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China has become a superpower. As a result, its policies interact with America's on an almost infinite number of vital issues all around the world. Given the nature of international politics as a self-interested realm of largely amoral nation-states, one should expect many clashes between China and America in the future. Conflicts of interest are normal. But so should be efforts to keep these conflicts from running out of control. That requires containing conflict and seeking cooperation.

Unless one's aim is a China-American war, the first goal of the foreign policies of both Beijing and Washington should be to find ways to avoid worst case outcomes. This may not be so easy. In contrast to the era when Japan rose and there were numerous strong disagreements between Tokyo and Washington, those disputes were essentially economic, matters that could be compromised by more or less. This is not and will not be the case with China where the clashes will not only be economic but also political, ethical and strategic. If the issue is, which state should act as a hegemon in Asia, the outcome is one or another government. The good sought is not divisible. Peace requires an alternative to a quest to be the only tiger on the mountain top.

This extraordinary rise of China and its complex implications for the USA was not expected when the U.S. Congress voted to extend PNTR to China. The consensus at that time was that China ran a protectionist economy while America had an open economy. Therefore, extending PNTR to China as part of its accession to the WTO could only mean Chinese barriers would come down, American exports to China would surge, and the U.S. trade deficit to China would shrink. As everyone knows, the opposite has occurred. Successful globalization has dynamized China's rise to being again a great power.

Why this transpired is disputed. Some see China's extraordinary export success as the

result of cheating – artificially keeping the price of the currency low, exploiting labor by not allowing independent unionization, damaging the environment and spreading pollution globally, stealing intellectual property, and using state subsidies which are not permitted by WTO rules. For sure, China has worked hard at the WTO to block investigations of whether it is adhering to the rules it agreed to when it joined the WTO.

A contrasting perspective sees China as having unleashed an extraordinary burst of entrepreneurial energies, benefitting from the low priced labor of rural people fleeing the misery of a stagnant Mao era countryside for urban industrial jobs, plugging into the dynamism and policies of other East Asian development states, ably managing its currency to check inflation and support exports, and being open to the benefits of globalization, including sending students and scientists abroad in huge numbers to learn best practices. In this view, China is almost a model student for the IMF, not a cheat. It is a leader of and a beneficiary from globalization.

To me, the truth is a complex mixture of both perspectives. However one comes down on the matter of how much China's rise comes from playing by or ignoring the rules, from a standpoint of wiping out worst case poverty in China, one could argue that PNTR has played an important role in an amazing economic success story.

Yet some people find China's rise bogus. They see a house of cards that must soon collapse. The notion that China is a frail polity, however, is not a fact but a propaganda line from the ruling CCP to persuade the Chinese people and foreign observers that they should not only not worry about China's rise but they should feel fortunate to have the authoritarian CCP maintaining stability in China by way of a monopoly of power. Outsides are coaxed to help the CCP maintain stability in a frail society.

In fact, China is a super stable society. It is not about to catch cold and die just because of some imagined future economic illness. The US 1990s policy of waiting for North Korea, a much weaker and less popular government, to collapse was dangerously delusional. A similar attitude to a strong, legitimate, rising and ambitious government in Beijing is mad fantasy.

The major error over the past quarter of a century in imagining China's short or mid term future has been to underestimate it. That error still infuses the conventional wisdom. Rather than trying to comprehend the trend lines, projections of where China's rise is taking it and the world, the consequence of continuing double digit annual growth, the mainstream approach will instead, say, note that Chinese FDI is only 2 percent of American FDI or that China does not yet have a blue water navy. This standard error of treating today as the peak of China's rise means not taking seriously the continuing, rapid rise of China to superpower status. China already is a nation in the same league as the USA. Its government is controlled by a ruling group that chooses to challenge the US all around the globe, from Venezuela and Cuba, to the Sudan and Zimbabwe, to Uzbekistan and Burma. The CCP leadership has made itself the node of linkages whose combined weight presents, and is meant to present, an alternative to the spread of democracy, with democracy understood in Beijing as an anti-CCP American project meant to weaken China.

Since experiencing a series of traumas from 1989 to 1991, the CP leadership in China has taken as its most vital interest the continuation of the monopoly of power in authoritarian China by the ruling CCP, and achieving that most vital power interest of ruling groups by getting involved globally to defeat the spread of democracy, from North Korea to Nepal, indeed, wherever possible, although first and foremost in Asia, the world's most economically dynamic

region.

