George Bush admitted that ‘we have a serious problem: America is addicted to oil,’ while China’s 10th and 11th Five Year Plans emphasise the problem of energy consumption and sustainability, and have been generously labelled ‘the Green Leap Forward’ by American commentator Thomas Friedman. Is a fight over dwindling energy supplies looming?

Both the Chinese and American governments have sought to pay lip service to energy sustainability and climate change, while actual policies have consistently ignored these principles. For instance, neither country levies taxes on oil, due to domestic political constraints and the fear that oil consumption has become a zero-sum game. Bush has spoken of the need to diversify energy sources, specifically using ethanol as an example, yet the reality is that America still taxes ethanol $0.57 per gallon. While President Bush talks of a New Energy Initiative, and China has set energy consumption reduction targets for 2010, projected spending on energy alternatives pales in comparison to investment in the search for new oilfields. As Senator Richard Lugar has noted, there is no ‘silver bullet,’ and current alternative energy spending reflects the dangerously low priority placed upon it by both governments.

There is a relative congruence to American and Chinese predictions of oil production peaking. Chinese government estimates do not exist, but the views of government official Pang Xiongqi at a conference in Lisbon in May 2005, are unlikely to diverge too far from official government views. Xiongqi argued that peaking was likely to take place in 2012, while the U.S. Department of Energy suggests 2025 as the likely date. Moreover, the energy strategies of both countries simply revolve around finding more oil and gas to fire their economies and meet increased energy demands. America’s 2001 National Energy Policy (NEP) therefore makes reference to further drilling in the Arctic National Wildlife Reserve (ANWR), for example. Additionally, neither China nor America has been successful in highlighting the problem of energy consumption and climate change to their populations. A June 2006 Pew Global Attitudes Survey shows that the two states with the lowest concern about global warming are also the two biggest consumers—the U.S. and China. The short-sighted strategies of both China and America thus enhance the possibility of a future conflict over energy, with both states effectively fighting for larger and larger slices of the
same decreasing energy pie.

Chinese and American approaches to securing oil are markedly different. China's method, based on Prime Minister Hu Jintao's ‘going out’ (zou chu qu) strategy, is based on a willingness to negotiate with any state happy to offer them a “no strings attached” energy lifeline. Recent U.S. congressional testimony has criticised China’s ‘morality gap’ in its uncritical dealings with states such as Iran, Syria and the Sudan, and thus it can be argued that these actions call into question whether China can fulfil Zoellick’s desire for China to act as a responsible stakeholder. By investing in Central Asian and African states, China is strategically attempting to diversify oil supplies from the Middle East, which currently accounts for 80 percent of its imported oil, in the hope of eliminating the potential for a damaging American blockade of its energy arteries, the sea-lines of communication (SLOCs). China’s neo-mercantilist strategy is a supply-side state-sponsored hedging technique that effectively seeks to lock off oil supplies using national oil companies (NOCs) such as the China National Petroleum Corporation (CNPC), Sinopec and the China National Offshore Oil Corporation (CNOOC).

This strategy is based on the assumption that ‘oil obtained through foreign investment is more secure and less expensive than that purchased on the international market.’ Is this a threat to the United States though? The impact of China’s NOCs is internationally negligible, and provides for 15%, or 450,000 barrels per day of China’s total imports in 2005, equalling only 0.5% of global oil production. It is doubtful whether in the long-term, China’s locking-up technique can succeed, especially given the multitude of producers in a market-based globalised world, and so China will increasingly be jostling for the same oil imports as the U.S. As one would expect, America’s energy strategy is based on private corporations and the international market. However, commentators have consistently criticised the perceived disinterest of President Bush in so-called petropolitics. Flynt Leverett and Pierre Noel claim that energy security is neither taken seriously nor prioritised in the Bush Administration’s foreign policy agenda. The U.S. has, for example, done little to improve deteriorating relations with major oil producers such as Venezuela, Bolivia, and Russia. Furthermore, America should be seen as a paragon of free trade if it is not to undermine its credibility in calling for increased marketisation of the Chinese energy industry. By blocking CNOOC’s acquisition of the American Unocal firm last year, Congress sent out entirely the wrong message. In addition, as mentioned previously, America is rich in technological capital. Therefore, the satisfaction President Bush articulated in the 2006 State of the Union address, in which he spoke of $10 billion spent since 2001 on developing alternative energy sources, is wholly misplaced. James Schlesinger
notes that energy independence is a ‘forlorn hope’ for the United States, as rising global energy demand will no longer be able to be accommodated by increases in conventional oil production. If currently, America is ‘outsourcing its energy policy to Saudi Arabia,’ future American energy strategy needs to focus on active engagement in both the diversification of oil supplies, and the development of alternative energies, according to Ian Bremner and Crispin Hawes. The failure of Bush strategists has been in allowing China free rein in unpalatable states such as Iran and Libya. This blunder has permitted a Chinese energy rise, and brings the spectre of competing national interests closer.

