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China Views Globalization: Toward a New Great-Power Politics?

China is rising in the age of globalization. Although China initially accepted greater interdependence largely out of economic necessity early in the reform era, Beijing has since come to embrace interdependence and globalization with increasing enthusiasm. Yet, the country's political elites recognize that economic globalization is a double-edged sword for China. Although undoubtedly an engine of national economic growth, if mishandled, this transformative force could very well derail China's quest for great-power status. Globalization introduces powerful new sources of economic vulnerability. Similarly, the growth of nontraditional threats, such as terrorism and the spread of infectious disease, presents serious global challenges to China's security. Thus, although Beijing has embraced globalization overall, the Chinese government has also sought to manage the process by reconfiguring its thinking about security and taking bold steps such as domestic banking reforms and active trade diplomacy to defend the country's economic interests. The fact that Chinese political elites today perceive issues as diverse as capital flows, weapons proliferation, epidemics, terrorism, and cybercrime in terms of globalization suggests that the country's views on globalization have evolved in tandem with its tumultuous quest for development, security, and status during the past decade.

To the extent that globalization is perceived to be the distinguishing feature of contemporary U.S. hegemony, China's views on globalization reflect its evaluation of the world order and shape its strategic outlook as an aspiring great power. U.S. hegemony in its liberal and democratic forms benefits China in important ways, but through the lens of power politics it also dis-

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advantages certain Chinese interests. Accordingly, efforts to restrain the United States characterize Beijing's latest and likely future response to globalization. In fact, mainstream Chinese strategic thinkers now believe that globalization, as manifested in transnational forces, international institutions, and a greater need for multilateralism, can be used to "democratize" the U.S. hegemonic order to minimize unilateralist power politics.

Even more broadly, China's strategic choices are increasingly designed to exploit globalization as a way of making China rich and strong and simultaneously reducing international fears of fast-growing Chinese material power. Under President Hu Jintao and Premier Wen Jiabao, the new Chinese leadership, sensitive to foreign reactions to China's growing power, has actively pursued cooperative security, win-win economic cooperation, and an increasingly multilateral approach to foreign policy in general, to an even greater extent and with greater success than their predecessors. China's new foreign policy choice highlights the potential role of globalization in transforming great-power politics from the unmitigated struggle for supremacy of earlier eras to a more cooperative form of interstate competition that increases prospects for China's peaceful rise.

The Changing Colors of Globalization

Although the term "globalization" did not enter official discourse in China until 1996, its leaders acknowledged throughout the 1990s that economic affairs were playing a growing role in post–Cold War international relations.[1] Some references to globalization appeared in academic writings in the early 1990s, but the dominant concepts in scholarly and policymaking circles were interdependence, integration, and internationalization. When globalization first entered Beijing's diplomatic lexicon, officials described it as a trend driven by advances in science and technology that were producing increased cross-national flows of capital, goods, and know-how. The emphasis on the technological drivers underlying this process conceptually restricted globalization to the economic realm in official Chinese analysis although the term was soon understood elsewhere in the world to include social, cultural, political, and security dimensions. Similarly, early attention to this emerging trend emphasized the opportunities for economic development and ignored concerns about U.S. hegemony, Westernization, national sovereignty, and other politically controversial issues.

Long before the term "globalization" became popularized worldwide in the 1990s, the benefits of China's growing participation in the world economy were undeniable. After Deng Xiaoping formally assumed power in 1978, transnational flows of capital, goods, information, and technology increased

steadily throughout the 1980s, accelerating further during the 1990s as the contours of an emerging manufacturing juggernaut took shape. By the mid-1990s, economic ties to the outside world were widely seen as critical to the robust economic growth that made China the envy of industrializing countries everywhere. For example, by 1992 China stood as the world's leading recipient of foreign direct investment (FDI) among developing countries. Indeed, FDI accounted for sizable (and growing) percentages of China's domestic investment, industrial output, exports, tax revenues, and job growth before globalization became a catchphrase.

Political elites recognize that economic globalization is a double-edged sword for China.

A series of events in the late 1990s tested China's initial, somewhat romantic, notions of globalization quickly and severely. The Asian financial crisis of 1997–1998 revealed the double-edged sword of globalization, that is, the challenges it presents as well as the opportunities. Although China escaped much of the turmoil, the travails of its neighbors highlighted the threats that global economic forces posed to national economic security. The crisis also reinforced suspicion that the United States and Japan seek every opportunity for strategic gain, even in ostensibly economic matters. Coupled with Washington's hard line in its ongoing negotiations over China's accession to the World Trade Organization (WTO), U.S. policy during the Asian financial crisis, namely the perceived U.S. indifference to the spreading chaos and its subsequent failure to support measures that many in East Asia sought as necessary for a quick recovery, underscored the significant economic, social, political, and even strategic risks that deeper participation in a globalizing world economy would entail for China. The economic dislocation and political upheaval in developing Thailand and Indonesia, not to mention industrialized South Korea, presented a sobering vision of the challenges to national sovereignty and well-being that can accompany greater integration into world markets.

