

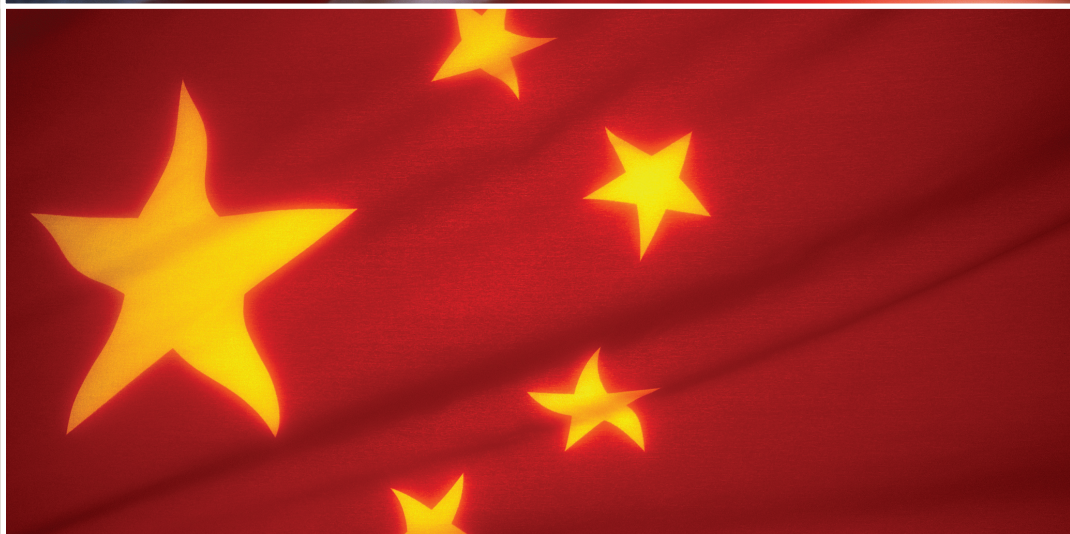
Smart Power in U.S.-China Relations

A Report of the CSIS Commission on China

COMMISSION COCHAIRS
William S. Cohen
Maurice R. Greenberg

PROJECT DIRECTOR
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About CSIS

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ABOUT THE CSIS COMMISSION

In the summer of 2008, CSIS president and CEO John J. Hamre asked William S. Cohen and Maurice R. (Hank) Greenberg to chair the U.S.-China Smart Power Commission, designed to apply the successful framework developed by the CSIS Commission on Smart Power to the U.S.-China relationship. The bipartisan commission included national leaders from the government, private sector, nongovernmental organizations, and academia. The Commission convened formally twice—in November 2008 and February 2009—to reach its conclusions and engaged informally on a consistent basis with project staff.

The Commission was directed by Carola McGiffert, CSIS senior fellow and director of the Smart Power Initiative. She and Charles W. Freeman III, CSIS Freeman Chair in China Studies who also served as a commissioner, were the principal drafters of the report. Their work and the deliberations of the commissioners were informed and guided by a number of important sources who deserve to be recognized here.

Project research was conducted both overseas and in the United States. A number of CSIS senior scholars (listed at the end of this publication) lent their expertise to the Commission by providing regional and issue assessments contained in a set of papers to be published in a separate report. Many scholars traveled to their region of expertise to conduct research specific to the commission's work, and their findings provide the intellectual underpinning of this report.

Darrin Magee, assistant professor of Asian environmental studies at Hobart and William Smith Colleges, and Edward Hearst, vice president of government affairs at Sybase, acted in an advisory capacity to the commission and played an integral role in formulating its final recommendations. Senior staff from the offices of Senator Lisa Murkowski and Representative Rick Larsen—Michael Dabbs, Isaac Edwards, Jasper MacSllarrow, and Sally Rey—were also instrumental in shaping the substance of the report. A number of current and former U.S. government officials also kindly provided background on the inner workings of the China policymaking process.

At CSIS, the project was a truly collaborative cross-Center effort, and we are grateful to the full team who contributed their time and expertise. A number of CSIS researchers deserve special mention. Savina Rupani, program coordinator with the Freeman Chair in China Studies, served as an invaluable project coordinator for the commission. Special thanks go to Jeffrey D. Bean, researcher with the Smart Power Initiative, for his stellar contribution, and to Denise E. Zheng, research assistant with the Technology and Public Policy program, who helped get the project off the ground.