What does this mean for the future of Sino-American relations? The scenario of China and the United States desperately fighting over ever-diminishing supplies of oil is, for now at least, too alarmist. While China has been busy extending links with Central Asian and African states, it has so far been careful to pursue an energy policy that only ‘run[s] afoul of US interests, when those interests are not top US foreign policy objectives.’ In this regard, the November 2006 Forum on China-Africa Cooperation meeting was an good example of Chinese public relations, and a sign of China’s future energy policy. In return for access to Africa’s oil and markets, China pledged $5 billion in aid and soft loans, and will provide finance for the construction of thirty hospitals and provide $37.5 million for anti-malaria drugs to African countries. Further, Zhang Guobao, Vice Minister of the National Development and Reform Commission (NDRC) has argued that ‘conditions are favourable for Chinese and U.S. oil firms to cooperate on the development of oil fields in third countries.’ Additionally, the establishment of the U.S.-Chinese Energy Policy Dialogue, and the U.S.-China Oil and Gas Industry Forum is a positive development. Energy cooperation can only serve to increase the energy security of both America and China.

However, U.S. Secretary of State Condoleezza Rice has accused Chinese links with authoritarian regimes, the so-called ‘axis of oil,’ of ‘warping’ China’s foreign policy. Moreover, Chinese links with regimes such as Iran and Syria worry American policy-makers, though statistics show that Chinese arms sales account for only two percent of arms imports into the Middle East, significantly less than the United States’ share. To be sure, however, it is clear that tensions will increase if, as expected, oil production spikes within the next ten to fifteen years. Further, the Chinese strategy will only seek to antagonise the United States if it moves, as it has already begun, from ‘neutral’ African territory onto American ‘red lines’ in Latin America and the Middle East. For example, the Middle East has already become the biggest purchaser of
Chinese stock market options as a result of Chinese interest in the region’s oil, while Venezuela is encouraging China to help boost its ‘hamstrung’ oil industry. Chinese aggression over access to the energy-rich Spratly Islands, and the protection of the Sudan using the UN Security Council are ominous signs, and confirm that the fight for energy security is most definitely an arena of concern. In sum, while this essay maintains that a Sino-American conflict is not likely, the ambivalence shown by both the U.S. and China towards alternative energy and energy consumption reduction is most likely to fuel any future tension.

Chapter III – Military Power and the Taiwan Puzzle

Realist pessimists claim that in an anarchical system, military strength is ‘decisive in shaping the patterns of relations’ between states. Further, China’s economic rise, according to Mearsheimer, enhances the potential for Sino-American confrontation, because ‘should China become especially wealthy, it could readily become a military superpower.’ Moreover, the 2005 Chinese Anti-Secession Law threatens that China ‘shall employ non-peaceful means and other necessary measures’ in the event of a Taiwanese declaration of independence. Further, People’s Liberation Army (PLA) Major General Zhu Chengdu has asserted that ‘I think we will have to respond with nuclear weapons,’ should the United States intervene in a possible war over Taiwan. So, does Taiwan render war unavoidable, is peace inevitable, or is a stable stalemate based on the current status quo expected? Before analysing the Taiwan imbroglio, a ‘knot of Gordian complexity,’ this chapter will first lay out the military strategies and capabilities of both the United States and China.