In Beijing's view, its experience with the Asian financial crisis and the WTO revealed not only that further reform and opening would be necessary to create a modern economy capable of competing effectively in a globalizing world economy but also that severe imbalances and inequities continued to persist in the international system. Even though China's strategic position compared favorably to most developing countries, Beijing did not see itself as immune to the vagaries and injustices associated with contemporary international economic relations. Strikingly, Chinese officials publicly explained this deleterious side as the result of an improper handling (political

mismanagement at the international level) of the globalization process rather than as a danger inherent in deeper and more extensive ties among national economies. Indeed, Beijing's rhetoric and behavior in the late 1990s sought to maintain a distinction between globalization (understood in terms of scientific and technological advances, the expansion of market forces, and the arrival of a new industrial revolution) and the international economic system (shorthand for Western-dominated, multilateral economic institutions and U.S. hegemony generally). Problems associated elsewhere in the world with globalization, such as widening disparities in North-South wealth, asymmetries in vulnerabilities to financial shocks between industrialized and developing countries, and unequal access to technology, were attributed to defects in the international economic system rather than to globalization per se.

The term 'globalization' did not enter official discourse in China until 1996.

By the late 1990s, even though China's official rhetoric continued to view globalization as an economic phenomenon, this belied a growing recognition in scholarly and elite discourse that globalization was also affecting great-power politics. Given the United States' advantage in technological innovation, revolution in military affairs, and cultural domination, globalization seemed to confer relative gains on the United States, enabling it to pursue its foreign policy virtually unchallenged. This belief has been reinforced by what Beijing has perceived as a series of unilateral U.S. actions threatening to Chinese interests, such as Washington's closer relationship with Taipei since the 1995–1996 Taiwan Strait crisis; the 1996–1997 strengthening of the U.S.-Japanese defense guidelines; the 1999 U.S.-led NATO intervention in Kosovo (and resulting bombing of the Chinese embassy in Belgrade); the intensification of U.S. plans for missile defense under President George W. Bush; the April 2001 EP-3 surveillance plane incident; and, most recently, the 2003 war in Iraq. The result has been a more realistic Chinese assessment of globalization's economic and security implications as well as a new recognition that globalization is not merely an economic trend but rather a process that must be actively managed politically as well.

The heightened profile of international terrorism, the spread of weapons of mass destruction, the growing problem of infectious diseases such as AIDS and the Severe Acute Respiratory Syndrome (SARS), transnational drug trafficking, and cybercrime have also influenced the evolution of China's views on globalization. Chinese officials have repeatedly acknowledged that, as security threats become increasingly globalized, the pursuit of security be-

comes more and more cooperative and multidimensional and, in an age of increasingly transnational threats, China's security is dependent on the security of others in unprecedented ways. Such new ideas have made "common security" and "globalized cooperation" regular features of China's foreign policy discourse in the new millennium, including then-President Jiang Zemin's analysis in 2002: "As countries increase their interdependency and common ground on security, it has become difficult for any single country to realize its security objective by itself alone. Only by strengthening international cooperation can we effectively deal with the security challenge worldwide and realize universal and sustained security."[2]

Just as globalization has prompted new thinking about security issues in China, nontraditional security threats have also significantly transformed China's understanding of globalization itself. Once restricted to economics, the discourse on globalization now extends to an expanding range of political and security matters. Such reconceptualization underscores the importance of globalization both as a real-world phenomenon and as a lens through which Beijing's grand strategy is filtered. It has facilitated China's satisfaction with, and boosted China's confidence in peaceful status mobility within, the international system.

The fact that China's support for globalization has never wavered, even in the wake of the Asian financial crisis and through a variety of subsequent foreign policy tests, reflects a strategic choice by China's leaders to deepen the country's participation in the world economy as the best means available to pursue economic modernization, cope with U.S. hegemony, and fulfill Beijing's great-power aspirations. Chinese leaders characterize globalization as an irreversible tide that no country can or should resist while emphasizing the need to manage the process proactively to maximize benefits and minimize harms. Most significantly, perhaps, Chinese policymakers and academic analysts alike have intently explored ways in which globalization can restrain U.S. power, reduce fears of a China threat, and ultimately make international relations defined more by the democratic exercise of legitimate authority and dictated less by coercive use of power.

'Democratizing' U.S. Hegemony through Multipolarization and Economic Globalization

China's official advocacy of multipolarity in world politics predated Beijing's explicit embrace of globalization by almost a decade. During much of the 1990s, political discussion treated multipolarization and globalization as two separate issues, demonstrating little concern with the implications of the combined trends for Chinese foreign policy. Having initially struggled to de-

fine the post–Cold War world, Beijing has in the new millennium propounded a new official formulation—"multipolarization and economic globalization"—that reinterprets the dual trends and their interconnectedness as the strategic context for Chinese foreign relations.[3]

Instead of predicting the imminent emergence of a dispersed power configuration, as was the case previously, China now views the trend toward multipolarization as a tortuous process of unspecified duration. Today, Chinese official media and mainstream analysts explicitly reject equating multipolarity with a hostile balancing drive against the predominant power of the United States. Notably, one Chinese scholar openly voiced his criticism of the official "multipolarity" notion for its anti-U.S. tone and implications of confrontational power politics.[4] Beginning in the second half of 2003, the government in Beijing even toned down its explicit advocacy of multipolarity, for example, preferring to pledge to promote "multilateralism" in the Sino-French Joint Statement signed in late January 2004.[5] Rhetorical deployments aside, the new interpretation of multipolarization reflects a preference for a more democratic world order that emphasizes proper management of state-to-state relations over the redistribution of power. In other words, China is less concerned with U.S. power per se and more concerned with the way that power is exercised.

Globalization has become a lens through which Beijing's grand strategy is filtered.

As explained by the vice minister of foreign affairs, Wang Yi, the Chinese view of multipolarization differs from the traditional Western interpretation in that China seeks the "harmonious coexistence of all forces," including developing countries, rather than a confrontational great-power struggle.[6] According to this perspective, multipolarization is antithetical to the self-help, unilateralist approach to security and development associated with the traditional great-power game.