The standard response to an attempt to take superpower China and the expansive and authoritarian CCP seriously is, as I just noted, to pooh-pooh Chinese power, to insist, for example, that China remains a poor, agrarian country beset by serious social inequities and clashes. Chinese indeed is such a country. However, the same could have been said about problems and challenges confronting Britain during the industrial revolution era, about Japan during its Meiji era rise, and about the USA in the century of Jim Crow. The existence of poverty and inhumanity need not block the rise of a great power. Indeed, the historical record shows that focusing on the flaws of rising powers misses the main story. China has already risen. It continues to rise. The consequences of that remarkable achievement merit close attention.

CIA purchasing power parity (PPP) calculations make the size of China's economy already three-fourth the size of America's. China is still growing and doing so at about three times America's rate. This means that as the Chinese currency rises in value and the US dollar falls, the actual wealth of the two nations will tend toward the PPP numbers. China's economy is already the second largest in the world. Chinese people already travel abroad and buy top international brand name products. They feel empowered. They expect their government to deliver on China's rise to superpower status.

Most politically conscious Chinese are naturally very proud of their nation's rapid rise. They tend to imagine it as proof of Chinese cultural superiority, evidence of a culture that fosters a family ethos that creates people of superior quality (*suzhi*). Biologically and historically, they feel, China deserves to be on top. What is happening is largely experienced in China and in its

region as China's natural return to its rightful position in the world. Some international analysts actually argue that America and peace are best served by conceding to China its hegemony in Asia. But is that in America's or the region's interest?

CCP leaders praise Henry Kissinger for declaring that China is rising and America is declining. The cause of this transformation, CCP leaders believe is that their political system and their policy choices are correct. The CCP is responsible for China's rise. Therefore, to discuss democratization is to associate oneself with a treasonous, pro-American, and anti-China agenda of trying to wipe out the sources of China's return to greatness and glory. All Chinese patriots should therefore back the CCP's monopoly of power and its policy lines, rather than side with people and a project, democracy, that purportedly would keep China down.

The wishful thinking among American analysts that the CCP is or soon will be democratizing is to throw sand in one's eyes and blind one from seeing a major global consequence of China's rise, a reinvigoration of authoritarian and anti-American projects globally. China's rise is not good for the viability and vitality of democratic values.

If Iraq, Abu Greib and Guantanamo are emblematic of the American democratic project, as many governments and peoples around the world see it in the early 21st century, then the Chinese way is to be preferred. All recent surveys show China as a far more preferred partner than America in most nations of the world. Political order, economic growth and national power, that is, the Chinese syndrome, or, as some call it, the Beijing Consensus seems desirable from Pyongyang to Teheran to Caracas. The Washington Consensus, in contrast, is identified, in this Chinese perspective, with political chaos, economic stagnation, and international dependency on American-controlled international organizations. That is, in ever more countries,

nationalism, the most powerful force in the world, finds good and sufficient reason to go with China and against America.

There was an event whose interpretation in Beijing and elsewhere led to a Chinese self-confidence in going out that has produced this new pro-China turn globally. During the 1997-1998, Asian Financial Crises (AFC), the Government of Japan offered nations in the suffering region a large stabilization fund to end the economic bleeding. The American Government talked the Japanese leaders out of this good proposal which had been well-received in Asia. The U.S. Government instead argued on behalf of allowing the International Monetary Fund (IMF) to be in charge. The IMF, the IMF itself now concedes, then made bad things unnecessarily worse.

The CCP government quickly realized that multilateral cooperation could serve the purposes of stabilization, block crises which would produce democratization, as in Indonesia in 1998, and keep out international organizations which the CCP believed served pro-American and anti-China purposes. The CCP subsequently cooperated with Japan in building an Asian monetary fund and also went out into the world, promoting free trade agreements (FTA), joining international peace-keeping organizations (PKOs), and seeking investment and construction opportunities for China all around the world. As part of this multilateral thrust, China builds Confucian Institutes to teach the Chinese language, spread knowledge of the glories of Chinese culture, and get other nations and societies to see China as a responsible nation with which one should cooperate. In doing all of this, China, basically, is playing by the rules of the international game and China is winning the international game.