In a rebuttal of the realist pessimist ‘China threat’ theory, China protests that it ‘loves peace and advocates that nothing is more valuable than peace,’ and ‘unswervingly pursues a national defense policy defensive in nature.’ With this in mind, China’s rise ought not to affect American predominance. Indeed, Chinese observers have accused American hawks of self-serving exaggeration. Accordingly, the Department of Defense’s Military Power of the People’s Republic of China 2006, wantonly expresses its ideas about the “China military threat.” The DoD report, for instance, refers to Deng Xiaoping’s advice to ‘hide our capacities and bide our time,’ a watered-down version of Sun
Tzu's statement that 'all warfare is based on deception.'\[137\] The United States is correct to doubt official Chinese defence budget projections. In March 2006, China announced that the annual defence budget would rise 14.7 percent to $35.1 billion, principally to cover increases in salary and welfare for Chinese servicemen.\[138\] Importantly, these figures fail to include expenditures such as paramilitary expenses and foreign weapons procurements, meaning the true figure is likely to be two to three times the official figure, giving a total of between $70 billion-$100 billion.\[139\]

China’s military modernisation programme, which has seen double-digit percentage increases in actual military spending since 1996,\[140\] naturally causes anxiety in America. Adm. William Fallon, Commander of the U.S. Pacific Command (PACOM) warned before the Senate Armed Services Committee in March 2005 that rising Chinese naval power ‘seems to be more than might be required for their defense.’\[141\] Former Secretary of Defense Donald Rumsfeld has also questioned Chinese military spending, asking ‘Since no nation threatens China, one must wonder: Why this growing investment? Why these continuing large and expanding arms purchases?’\[142\] However, American concern is, for the moment at least, misplaced. Even taking the American top-line figure for Chinese military spending in 2006, $100 billion, it appears facetious to be talking about a peer competitor when America’s $420 billion defence budget is taken into account. From a realist optimist standpoint, China’s continuing military weakness should keep the peace, based on an implicit assumption regarding Chinese rationality.

An Assessment of Comparative Military Strength

According to the DoD’s 2006 Quadrennial Defense Review Report, ‘China has the greatest potential to compete militarily with the United States and field disruptive military technologies that could over time offset traditional U.S. military advantages.’\[143\] To what extent is this true? A 2003 Council on Foreign Relations Report claims the Chinese military is, in technological and capability terms, at least twenty years behind America,\[144\] and is effectively forced to rely on Russian arms imports due to the impotence of its own technology sector. Indeed, Chinese military planning appears to accept America’s insurmountable military strength. China’s 2004 National Defense White Paper confirmed Chinese military interest in ‘asymmetrical, non-contiguous and non-linear…patterns of operations,’\[145\] with a specific focus on ‘informationalization.’\[146\] Taiwan observer Denny Roy has previously referred to this as ‘the art of the inferior defeating the superior under high-tech conditions.’\[147\] This
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strategy is clearly specifically aimed at the United States.

Statistically, America’s disproportionate military power is clear. For instance, China has in the region of 130 nuclear warheads capable of delivery from land, sea and air, compared to the United States’ 10,000 warheads. Additionally, China’s intercontinental ballistic missile (ICBM) force, which can reach the continental United States, while being ‘qualitatively upgrade[ed]’, remains at approximately twenty missiles, and development ‘grinds on at a snail’s pace.’ This pales in comparison to the 830 multiple warhead ICBMs that the U.S. possesses. Further, the PLA Air Force, with more than 700 combat aircraft within striking distance of Taiwan, has ‘gradually shifted from one of territorial air defense to one of both offensive and defensive operations,’ and now boasts ‘technological parity or superiority over most potential adversaries,’ including Taiwan. However, this is less than America’s inventory of 738 F-16 fighters, notwithstanding the 3,000 other fourth and fifth generation fighter aircraft at its disposal. The PLA Navy has increased markedly in size to 55 attack submarines, 75 major surface combatants and 50 amphibious lift vessels. This fleet includes two Russian Sovremenny II guided missile destroyers, but as of yet, the Chinese have no aircraft carriers. In comparison, the United States has twelve aircraft carriers, a fleet of over 4,000 aircraft, and a further 266 deployable battle ships, including 22 attack submarines.

Despite China’s military modernisation programme, its military lags far behind its American counterpart, decreasing the likelihood of a Chinese confrontation. Indeed, General Chengdu has conceded that China has ‘no capability to fight a conventional war against the United States.’ Perhaps the most significant development, though, is in China’s naval growth, which has been likened (rather overenthusiastically) to the ‘classic pattern of the German naval buildup’ at the turn of the twentieth century. The Chinese need to boost their naval capabilities for two equally important reasons. First, their oil dependence means imports from the Middle East currently rely on the friendly shepherding of the U.S. Navy, a major strategic vulnerability. Further, any attack on Taiwan would necessitate some form of D-Day style amphibious assault, but Chinese capability to carry out such an attack remains a pipedream.