Chinese analysts and political elites clearly recognize that the United States enjoys great advantages in utilizing globalization across the military, technological, economic, political, and even cultural arenas to consolidate Washington's predominant position in the world further. These observers also recognize, however, that China's own national rejuvenation requires its active participation in such a world. The latest mainstream view recognizes that the force of interdependence and globalization is essential to convince the United States of what Joseph Nye Jr. calls "the paradox of American power," whereby U.S. power is simultaneously strengthened and restrained in the globalized world. To cope with the wide array of global challenges, co-

operative and legitimate use of power is not only a virtual necessity but also strengthens the U.S. global leadership role.[7]

For example, Shen Jiru, director of strategic studies at the Institute of World Economics and Politics at the Chinese Academy of Social Sciences (CASS), argues that the United States did not retaliate against France, Germany, and Russia for their opposition to the U.S. war in Iraq because "the advance of economic globalization means that the interests of different countries are interwoven ever more closely, and this has become a powerful material force constraining U.S. hegemonism."[8] Elsewhere, Shen posits that diplomatic activism by Japan, Korea, China, Russia, and the United States on the North Korean nuclear issue is best explained by common concern over the devastating impact that a militarized conflict would have on the highly interdependent Northeast Asian regional economies.[9] Along the same lines, CASS scholar Zheng Yu argues:

> [T]he rising trend of economic globalization has led to an unprecedented level of economic interdependence, thereby effectively containing the possible escalation of regional conflicts to great-power war. And it has become increasingly difficult to resort to economic coercion as a means to control the economic development of another country. As such, economic globalization has provided opportunities and favorable conditions for overall peace and development in the international community.[10]

These observations reflect the emerging Chinese interest in exploring how economic globalization can actually change the parameters of great-power politics from a traditional zero-sum game to win-win competition. "Under conditions of globalization there are no absolute winners or absolute losers," contends Luo Zhaohong, a CASS research fellow. Consequently, "the globalization age requires increased cooperation between all countries and regions, and we must apply the concept of 'both are winners' or 'all are winners' in place of the outdated 'zero-sum game' mentality."[11] Such a new concept presumably precludes Cold War–style antagonism between two great powers or two blocs. The win-win idea has been widely espoused in mainstream Chinese analyses, as it is considered a hallmark of China's new foreign strategy.

Chinese analysts and policymakers believe that economic globalization creates the open economic system necessary for China's growth. Although pressuring China to live up to international commitments, the globalized world also offers China opportunities to express its discontent, to take measures to defend its economic interests, and even to assert a leadership role in global governance, all without triggering fear that Beijing harbors revisionist intentions. China's diplomacy in the WTO provides a case in point.

Although China's leaders pursued WTO entry primarily to improve the country's own participation in the world economy, they also saw member-

ship as a means to influence the shape of the international economic system. China's subsequent WTO participation has reiterated its new attitude toward leadership in a globalized world. In his speech at the 2001 ministerial conference in Doha, Qatar, China's trade minister, Shi Guangsheng, argued that equal attention should be paid to the "development of the world economy" and "trade and investment facilitation." In the speech, which marked the occasion of China's WTO accession, Shi referred to the "obvious defects of the existing multilateral trading system," namely its failure "to reflect the interests and demands of developing countries in a more adequate fashion."[12] In addition, in a declaration issued at the time of the Doha meeting, China insisted that the "developmental dimension" be fully incorporated into the multilateral trading system.

Beijing actively seeks to manage the course of globalization.

Similarly, at the September 2003 WTO ministerial meeting in Cancun, Mexico, Commerce Minister Lu Fuyuan assessed the positions of developed against developing countries, concluding that "their obligations are not balanced and their gains are not equal." Signaling Beijing's concern about fairness, Lu emphasized the "enormous commitment" to trade liberalization that China had made by joining the WTO. Indeed, he also noted that Beijing's accession protocol requires China to reduce trade barriers "well below the level of other developing countries."[13] By laying these rhetorical markers, Lu indicated his country's determination to prevent the Doha talks from resulting in further substantial obligations for Chinese liberalization.

Consistent with this stance, Beijing acted as a member of the Group of 22 (G-22) developing countries in Cancun to bargain collectively for a reduction in the use of agricultural subsidies by developed countries such as the United States, members of the European Union, and Japan. At first glance, Beijing's participation in the G-22 could be interpreted as evidence that China wanted to undermine the liberal international economic regime by blocking progress toward a new WTO agreement. In truth, however, China was much less strident in its criticism than were Brazil, India, and many other developing countries. Despite U.S. trade negotiators' clear disappointment that China had allied itself with the G-22 in Cancun, they praised Beijing afterward for working hard to broker a deal. Indeed, China displayed its customary pragmatism in trying to navigate the treacherous waters of agricultural policy and the so-called Singapore issues (trade facilitation, government procurement, investment rules, and competition policy). Presumably, this is why WTO Director General Supachai Panitchpakdi called on Beijing

to "use its influence to be a bridge between developed and developing countries" in the wake of the collapse of the Cancun meeting.[14] This direct appeal to Chinese leaders, in which Supachai acknowledged that China is both a "developing nation" and an "emerging superpower," reflects the growing influence of Beijing in shaping the economic order from which it already benefits handsomely.