Special recognition is also due to James Dunton and his publications team, as well as Mary Marik, freelance editor, who did terrific work under a tight deadline. Louis Lauter, CSIS director for congressional affairs, played an integral liaison role with members of Congress and continues to spearhead Capitol Hill outreach. Richard Weitz, a senior fellow at the Hudson Institute, contributed a terrific summary of recent U.S.-China studies as well as his editing advice. We are also grateful to the senior staff of our commissioners who helped to shape this report.

In November 2008, CSIS launched the Freeman Chair–China Smart Power speaker series, which will provide a platform for senior opinion leaders to discuss and debate issues related to a rising China and implications for the United States. The China Series will reinforce and inform the work of the Commission. Speakers to date have included a former president of the World Bank and a former secretary of agriculture. The speaker series and subsequent outreach efforts seek to make the Commission’s recommendations an integral part of U.S. discourse on China and U.S.-China relations, and it will continue through 2009.

CSIS is immensely grateful to the Starr Foundation for making this entire effort possible, and particularly to the generous support and encouragement of Commission cochair Hank Greenberg.



EXECUTIVE SUMMARY

U.S.-Chinese ties could have a greater impact on international affairs than any other relationship. Solving the world's most serious issues—including global financial instability, proliferation and terrorism, climate change, and energy insecurity—is difficult to envision without joint action by Beijing and Washington. In today's globalized world, transnational challenges require transnational solutions, especially by the most important states. U.S.-China partnership is indispensable for addressing many of the main challenges of the twenty-first century.

One barrier to closer ties between China and the United States is “strategic mistrust” between their leaders. Neither government at the present time aims to harm the other, but tensions invariably arise when any powerful states—especially these two with their vastly different histories, cultures, and political systems—pursue policies that seek primarily to enhance their own security and welfare.

To reduce mutual tensions, Chinese and U.S. leaders must adopt a broader conception of their nation's interests, one that includes advancing the global good as a joint means to realizing their country's own national aims. China and the United States can almost always achieve their diverse economic, security, and other objectives more effectively through cooperative use of their smart-power resources—including diplomatic, economic, military, political, and cultural tools—rather than through unilateral action.

To foster a more cooperative relationship, Chinese and U.S. leaders must treat the other country with respect. Disagreements between China and the United States are unavoidable, but these should be handled diplomatically and privately. Public diplomacy should aim to enlighten the citizens of both countries about the importance of their mutual ties.

The Commission offers illustrative recommendations based on the premise that the two countries can best realize their mutual interest through promotion of the global good. The proposals seek to help construct a new strategic framework for a cooperative U.S.-China relationship, anchored in the concept of smart power and employing clear, measurable, and enforceable goals.

The three initiatives that the Commission offers for immediate consideration by both governments are:

- Implement an aggressive engagement agenda (such as by significantly expanding the presence of U.S. and Chinese diplomats and young professionals in each other's countries);
- Launch an action agenda on energy and climate (by establishing a Chinese-U.S. public-private task force authorized to promote technology exchanges, initiate bilateral projects on energy and climate issues, and pursue common principles for application in multilateral negotiations on climate issues);

- Institute a new dialogue on finance and economics (by creating a joint task force under the Strategic Economic Dialogue framework to address these issues, particularly opportunities for greater cooperation at the local level as well as means to harmonize financial management and banking regulatory practices in both countries).

By pooling smart-power resources, the United States and China can advance their national interests and the global good.



SMART POWER IN U.S.-CHINA RELATIONS

The evolution of Sino-U.S. relations over the next months, years, and decades has the potential to have a greater impact on global security and prosperity than any other bilateral or multilateral arrangement. In this sense, many analysts consider the U.S.-China diplomatic relationship to be the most influential in the world. Without question, strong and stable U.S. alliances provide the foundation for the protection and promotion of U.S. and global interests. Yet within that broad framework, the trajectory of U.S.-China relations will determine the success, or failure, of efforts to address the toughest global challenges: global financial stability, energy security and climate change, nonproliferation, and terrorism, among other pressing issues. Shepherding that trajectory in the most constructive direction possible must therefore be a priority for Washington and Beijing. Virtually no major global challenge can be met without U.S.-China cooperation.