However, American policy-makers continue to over-hype Chinese prospects. Daniel Blumenthal, a member of the U.S.-China Economic Security Review Commission, has commented on China’s successes in the
area of sea denial. He notes that the sending of an American carrier into the Taiwan Strait, as happened in 1996, would now be ‘a lot riskier and a lot costlier.’ This assessment ignores current realities. Despite an emphasis on ‘informationalization’ and joint training, the Chinese still lack coherent joint forces capabilities, joint organisational structures and command and control (C2) potential. For instance, a joint exercise was undertaken in early 2006 involving the PLA, PLAN and PLAAF and linking together command centres and units from Beijing, Guangzhou, Shengyang and Chengdu Military Regions. The exercise demonstrated that the PLA remains in a ‘semi-mechanized state with low informatized systems,’ and the mission went so catastrophically badly that Hu Jintao and the Central Military Command (CMC) were forced to release a statement calling for a greater ‘standardizing’ of procedures. Chinese military vulnerability thus provides an effective barrier to Sino-American conflict. Finally, increasing Sino-American military cooperation is a positive future trend. Regular high-level military exchanges restarted in December 2002, and continued with General Guo Boxiong’s July 2006 visit to the Pentagon. Improved military relations suit the interests of both sides, and an ‘endearing and enduring mechanism for communication’ will help reduce unnecessary misperceptions on both sides.

The Taiwan Imbroglio

Notably, Taiwan is an issue of contention between China and the United States, and can pessimistically be seen as the Belgium of twenty-first century Sino-American relations. However, the palpably inferior Chinese military machine reinforces the realist optimist position that American military unassailability reduces the prospects of conflict. Neither the United States nor China want a ‘lose-lose’ war over Taiwan. That said, this view assumes that China will act rationally. Reinhold Niebuhr gloomily argues that ‘the human spirit cannot be held within the bounds of either natural necessity or rational prudence.’ Unfortunately, the policies adopted by both states run an unacceptably high risk of war, and leave both in a position where the tail could wag the dog. The driving-force of Chinese claims for the reunification of Taiwan is a keenly felt sense of the Chinese century of shame and humiliation. To this extent, Taiwan is a reminder of China’s ‘incompleteness,’ which only reunification can rectify. Thus PLA founder Zhe De asserts that ‘as long as Taiwan is not liberated, the Chinese people’s historical humiliation is not washed away.’ This carefully cultivated rhetoric is a dangerous political game, based on nationalistic legitimacy claims. Failure to prevent a Taiwanese break-away would be politically suicidal, undermine its power, and could plausibly lead to the end of CCP rule. The 2005 Anti-Secession Law therefore serves only to further entrench China’s position.
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The United States’ Taiwan policy could also leave it beholden to Taiwanese domestic politics. The 1979 Taiwan Relations Act, which commits America to ‘provide Taiwan with arms of a defensive character…[and] to resist any resort to force or other forms of coercion’ is still binding. Moreover, President Bush’s initial tough line is reminiscent of Kissinger’s cautionary presidential dilemma: ‘to distinguish between what it must do, what it would like it do, and what is beyond its capabilities.’ Here, classic American idealism presents a quandary, for it seems unlikely that American moral righteousness would permit the loss of a democracy to a communist state with a poor human rights record, even if intervention would be profoundly injurious to American interests. The maintenance of the status quo is thus a key U.S. strategic interest.

Fortunately, Taiwan’s revolutionary zeal has eased. Corruption charges against President Chen Shui-Bian and the Pan-Blue Coalition victory in the December 2004 legislative elections have moved Taiwanese independence to the political back-burner, allowing Sino-American relations to move from ‘a “stalemate” to a “new vista.”’ Indeed, Bush heavily qualified the U.S. position in a 2005 Fox News interview, stating that ‘if China were to invade unilaterally, we would rise up in the spirit of the Taiwan Relations Act, [but] if Taiwan were to declare independence, it would be a unilateral decision that would then change the U.S. equation.’ The future of America’s Taiwan policy will be characterised by the changing Sino-American balance of power, and the interactions of both sides’ national interests. For Taiwan, the real fear must be that it will fall victim to changing American priorities. A recent poll by the Chicago Council on Global Affairs, for example, reveals that only 18 percent of Americans view a China-Taiwan confrontation as critical to American interests, and only 31 percent would favour American intervention should China invade Taiwan. Moreover, Zoellick’s ‘responsible stakeholder’ speech barely even mentioned Taiwan, other than to reassert the American belief in the “one China” policy.