Like many developing countries, China believes that the WTO has failed to live up to the promises not only of the Doha "Development Round" launched in 2001 but also of the Uruguay Round concluded in 1994. In the latter case, developing countries were promised liberalization in agricultural and textile trade (which has been slow to materialize) in exchange for the adoption of rules advocated by developed countries on issues such as services and intellectual property rights (which have progressed further). Although there is no evidence that Beijing wishes to weaken the WTO, China does insist that any new agreement must be negotiated more inclusively and must deliver a more equitable outcome. To that end, China has recently expressed a willingness to play a more active and constructive role in reinvigorating the WTO talks that had stalled in Cancun in 2003.

By using an increasingly wide variety of economic platforms, including the WTO, the Asia-Pacific Economic Cooperation (APEC) forum, and various UN agencies, Beijing actively seeks to manage the course of globalization. Even though Beijing has attempted to assert a Chinese voice, its positions hardly constitute a confrontational, revisionist agenda vis-à-vis the existing international order. China has resisted the norms and principles of the liberal international economic system no more than most developing countries.[15]

Beijing's increased emphasis on the democratization of international relations beyond the economic arena can be seen in its promotion of the so-called new security concept. This notion was first introduced by the Chinese leadership in the context of managing relations with Russia and newly independent Central Asian states in the mid-1990s and has subsequently been applied elsewhere. This policy advocates an economic and political order in which mutual trust, benefit, equality, and cooperation characterize bilateral relations and multilateral institutions to reduce "insecurity and safeguard global strategic equilibrium and stability."[16] Also significant, and not all that surprising, the policy reflects Beijing's desire to circumvent Washington's well-established alliance networks by associating such structures with a Cold War mentality that is ill suited to an era of globalization in which security and development are positive-sum games requiring mutual cooperation, rather than the bloc politics of the past.

In this new spirit, Beijing has sought to infuse a sense of shared growth and security community into China's relations with its neighbors. The

Shanghai Cooperation Organization (SCO), established in June 2001 to capitalize on earlier joint confidence-building efforts among China, Russia, Kazakhstan, Tajikistan, Kyrgyzstan, and Uzbekistan, is designed to achieve a more institutionalized form of cooperation on issues ranging from antiterrorism to trade. Chinese leaders now hail the SCO as a model of regional cooperation that enhances collective security for the participants while not threatening any outside party.

Beijing now seeks to use interdependence as a de facto strategy to restrain the U.S.

Similar motivations were behind Beijing's October 2003 signing of the Treaty of Amity and Cooperation, the nonaggression pact of the Association of Southeast Asian Nations (ASEAN). China simultaneously issued a joint declaration with ASEAN, the "Strategic Partnership for Peace and Prosperity," which included a call to establish a security dialogue between the 10 member countries of ASEAN and China. These initiatives built upon Beijing's ongoing efforts to forge a China-ASEAN free-trade agreement. China has also become an enthusiastic participant in the network of currency-swap arrangements launched by China, Japan, South Korea, and ASEAN in 2000 under the so-called Chiang Mai Initiative. Such initiatives to promote trade and monetary regionalism in East Asia reflect a comprehensive and multilateral approach to security.

Whereas interdependence served mainly as a means for advancing Chinese economic interests in the past, it now appears that China is coming to value interdependence partially for its own sake. More specifically, although China remains wary of the implications of interdependence for national autonomy, as are all nations to varying degrees, Beijing's grand strategy now shows signs of relying on formal and informal mechanisms (strengthened multilateral institutions and strong economic ties, respectively) of interdependence as a de facto strategy for restraining the United States.

For example, Beijing has deepened its involvement in the UN system in recent years, including its participation in the Security Council, where China had been extremely passive in the past. Since the 1999 NATO war in Kosovo, China has been more determined than ever to defend the relevance and authority of the UN. Elsewhere, China has actively promoted security initiatives in venues such as the ASEAN Regional Forum (ARF), in which its dialogue partners include the United States, Japan, the EU, and Russia as well as ASEAN members. At the 2003 annual ARF meeting, Beijing proposed that a security policy conference be established within ARF in which military as well as civilian personnel would participate.

Only a few years earlier, because of China's victim complex originating from its century-long experience as a semicolony after the Opium War (1839–1842) and rigid notion of sovereignty, China's advocacy of such a position would have been unthinkable.

To the extent that globalization can create constraints on U.S. power—power that might otherwise be used to pursue unmitigated unilateralism—China believes it can pluralize and democratize the hegemonic order and strengthen incentives for Washington to engage Beijing rather than contain it.[17] As such, Chinese mainstream observers see globalization and multipolarization reinforcing each other to create common interests that can replace the China threat theory with the China opportunity theory. Such a world is most conducive to China's quest for economic prosperity and great-power status.

Global Threats and China's New Thinking on Security

China's concern about transnational threats such as terrorism, unregulated capital flows, weapons proliferation, epidemics, and cross-border criminal activities preceded the terrorist attacks of September 11, 2001. For example, the Asian financial crisis dramatically sensitized China to its own banking and economic vulnerabilities, given the broad similarities (such as high levels of nonperforming loans) to the conditions that contributed to weakness in neighboring countries such as Thailand, Indonesia, and South Korea. Similarly, one of the original missions of the SCO was to combat what member states call the three evil forces of terrorism, separatism, and extremism. The September 11 attacks and the SARS crisis undoubtedly raised Chinese awareness about what China's latest White Paper on National Defense specifically refers to as "diversifying and globalizing" security threats.[18]

Today, China no longer faces any imminent threat of military invasion by any foreign power. According to Chu Shulong, director of the Institute of Strategic Studies at Tsinghua University, Taiwan may be the only prominent traditional security issue currently facing China. Consequently, he argues, China should brace itself mainly against nontraditional threats that would endanger its social stability, economic vitality, and "human security."[19] Moreover, official Chinese views now also hold that effectively combating these global threats requires cooperative security rather than traditional competitive politics.