Isn't it whining for Americans to insist that China is cheating? While the CCP government may try to get around WTO rules as, in fact, many nations do, it has worked within

the system. That is, it is cheating fair and square.

But what game is China winning? It is, as just sketched, enhancing Chinese power and helping authoritarian projects. It also is securing energy resources and making that energy safe from blockage by the U.S. Navy. The CCP's primary focus, however, is in Asia, what the CCP imagines as China's backyard. The impact of China's rise in Asia is apparent even in Australia, which has been moving away from the American position on Taiwan so as to make it politically easier in Beijing for the CCP to back Chinese FDI in Australia. In general, China's one trillion dollars in foreign exchange reserves is going to turn into Confucian institutes, Chinese FDI, and Chinese businesses becoming a major global presence. China is a superpower, a global challenge to America, a welcome global partner for ever more governments, and on its ways to regional hegemony in Asia.

The more serious clash in the Asia-Pacific region caused by the rise of China is political, ethical and strategic. What is at stake can be highlighted by quotes from two recent studies of China-Japan relations, both written by analysts who scapegoat America and call for Japan's acceptance of China replacing America as the predominant power in the region. They present China as the natural hegemon of Asia. That is, this analysis is from people who are very friendly to the aims of the government of China and unfriendly to the United States.¹

¹ The quotes are from Reinhard Drifte, *Japan's Security Relations with China since 1989: From Balancing to Bandwagoning*, London, RoutledgeCurzon, 2003 (hereafter RD) and Willem van Kemenade, *China and Japan: Partners or Permanent Rivals*, Netherlands Institute of International Relations, November 2006 (hereafter WVK).

Nonetheless, they still make clear the transformational significance of China's rise

Japanese observers were particularly concerned about the link between the build-up of the [Chinese] navy and China's assertion of its territorial claims in the South China Sea and the East China Sea (RD 43) Japan would have to watch Chinese actions such as modernization of its nuclear forces, naval and air forces; expanding its [China's] scope of activities in the high seas; and growing tensions in the Taiwan Strait caused by its [China's] military exercises. (RD44) The China side questioned Japan's moral right to protest [China's nuclear tests]....(RD 47) ...from the beginning of the 1990s China started to assert more strongly its territorial claims in the South China Sea and the East China Sea. (RD48) The continental shelf in the East China Sea is 300,000 square km. China claims the whole shelf to the Okinawa Trough....(RD55) ...rising incursions by Chinese vessels into disputed as well as undisputed areas of the Japan's EEZ. (RD 56) ...the Chinese demanded that Japan not raise the issue of incursions... while [China was] reserving the right to continue these incursions. (RD57) ...China is still not keen on finding a solution....(RD58) [China's] security policies and other developments negatively affecting Japan's security interests. (RD 174) China's economic growth is allowing China to modernize its military potential and to pursue its revisionist goals with greater vigor. (RD 176)

The restraint and deference shown by Japan's leaders in the face of China's assertive security policy have bred resentment in Japan, and a negative backlash has been caused....(RD 177)

The crucial issue is Taiwan....(RD 177)

As long as the US does not accept this abandonment [of Taiwan], there can be no way of accommodating China as a new regional power. (RD 179)

China's current military potential has already started to make US predominance in Asia more difficult and costly, and this development is bound to continue if the US simply wants to maintain the current power status quo. (RD 181)

US regional hegemony...[is] unacceptable to China.... (p. 182)

A precondition for this [integrating China] is US willingness to gradually abandon its desire to be the predominant force in Asia.... [RD 185]

[A stable peace requires] address[ing] China's concerns about energy supplies and the security of sea lanes.... (RD 186)

Only by involving China in the construction of a new regional security architecture can the whole region leave the world of Bismark and nineteenth-century Europe. (RD 186)

China uses Japan's failure to atone adequately for its criminal war past to keep it down.... (WVK 7)

The best solution [for China's conflicts with Asian neighbors over energy] seems to be what Europe did after the Second World War: pool...resources among a supranational community. (WVK 9)

Hu Jintao...has to cajole his history-obsessed Japan-bashing comrades to ease up.... (WVK12)