In sum, the threat of a Sino-American War over Taiwan appears to have receded for now. This section hedges by warning against both over-reaction to China’s military modernisation, and under-reaction based on American military predominance. Although it remains the ‘sacred responsibility of the Chinese armed forces’ to stop Taiwanese independence, it now looks likely that any change in the status quo will be solely of Taiwan’s doing, without American support. The reality is that while realist pessimists may be right in warning that Chinese foreign policy confidence will grow alongside its economic rise, even the Chinese navy is still ‘nowhere near U.S. military capabilities.’ While China is still reliant on the U.S. Navy for the smooth passage of energy from the Gulf and Chinese military
weakness rules out an amphibious assault, it is unlikely that the status quo will change any time soon. Thus, realist pessimist predictions of a global war are, for the time being, presumptuous.

Chapter IV – The Balance of Power: Towards Peaceful Co-existence?

Having evaluated the comparative economic and military power of the United States and China in Chapters II and III, this essay propounds that Sino-American relations are structured in a way that will prevent future confrontation. This realist optimist approach moves away from the hyper-alarmist realist pessimist theory, but at the same time, realistically acknowledges that the national interests of two large powers will inevitably collide from time to time. This essay maintains that a continuation of the current, stable balance of power will allow China and America to pursue grand strategies that perpetuate a peaceful co-existence. This chapter will assess Sino-American grand strategies, the current balance of power, and alliance-building, and concludes that the present stable balance of power is likely to endure. This section will first look at relevant political theory before moving onto an interpretation of changes within the balance of power and its effect on the United States and China.

A state’s grand strategy is defined as ‘a state’s theory about how it can best cause security for itself.’ Sino-American relations are chiefly characterised by the regional (Asian) balance of power, but as China’s power grows, the global balance of power is becoming increasingly relevant. Balance of power theory begins with the assumption that states are ‘unitary actors who, at a minimum, seek their own preservation, and, at a maximum, drive for universal domination.’ China’s grand strategy is primarily concerned with economic development, the procuring of sufficient energy supplies and the related construction of a modernised military. America’s strategy, on the other hand, as the world’s overwhelming economic and military power, is the preservation of the status quo. Realist optimists, who favour engagement, and realist pessimists who prefer containment, disagree on how America should achieve this, however.

Nineteenth-century Christian theorist Jonathan Dymond has an understandably pessimistic view of balance of power strategies, given that it is, in essence, a mechanism to prevent foreign domination. He argues that ‘whatever can be said in favour of a balance of power, can be said only because we are wicked.’ Realist pessimist and realist optimist approaches to balance of power strategies are palpably similar, predicated on a negative view of an anarchic international system. Thus, both hold that a state’s fundamental interest is to maintain its power position and avoid ‘enslavement by the strong.’ However, the two approaches diverge when one considers Chinese
intentions. The pessimistic Benedictus de Spinoza alludes to the Garden of Eden and doubts man can overcome
the ‘strongest temptations of every passion.’ Likewise, Niebuhr depicts man as unable to abide by rational prudence, and thus ‘in its yearning toward the infinite lies the source
of both human creativity and human sin.’

Therefore, pessimists doubt China will be able to avoid temptation and constrain its own power. However, sustaining the realist optimist line,
this essay considers the realities of America’s preponderant power over China and puts faith in Chinese
prudence. Realist optimists believe China will not seek to overthrow the international system because there is an
acknowledgement of the impossibility of the task. In this sense, Kissinger suggests that ‘China will insist on a
political role commensurate with its growing economic power.’ This role will therefore not be that of the global hegemon, because both economically and militarily, America has a pre-
eminence unrivalled by any empire in history. There is thus ‘scant evidence pointing to an ongoing or impending
control transition between China and the United States’ and a Chinese challenge looks extremely unlikely at present.