For China, no nontraditional threat hit home as abruptly as the outbreak of SARS in the first half of 2003. Originating in southern China in late 2002 (or earlier by some accounts), the epidemic quickly infected more than 8,000 people in 30-plus countries, causing nearly 800 deaths within six

months. By the time the disease was finally brought under control, Beijing's initial mishandling of the crisis, as well as the SARS scourge itself, had taken a serious toll on China's economy and its international reputation. The silver lining of the tragedy, however, was the subsequent call by Chinese analysts for a comprehensive rethinking of national security with more attention to nontraditional threats to social stability and the rights and well-being of the Chinese people.[20]

When China's top leadership finally acknowledged the SARS crisis and started to mobilize the "people's war" against the epidemic in April 2003, Chinese commentators emphatically characterized SARS as a global disease posing a common threat to the international community. They even compared the outbreak to the September 11 terrorist attacks on the United States: both came from new threats facing humanity and both required joint international efforts to eradicate them.

Taiwan may be the only prominent traditional security issue currently facing China.

In response, foreign leaders generally echoed Beijing's characterization of SARS as a global challenge. Whereas the foreign media were more critical of Beijing's initial cover-up, world leaders, including Bush, refrained from openly casting blame on Beijing and offered support instead for the embattled Beijing leadership, which had been newly inaugurated in March. Foreign governments and international institutions provided a financial package worth $38 million in support of Beijing's fight against SARS. This support led a prominent Chinese international relations scholar, Yan Xuetong, to declare that SARS "not only tested our country's foreign relations, but to some extent strengthened China's cooperative relationship with the international society. Moreover, SARS has provided China with experience in international cooperation and a new environment for China's further integration into the international society."[21] Of particular note, he specifically attributed the enhanced international cooperation to the nontraditional nature of the SARS threat.

The devastation of the Asian financial crisis, the fallout of the terrorist attacks, and the North Korean nuclear standoff further underscored the intertwined nature of traditional and nontraditional security threats. Chinese commentators have learned that nontraditional threats can imperil China's security environment and strike China's vital interests in social stability, national unity, and economic development. While calling for greater attention from their government to such threats, Chinese analysts also emphasize the inadequacy of an outdated, militarized, self-help approach to security. This

emerging recognition among the political and intellectual elites of the need for a comprehensive, multilateralist, and cooperative model for security has resulted not only from the practical necessities in dealing with these new threats but also from China's greater interest in transforming great-power politics in ways that would improve the country's security environment.[22]

Indeed, cooperation between China and the United States on transnational threats such as terrorism and North Korean nuclear proliferation has significantly stabilized the bilateral relationship. Despite pervasive concerns about the offensive nature of Washington's hegemonic policies, the consensus within the Chinese policy community is that the global war on terrorism has defused, at least in part, U.S. strategic concerns about China becoming a peer competitor. In this way, the dark side of globalization, namely nontraditional threats, may serve to restrain U.S. power and reduce U.S. hostilities toward China. The six-party talks in Beijing on the North Korean crisis are a case in point. They have strengthened Sino-U.S. cooperation and diminished the U.S. unilateral impulse to settle the crisis through force.

Strategic Choice in a Globalized World

Despite Beijing's rhetoric bemoaning inequities in the international economic system, criticizing international military intervention, and denouncing U.S. unilateralism, Chinese foreign policy in recent years can in fact be best characterized as dynamic "system maintenance."[23] At the outset of the new millennium, China's international behavior is increasingly motivated by a desire to maintain the status quo by seeking stable relations with the United States as the world's sole current superpower and by promoting China's gradual rise in the international system.[24]

In the past decade, China has stepped up its great-power diplomacy. It has significantly improved relations with Russia, Germany, France, and the EU. As an exception, political relations with Japan have most recently stalled largely due to disputes over issues concerning Japanese wartime responsibility and a severe lack of confidence in each other's strategic intentions. President Hu Jintao's attendance of a North-South conference sponsored by the 2003 Group of Eight summit in France represented a breakthrough in China's view, which had long perceived the great-power club as Western-dominated and discriminatory. This turnabout underscores China's desire to participate in great-power forums. Individually, China has cultivated strategic partnerships with Russia, Germany, and France, not as a hostile alliance to the United States but to enhance its own international standing.

Within this broader foreign policy framework, the Chinese perception of and policy toward the United States are more nuanced and strategic than

straightforward or clear-cut. Beijing prefers an enduring, robust relationship with the United States but resents the many ways in which U.S. hegemony disadvantages China's interests. To the extent that the United States remains the champion of economic liberalism, China benefits from U.S. leadership. Although Chinese elites often find U.S. hegemony objectionable, China also owes U.S. leadership for the largely tranquil and open international environment essential for its economic growth during the past three decades or so. At the regional level, Chinese officials in the past couple of years have openly accepted the U.S. role in Asia as long as that presence does not threaten China's interests.