...how eager Chinese leaders were to reduce tensions. (WVK 12)
South Korea, a democratic ally of the United States...was slowly moving back into the Chinese orbit.... (WVK 35)
China...was going to replace Japan and become number one in Asia....to put Japan back in its place: downgrade it to its historical pre-nineteenth century status: a peripheral secondary power on the edge of the central power, the Chinese Middle Kingdom. (WVK 36)
[By] 1996, prickly Chinese nationalism had become a standard feature in China's foreign relations. (WVK 48)
Since...1997, an open contest had unfolded among the Chinese and Japanese for pre-eminence in East Asia....(WVK, 56)
Japan wants to be protected from the emerging superpower China... And wants to help maintain...a *defacto* independent Taiwan. (WVK 60)
China was the pre-eminent power in East Asia for some 2,000 years [yet there are forces in the U.S., Japan and Taiwan]...keen to block China's re-emergence. (WVK 63)
It [Japan] will have to perpetuate its unequal alliance with the United States... or 'Finlandize' itself to its big continental neighbor [China]. (WVK 66)
[On the East China Sea and its oil] China will never, ever accept the name Senkaku, or that it belongs to Japan.... 'China does not have the power to solve the problem now, but in a few decades it will.' (WVK 74)
...the magic formula would be to put the gas and oil reserves in the East China Sea under a single supranational high authority....Will an East Asia Robert Schuman and a Jean Monnet come forward

please. (WVK 79)
The Japanese media described the Chinese moves [toward China-centered FTAs in Asia] as stepping stones toward Chinese leadership in East Asia.... (WVK 83)
...there are deeply ingrained antagonistic feelings among the Chinese against the Japanese.... (WVK 97)
[Yet since the 2005 anti-Japan riots] the Chinese leadership has managed to prevent further outbursts of anti-Japanese fury. (WVK 98)

Without agreeing with any particular claim of those pro-China and anti-American analysts, certain matters are clear about Chinese policy and American interests. The CCP leadership means to make China the predominant power in the region. This requires continuing rapid growth premised on good economic relations with America, Japan and Taiwan. The CCP does not want North Korea's nuclear program to produce a nuclear arms race in the region which leads Japan and others to go nuclear.

These conflicts and tensions mean that the US need not see China-America relations as a zero-sum clash. There are prospects for energy cooperation, a matter of profound concern to the CCP leadership. While Chinese policy could produce nasty outcomes, America should seek ways both to enhance cooperation and to reduce tensions. Such policies would make it marginally less likely that chauvinist hardliners will win inside of politics in China. But America's diplomacy should be focused not singularly on China but on the whole region.

The U.S. should not seek predominance in the region. It should not militarize relations in the region. Its goal should be a robust independence for all, for China and Japan and the nations of ASEAN and Taiwan and India etcetera. This would require taking

seriously China's concerns for the security of energy resources and sea lane openness. Both would be facilitated by international cooperation in the region, cooperation that includes China. It does not serve the interest of a secure, stable and prosperous peace, if Taiwan and Japan act in ways that seem gratuitous threats to China's vital interests, and visa versa. Because of security dilemmas – defensive acts treated as aggressive ones – more strategic dialogue and confidence building is needed.

Of course, given China's rise and its clout, a secure, stable and prosperous peace in the region also requires accommodating policies proffered by the government of China. Political forces in China could block such policy cooperation. But that worst case outcome should not be presumed to be inevitable, producing policies toward China by others that become self-fulfilling, worst case predictions. While it would be naive not to prepare for worst case outcomes, it would be criminal to act in ways which make such unhappy outcomes more likely.

There are some welcome straws in the wind, such as the EU's move away from arms sales to China and Japan's 2006 overtures to China and China's swift and positive reception of those Japanese overtures. What is required is more initiatives in the direction of cooperation that make it more difficult for hard-line tendencies to win out in the politics of China or any other nation.

The big question is, can CCP leaders abjure actions to end democratic Taiwan's *de facto* independence? Can Chinese nationalism change as, in the past occurred with Indonesia and East Timor, with Pakistan and Bangla Desh, with North Korea and South Korea, with Russia and Finland, and with Britain and Ireland. Those histories suggest that the issue of Taiwan's democratic autonomy will be difficult for a long time to come. While it is important

for America not to complicate the issue of peaceful progress, still, as with all the issues discussed above, ultimately it is what happens in Chinese politics that is decisive. China is a great power. Those in power in China will debate different policy options. American policy should be directed not only toward enhancing its own interests but also toward not making life more difficult for those in China that can imagine a peaceful rise which respects the national dignity of all China's neighbors.