The Irrelevance of Containment Strategies

In History of the Peloponnesian War, Thucydides warns that ‘the growth of the powers of Athens, and the
alarm which this inspired in Lacedaemon, made war inevitable…[because Lacedaemon] decided to act while they
could exert some influence over the course of events.’ It is from this base that contemporary realist pessimists advise preventing China’s rise, before the balance of power swings too violently and China becomes too powerful to contain. Mearsheimer argues against a policy of engagement,
because ‘if China becomes an economic powerhouse it will almost certainly translate its economic might into
military might and make a run at dominating Northeast Asia.’ However, this analysis ignores contemporary economic realities. Additionally, in ‘The Sources of Soviet Conduct,’ George Kennan proposed a policy of ‘long-term, patient but firm and vigilant containment of Russian expansive tendencies.’ This Cold War strategy is simply not applicable to the current Sino-American relationship. First, China is not seeking to export any ideology, nor does it have any expansive tendencies save for localised territorial disputes. Moreover, America was able to cut off interaction with the Soviet Union in a way that would be impossible now due to China’s importance to the global economy. Containment of China would be as damaging to the U.S. as it would be to China. Moreover, American governmental policies also seem opposed to the realist pessimist containment paradigm, which sees rising powers as troublemakers that need to be restrained. Indeed, Robert Zoellick has urged anxious Americans not to look at China ‘through the lens of fear,’ but to see the benefits of engagement. Zoellick notes that while American Cold War policy sought to ‘fence in…’ the Soviet Union, ‘…for
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thirty years, our policy has been to draw out China. This policy, an affront to realist pessimism, allows China to follow its own national interests in the international system. Although this essay has reviewed China’s troubling relations with rogue states above, a discussion of Sino-American policies towards larger powers such as Japan, India and Russia are also of interest when considering changing balance of powers.

The Question of Alliance-Building

This chapter will now conclude with an analysis of alliance-building, which provides insight into possible future Sino-American trajectories. This essay maintains that the current formulation of alliances will not lead to a rigid and confrontational bipolar world, as it did during the Cold War, but instead will lead to increased engagement. Morgenthau has defined alliance-building as a ‘protective device…’ of nations ‘…anxious for their independence, against another nation’s designs for world domination.’ Aspects of United States foreign policy do seem to conform to this theory. Over the past year, the United States has especially sought to ameliorate relations with India, a Cold War enemy. For example, the United States-India Peaceful Atomic Energy Cooperation Act of 2006, which allows the export of civilian nuclear fuel and technology to India has been viewed by some analysts as a deliberate ploy of ‘one-upmanship’ by America, and as an ‘investment in a democratic alternative to Chinese economic hegemony in Asia.’ The proposed nuclear deal, with a non-signatory of the Non-Proliferation Treaty and the Comprehensive Nuclear Test Ban Treaty, has been described by former U.S. President Jimmy Carter as a ‘dreadful decision’ which endangers the fight against the proliferation of nuclear weapons, particularly in Iran and North Korea. Moreover, China has responded by moving closer to Pakistan, India’s traditional enemy, which culminated in Hu Jintao’s November 2006 visit to Pakistan, when he urged Pakistan to ‘play a greater role in regional and international affairs.’ The American media responded by contending that the free trade deal signed between Pakistan and China was due to a ‘shared antagonism toward New Delhi.’ Finally, American relations with its key Asian ally, Japan, have also been modified. The U.S. has been behind a concerted attempt to bring Japan out of its international shell. North Korea’s increasing belligerence has resulted in intense dialogue in Japan about the dropping of Article 9 of its constitution, which prevents the use of force. Meanwhile, the U.S.-Japanese alliance has also been extended to involve Japan in a possible conflict over Taiwan, drawing outrage in China.

Although these emerging alliances appear troublesome, do these strategic changes mean a rigid Cold
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War bi-polar structure is to be expected? Initial Chinese responses suggest no. Indeed, minor changes to the regional security order only appear to reflect changing geo-political and geo-economic realities. China’s relations with India since the announcement of the proposed U.S.-India nuclear deal have been overwhelmingly positive. On a visit to China in November, Indian Prime Minister Manmohan Singh opined that ‘there is enough space for the two countries to develop together in a mutually supportive manner.’ Further, China and India have agreed to double trade to a total of $40 billion by 2010. This backs up the realist optimist position that two large powers can co-exist in a collaborative, rather than competitive relationship, and is an acknowledgement by China that their strength does not extend to regional domination.