Generally frustrated by the uncertainty and ambiguity of U.S. policy toward their government, Chinese leaders' discontent has focused specifically on what they perceive to be the United States' distrust of, and zero-sum power politics mindset toward, China. To avoid the prohibitive costs of confrontation and dispel any impressions of China's pursuit of old-style power politics, Chinese foreign policy has disavowed both all-out internal military mobilization and vigorous external military alliances. Neither China's military modernization nor its strategic partnership with Russia amounts to a classical balancing strategy. In the minds of most Chinese observers, the persistence (and even strengthening) of U.S. primacy after the end of the Cold War has rendered balancing a relatively impractical alternative.[25] Coupled with China's strategic self-restraint, the enduring power gap between China and the United States has dissuaded Beijing from trying to engage directly in peer competition with Washington.[26]

Thus, Chinese analysts have focused their attention on defining a position for their country within a global system of U.S. hegemony. It is in this context that the Chinese leadership has conceptualized the impact of globalization on China's economic agenda and security environment. By transforming the geo-economic context of interstate competition, globalization has created powerful incentives for China's participation in transnational economic structures and multilateral institutions. Pursuit of a balancing strategy, on the other hand, would require China to divert huge sums of scarce resources to a concerted arms buildup, to establish military alliances against Washington, and to withdraw from (and perhaps even actively undermine) the U.S.-led liberal international economic system—all to China's disadvantage. Such confrontational policies are likely to prove futile and self-defeating. Rather, a Chinese foreign policy that accommodates economic globalization and works toward active participation in international institutions is essential to maintaining the robust economic growth critical both to social stability and the political legitimacy of the Chinese Communist Party, let alone China's rising status and influence in international politics.

Throughout the series of foreign policy crises encountered in recent years, particularly as manifested in tensions between the United States and China, the leadership in Beijing has consistently concluded that China has no alternative but to continue and even to increase China's participation in the globalizing world economy. Nothing illustrates this commitment better than the timing and circumstances of Beijing's November 1999 agreement with Washington on China's WTO accession, when President Jiang Zemin and Prime Minister Zhu Rongji delivered politically on a deal whose terms were strenuously opposed by significant bureaucratic interests at home. Even more striking, China's top leaders had to overcome an embarrassing negotiating rebuff by the Clinton administration during Zhu's April 1999 visit to Washington as well as the bombing of China's embassy in Belgrade the following month. The latter, in particular, made it difficult domestically for Jiang and Zhu to appear as if they were making concessions to gain U.S. blessing for China's WTO membership.

For China, no nontraditional threat hit home as abruptly as the outbreak of SARS.

In their public statements, China's leaders routinely acknowledge that globalization—economic globalization, initially, but now including its more fundamental implications—encourages broad participation in multilateral institutions both at the regional and global levels.[27] More specifically, across an increasingly wide range of trade issues, including disputes over steel tariffs, textile quotas, and antidumping duties, WTO mechanisms are proving an important means by which China can defend its interests against U.S. unilateralism. For example, China was one of the complainants who appealed to the WTO over the controversial imposition of U.S. tariffs on imported steel in March 2002. Indeed, China prepared retaliatory tariffs against U.S. imports, as allowed under WTO rules, in case the Bush administration had refused to lift the duties.

Similarly, global and regional institutions have provided a measure of support as Beijing has resisted pressure from Washington to revalue the renminbi on U.S. terms. In November 2003, for example, a majority of the International Monetary Fund's (IMF) directors found that China's currency was not substantially undervalued, noting in part the sharp decline in China's overall trade surplus.[28] This marked the third time in as many months that the Bush administration failed to secure multilateral pressure on China on this issue. In September, members of ASEAN with additional support from Australia undermined Washington's drive to have a statement issued on Beijing's currency policy at a meeting of APEC finance ministers. In Octo-

ber, Bush himself failed to make the U.S. case successfully at the annual APEC leaders' summit. At the October meeting, Japan went on the record in opposition to Washington's position. For their part, Chinese officials said that Beijing would consider changing its currency policy "if there was consensus in the region."[29] Any statement by the IMF or APEC would not have obliged China to take action, and Chinese officials undoubtedly expressed their willingness to consider the consensus view knowing what the outcome would be. These rejections of U.S. policy were important symbolically, however, in validating Beijing's determination to manage currency rates and undertake foreign exchange reform at its own pace.

The steady rise in China's status has vindicated its cooperative diplomacy.

Whereas recent emphasis has been on China's growing participation in multilateral institutions, similar arguments can be made about how informal mechanisms of interdependence, such as China's burgeoning commercial ties, have anchored its relations with other great powers. For all of China's oft-cited dependence on the United States as an export market, Washington's penchant for foreign borrowing contributes to leveling the playing field. By virtually any measure, Chinese holdings of U.S. debt, such as Treasury securities, dwarfs U.S. investment in Chinese factories. The result is a historically unusual relationship in which the rising power, developing China, provides both exports (second-leading supplier) and loans (second-leading foreign holder of government debt) to the superpower, the industrialized United States.

In this and other ways, China's economic ties with the United States are seen as weakening any impulse the United States may have to view China as a rival that needs to be contained. By many accounts, Beijing long ago adopted a conscious strategy of developing constituencies in the United States, particularly in the business community, who will support engagement policies toward China even if the noneconomic aspects of the bilateral relationship sour. Given the de facto constraints on using a balancing strategy to check the exercise of U.S. power, interdependence presents the most viable alternative currently available to China to restrain U.S. hegemony. Although deepening economic ties may produce their own tensions in the relationship, as the ongoing controversies over the proper valuation of the renminbi and the broader sources of the U.S.-Chinese trade imbalance illustrate, they still create mutual dependencies that most Chinese observers view as limiting hostilities.