The uncertainty of that future trajectory and the “strategic mistrust” between leaders in Washington and Beijing necessarily concerns many experts and policymakers in both countries. Although some U.S. analysts see China as a strategic competitor—deliberately vying with the United States for energy resources, military superiority, and international political influence alike—analysis by the Center for Strategic and International Studies (CSIS) has generally found that China uses its soft power to pursue its own, largely economic, international agenda primarily to achieve its domestic objectives of economic growth and social stability.¹ Although Beijing certainly has an eye on Washington, not all of its actions are undertaken as a counterpoint to the United States. In addition, CSIS research suggests that growing Chinese soft power in developing countries may have influenced recent U.S. decisions to engage more actively and reinvest in soft-power tools that have atrophied during the past decade. To the extent that there exists a competition between the United States and China, therefore, it may be mobilizing both countries to strengthen their ability to solve global problems.

To be sure, U.S. and Chinese policy decisions toward the respective other power will be determined in large part by the choices that leaders make about their own nation’s interests at home and overseas, which in turn are shaped by their respective domestic contexts. Both parties must recognize—and accept—that the other will pursue a foreign policy approach that is in its own national interest.

Yet, in a globalized world, challenges are increasingly transnational, and so too must be their solutions. As demonstrated by the rapid spread of SARS from China in 2003, pandemic flu can be spread rapidly through air and via international travel. Dust particulates from Asia settle in Lake Tahoe. An economic downturn in one country can and does trigger an economic slowdown in another. These challenges can no longer be addressed by either containment or isolation. What constitutes the national interest today necessarily encompasses a broader and more complex set of considerations than it did in the past.

1. *Chinese Soft Power and Its Implications for the United States: Competition and Cooperation in the Developing World* (Washington, D.C.: CSIS, March 2009).

The Global Good

As a general principle, the United States seeks to promote its national interest while it simultaneously pursues what the CSIS Commission on Smart Power called in its November 2007 report the “global good.”² This approach is not always practical or achievable, of course. But neither is it pure benevolence. Instead, a strategic pursuit of the global good accrues concrete benefits for the United States (and others) in the form of building confidence, legitimacy, and political influence in key countries and regions around the world in ways that enable the United States to better confront global and transnational challenges.

In short, the global good comprises those things that all people and governments want but have traditionally not been able to attain in the absence of U.S. leadership. Despite historical, cultural, and political differences between the United States and China, Beijing’s newfound ability, owing to its recent economic successes, to contribute to the global good is a matter for common ground between the two countries. Today there is increasing recognition that no major global challenge can be addressed effectively, much less resolved, without the active engagement of—and cooperation between—the United States and China.

The United States and China—the world’s first- and third-largest economies—are inextricably linked, a fact made ever more evident in the midst of the current global financial crisis. Weak demand in both the United States and China, previously the twin engines of global growth, has contributed to the global economic downturn and threatens to ignite simmering trade tensions between the two countries.

Nowhere is the interconnectedness of the United States and China more clear than in international finance. China has \$2 trillion worth of largely U.S. dollar-denominated foreign exchange reserves and is the world’s largest holder—by far—of U.S. government debt. Former treasury secretary Henry M. Paulson and others have suggested that the structural imbalances created by this dynamic fueled the current economic crisis. Yet, China will almost certainly be called on to purchase the lion’s share of new U.S. debt instruments issued in connection with the U.S. stimulus and recovery package. Secretary of State Hillary Rodham Clinton’s February 23, 2009, reassurance to Beijing that U.S. markets remain safe and her call for continued Chinese investment in the U.S. bond market as a means to help both countries, and the world, emerge from global recession underscored the shared interest—and central role—that both countries have in turning around the global economy quickly. Although China’s considerable holdings of U.S. debt have been seen as a troubling problem, they are now being perceived as a necessary part of a global solution.