Relations with Pakistan have also been characterised by Chinese conservatism. Despite speculation of a Sino-Pakistani civilian nuclear deal prior to Hu’s visit in November, billed as a strategic counterweight to the US-India deal, China opted against such a bold strategy. Additionally, Sino-Japanese relations are still defined by distrust and suspicion on both sides. However, the arrival of new Japanese Prime Minister Shinzo Abe has so far signalled a change in tack. Unlike the antagonistic policies of his predecessor, Abe immediately outlined the importance of ‘frank and open discussions’ on issues including the Yasukuni Shrine, and emphasised the importance of ‘strength[ening] trust’ with China. Moreover, in a recent poll, the Japanese public voted China as the country they most wanted to improve relations with. Thus, it appears that rather than encourage Chinese confrontation, America’s relations with Japan and India have actually driven China to further pragmatism, as realist optimism expects. China has therefore reinforced the ‘good neighbor’ policy espoused in China’s 2004 National Defense White Paper.

In sum, states appear to interact with China when it suits their needs. The formation of bilateral alliances in Asia, and globally, is thus based on energy opportunities and economic markets, not threats. If states naturally seek protection from an emerging power threat, as Stephen Walt argues in The Origins of Alliances, a raft of new alliances would be constructed as weaker states desperately try to preserve their state power. However, in the case of the rising China, Asian states intend to benefit from China’s economic strength but still look to America for their security needs, and therefore the balance of power has not markedly changed. G. John Ikenberry and Francis Fukuyama thus opine that alliances are ‘much more than efforts to aggregate military power to confront external threats,’ but can operate for the benefit of many as part of engagement-oriented
political architecture. Finally, China’s relationship with Russia should allay realist pessimist fears that China is about to remove the United States as the regional hegemon. Russia has forged a closer geopolitical relationship with China built primarily on China’s need for Russian energy and arms. However, while agreeing to export gas to China by 2012, the Russian government is also wary of destabilising the balance of power and has blocked the sale of the oil firm Slavneft to China, and dismantled Yukos, who favoured direct oil sales to China. Thus, as this essay holds, realist optimism seems to better describe the current structure of Sino-American relations, which are built on a relatively stable balance of power.

Conclusion

China’s rise is inevitable. However, this essay has maintained that American hegemony will deter potential confrontation and an aggressive Chinese challenge. U.S. Deputy Secretary of State Robert Zoellick’s assertion that Sino-American ‘shared interests’ will lead to peaceful co-existence is grounded in realist optimism. Notably, this essay has made a clear distinction between realist optimism and realist pessimism, while also referring, with guarded cynicism, to the benefits of liberalism. Thus, American policy is characterised by increasing engagement with China while it also sustains close links with China’s neighbours and maintains its massive economic and military advantage. Due to its inferiority, China also subscribes to a realist optimist approach. Therefore, Aaron Friedberg’s argument that ‘China’s continuing weakness, in short, will help to keep the peace’ is increasingly salient.

In analysing U.S.-Chinese relations, this essay has described governmental policy trends, compared respective economic and military strength, discussed potential tensions over diminishing energy supplies and Taiwan, and has considered the evolving Asia-Pacific regional security order. It concluded that the realities of the anarchic international system deem China a security-seeking, rather than power-seeking state. China’s rise is thus a political challenge with a military dimension, rather than an actual military threat. However, while the Chinese claim that they are only interested in ‘export[ing] computers, not revolution or ideology,’ American policy-makers continue to worry about Chinese ‘shadowboxing’ in Asia and the ends to which China will use its burgeoning power. Conservative Chinese policies demonstrate a realisation of America’s unrivalled status and thus render the alarmist warnings of realist pessimists increasingly obsolete. Moreover, the failure of American uni-polarity in the Middle East and its move towards a multi-polar approach in its dealings with North Korea, suggest a superpower fatigue that should encourage greater Sino-American engagement. In sum, this essay has contended that America’s predominance has removed Chinese temptation to challenge American hegemony and this thus
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boosts the chances of a peaceful co-existence.

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