Certainly, China continues to resort to power politics calculations as all states do in the still anarchic, albeit highly globalized world—for example,

relying on coercive measures as an essential tool to prevent Taiwan's de jure independence—and is determined to strengthen its material power. Even in Taiwan, however, China's nicer, gentler image has made its threat of force less credible. Military confrontation over a democratic Taiwan would contradict Beijing's attempt to differentiate its own strategic choice of responsibility and peace from traditional great-power politics, characterized by the prominent role of violence and territorial conquest. In this sense, globalization and interdependence might have undercut the efficacy of China's coercive diplomacy in the short term and has no doubt drastically increased the cost of a military solution. Yet, decisionmakers in Beijing still believe that the same process has deepened cross-strait interdependence, increased international support for stability in the region, and overall held the prospect of decisively turning the tide in mainland China's favor.

Beijing still finds certain aspects of U.S. hegemony detrimental to its interests, but the bottom line is that mainstream Chinese strategic thinkers believe that attempts to change the status quo radically carry substantial risks of international instability that, particularly in terms of geo-economic fragmentation, are anathema to China's pressing developmental needs. As such, China's strategic calculus is characterized by a dynamic status quo orientation that seeks what Robert Gilpin terms "changes *in* an international system" rather than "change *of* an international system."[30] The past decade has proven China's determination to advance its interests within the globalized world.

Toward a New Great-Power Politics?

Great-power politics has traditionally been viewed in terms of an unmitigated struggle for power among nation-states. Specifically, some mainstream international relations theories attribute inevitable great-power conflict to the supreme value that states attach to superior relative power. It is from this perspective that China's economic growth and rise in power are viewed as detrimental by many observers outside China. This line of reasoning overlooks the potential role globalization can play in transforming Chinese foreign policy choice and the corresponding responses to China's rise by other great powers.

In the preceding sections, we have outlined the mainstream views among top Chinese leaders and prominent strategic researchers within leading Chinese civilian think tanks and academic institutions. To be sure, these views are contested by more traditional security thinking, particularly among military analysts.[31] Yet, the prevailing views and the strategic choices that Beijing has made in recent years raise the question of whether China has, in fact, already begun to pursue a different approach to great-power politics, one

that seeks to overcome the security dilemma fueled by great-power transitions. Skillful management of the Taiwan issue in particular remains critical to entrenching such an emerging Chinese view. Assuming that is successfully navigated, such an approach emphasizes positive state-to-state relations at the expense of narrower concerns about undercutting other states in the interest of enhancing China's own relative power.

Globalization by no means negates competition, but in today's increasingly globalized world, rules and institutions may moderate competitive politics. Chinese experience with and perceptions of globalization show that globalization has facilitated its status quo orientation despite U.S. hegemony. The same process has in turn led to international responses to China's rise that are, overall, characterized by a much more constrained balance-of-power logic than was evident in traditional great-power politics. The steady rise in China's international and regional status has vindicated its cooperative diplomacy.

It is by no means certain that China will not retreat from cooperative security thinking, nor is a new great-power system solely a Chinese choice. China's strategy and the constraints imposed by both the bright and dark sides of globalization on the unilateral exercise of coercive power, however, may provide other states the kind of mutual reassurance of each other's intentions and mutually beneficial outcomes that have been largely absent in traditional great-power relations. Countries thus may increasingly engage in multifaceted, dynamic, win-win competition rather than maintain a single-minded, zero-sum power struggle. As such, beyond the changes globalization appears to be bringing to China's foreign policy in particular, mainstream Chinese global thinking suggests the possible emergence of a new kind of great-power politics where peacefully contested change may replace the worst manifestations of hostile competition.

Notes

1. The term "globalization" was introduced by then-Foreign Minister Qian Qichen during the General Debate of the United Nations General Assembly on September 25, 1996, UN document A/51/PV.8.
2. Jiang Zemin, "Together Create a New Century of Peace and Prosperity," Xinhua, April 10, 2002, in FBIS, CPP2002–0410000101. On common security, see Wu Bangguo, "Create a Hundred Years of Peace in Asia, Jointly Build Sustained Development of Asia," September 1, 2003, in FBIS, CPP2003–0901000066. On globalized cooperation, see Li Zhaoxing, speech to UN General Assembly, New York, September 24, 2003, www.un.org/webcast/ga/58/statements/chinaeng030924.htm (accessed October 9, 2003).
3. See Jiang Zemin, report to the Sixteenth Congress of the Chinese Communist Party, Beijing, November 8, 2002, in "Building a Well-off Society in an All-Out Ef-

fort, Creating a New Situation for the Cause of Chinese-Style Socialism," *Renmin Ribao* (overseas edition), November 18, 2002, pp. 1–3.

4. Ye Zicheng, "Transcend the 'Polarity' Mentality: Thoughts on China's Diplomatic Strategy," *Southern Weekend*, www.irchina.org/news/view.asp?id=297 (accessed January 20, 2004).
5. *Renmin Ribao,* (overseas edition), January 28, 2004, pp. 1, 4.
6. Wang Yi, "Safeguard Peace, Promote Development, Create a New Situation For Diplomatic Work," *Shijie Zhishi*, January 16, 2003, pp. 8–10, in FBIS, CPP2003–0204000110.
7. Joseph S. Nye Jr., *The Paradox of American Power: Why the World's Only Superpower Can't Go It Alone* (London and New York: Oxford University Press, 2002).
8. Shen Jiru, "Will the World Pattern Change?" *Renmin Ribao*, April 3, 2003, p. 13, in FBIS, CPP2003–0403000067.
9. Liao Lei, "PRC Expert Shen Jiru on Role of Economic Factors for Improving DPRK–U.S. Relations," Xinhua, August 26, 2003, in FBIS, CPP2003–0826000123.
10. Zheng Yu, "The Primary Goals of Chinese Diplomacy at the Beginning of the Century," *Huangiu Shibao*, September 5, 2003.
11. Luo Zhaohong, "Grasping Changes in the Environment from an Economic Perspective," *Xiandai Guoji Guanxi*, no. 11, November 20, 2002, in FBIS, CCP2002–1211000217, p. 2.
12. "Statement by Foreign Trade Minister Shi Guangsheng to the Fourth Ministerial Conference of the WTO Following the Adoption of the Decision on China's Accession to the WTO," November 10, 2001, http://english.mofcom.gov.cn/article/200211/20021100050101_1.xml (accessed April 4, 2004).
13. "Statement by H.E. Mr. Lu Fuyuan**,** Minister of Commerce," WT/MIN/(03)/ST/12, September 11, 2003, http://docsonline.wto.org/DDFDocuments/t/WT/Min03/ST12.doc (accessed April 4, 2004) (from the Fifth Session of the Ministerial Conference, Cancun, September 10–14, 2003).
14. Rebecca Buckman, "WTO Head Asks China to Help Revive Talks," *Asian Wall Street Journal*, November 11, 2003, p. A3.
15. Margaret M. Pearson, "The Major Multilateral Economic Institutions Engage China," in *Engaging China: The Management of an Emerging Power*, eds. Alastair Iain Johnston and Robert S. Ross (London: Routledge and Kegan Paul, 1999), p. 207.
16. Jiang Zemin, "Together Create a New Century of Peace and Prosperity."
17. Wu Xinbo, "Globalization and the Restructuring of the Strategic Foundation of Sino-U.S. Relations," *Shijie Zhengzhi Yu Jingji*, September 14, 2002, pp. 55–60, in FBIS, CPP2002–1011000334.
18. China State Council, Information Office, "China's National Defense, 2002," *Renmin Ribao* (overseas edition), December 10, 2002, pp. 1–4.
19. Chu Shulong, "China's Diplomatic Strategy During the Period of Comprehensively Building a Well-Off Society," *Shijie Zhengzhi Yu Jingji*, August 2003, p. 5, www.iwep.org.cn/wep/200308/chushulong.pdf (accessed April 21, 2004).
20. See Xue Lan and Zhang Qiang, "Confronting the Crisis—SARS Predicament and the Transformation of China's Governance," *Renmin Wang*, May 19, 2003.
21. Yan Xuetong, "SARS Tests China's Foreign Relations," *Global Times*, May 23, 2003.
22. Qian Qichen, "Adjustments of the U.S. National Security Strategy and International Relations in the Early New Century," *Renmin Ribao* (domestic edition), January 19, 2004, p. 4, www.people.com.cn/GB/guoji/14549/2303998.html (accessed January 18, 2004).

23. Samuel S. Kim, "China and the United Nations," in *China Joins the World: Progress and Prospects*, eds. Elizabeth Economy and Michel Oksenberg (New York: Council on Foreign Relations, 1999), p. 46. See Alastair Iain Johnston, "Is China a Status Quo Power?" *International Security* 27, no. 4 (spring 2003): 5–56.
24. See Zhang Yunling, "How to Understand the International Environment China Faces in the Asia-Pacific Region," *Dangdai Yatai*, no. 6, June 15, 2003, pp. 3–14, in FBIS, CPP2003–0717000218, p. 3.
25. For a related discussion, see Banning Garrett, "China Faces, Debates the Contradictions of Globalization," *Asian Survey* 41, no. 3 (May–June 2001): 409–427.
26. This specific analysis on China is consistent with the general argument made in William C. Wohlforth, "The Stability of a Unipolar World," *International Security* 24, no. 1 (summer 1999): 5–41.
27. On economic affairs, one example is Jiang Zemin's speech at the Eighth APEC Informal Leadership Meeting, Brunei, November 16, 2000, www.fmprc.gov/cn/eng/6004.html (accessed March 11, 2003). On security affairs, see Tang Jiaxuan's speech at the Ninth ASEAN Regional Forum Foreign Ministers' Meeting, Brunei, July 31, 2002, http://fmprc.gov.cn/eng/33228.html (accessed March 11, 2003). Portions of this and the following three paragraphs draw in part from Thomas G. Moore, "Chinese Foreign Policy in the Age of Globalization," in *China Rising: Power and Motivation in Chinese Foreign Policy?* eds. Yong Deng and Fei-Ling Wang (Lanham, Md.: Rowman and Littlefield, forthcoming).
28. "Risk of Divorce—Strains Grow in the U.S.-China Marriage of Convenience," *Financial Times*, November 20, 2003, p. 20.
29. "Asia Leaves U.S. to Fight Alone Over Yuan Policy," *Asian Wall Street Journal*, October 21, 2003, p. A1.
30. Robert Gilpin, *War and Change in World Politics* (Cambridge and New York: Cambridge University Press, 1981), p. 208 (emphasis in original).
31. For a representative military view, see Lt. Gen. Li Jijun, "China's National Security in the Globalization Era," *Outlook Weekly*, http://news.xinhuanet.com/2004-03/27/content_1387461.htm (accessed March 27, 2004) (reprint).