Similarly, as the world’s two largest emitters of greenhouse gases, China and the United States share not only the collateral damage of energy-inefficient economic growth, but a primary responsibility to shape any ultimate global solutions to climate change. To date, cooperation has been elusive, owing as much to Washington’s reluctance as to Beijing’s intransigence. Painting China as the environmental bogeyman as an excuse for foot-dragging in policymaking is no longer an option; for its part, China, as the world’s top polluter, must cease playing the developing-economy card. Yet energy security and climate change remain an area of genuine opportunity for joint achievement. Indeed, U.S.-China cooperation in this field is a sine qua non of any response to the energy and climate challenges. The sheer size of the Chinese economy means that collaboration with the United States could set the de facto global standards for efficiency and emissions in key economic

2. Richard L. Armitage and Joseph S. Nye Jr., coauthors, *A Smarter, More Secure America: Report of the CSIS Commission on Smart Power* (Washington, D.C.: CSIS, November 2007), p. 1, http://www.csis.org/media/csis/pubs/071106_csissmartpowerreport.pdf.

sectors such as industry and transportation. Climate change also provides an area for cooperation in previously uncharted policy waters, as in emerging Arctic navigational and energy exploration opportunities.

Washington and Beijing also share a deep and urgent interest in international peace and stability. The resumption of U.S.-China military contacts is a positive development. As two nuclear powers with worldwide economic and strategic interests, both countries want to minimize instability and enhance maritime security, as seen by parallel antipiracy missions in the waters off Somalia. Joint efforts in support of United Nations peacekeeping, nonproliferation, and counterterrorism offer critical areas for bilateral and multilateral cooperation. Certainly, regional and global security institutions such as the Six-Party Talks concerning North Korea or the UN Security Council require the active engagement of both Washington and Beijing. Even more broadly, crisis management in geographic regions of mutual strategic interest like the Korean peninsula, Iran, or Burma require much more Sino-U.S. communication if the two countries are to avoid miscalculation and maximize opportunities to minimize human suffering. Increasing the number of mid-level military-to-military exchanges would help in this regard.

The United States and China could do more to cooperate on law enforcement to combat drug trafficking and organized crime in Western China. Afghanistan is competing with Burma as the main provider of narcotics to China; Washington could use its influence with the International Security Assistance Force in Kabul to develop a joint antinarcotics program. This could potentially build networks and joint capabilities that might be useful for U.S.-China cooperation on the issue of Pakistan. In addition, Washington should also encourage NATO-China cooperation along the Afghan border.

Collaborating under the auspices of the Shanghai Cooperation Organization (SCO) might provide an additional framework for Beijing and Washington to address Central Asian security issues in a cooperative manner. The SCO, which includes Pakistan as an observer and will convene a multinational conference on Afghanistan in March 2009, has long made curbing narcoterrorism in Afghanistan a priority. In addition, the U.S. Drug Enforcement Agency and the Chinese Anti-Narcotics Bureau should expand cooperation on interdiction and prosecution of heroin and meth traffickers.

To be sure, there are a number of areas of serious divergence between Washington and Beijing. This should surprise no one. The United States has disagreements with even its allies. Two large powers with vastly different histories, cultures, and political systems are bound to have challenges. History has shown, however, that the most effective way of addressing issues is for the U.S. and Chinese governments to engage in quiet diplomacy rather than public recrimination. In the U.S.-China context, there is often little to be gained—and much to be lost in terms of trust and respect—by a polarizing debate.

Any differences, moreover, must not necessarily impede Sino-U.S. cooperation when both sides share strong mutual interests. F. Scott Fitzgerald wrote that “the test of a first-rate intelligence is the ability to hold two opposed ideas in the mind at the same time, and still retain the ability to function.”³ Effective policy toward China by the United States, and vice versa, will require this kind of dual-minded intelligence. Moreover, working together on areas of mutual and global interest will help promote strategic trust between China and the United States, facilitating possible cooperation in other areas. Even limited cooperation on specific areas will help construct additional mechanisms for bilateral communication on issues of irreconcilable disagreement. In fact, many of the toughest challenges in U.S.-China relations in recent years have been the result of unforeseen

3. F. Scott Fitzgerald, “The Crack-Up,” *Esquire*, February 1936.

events, such as the accidental bombing of the Chinese embassy in Belgrade in May 1999 and the EP-3 reconnaissance plane collision in April 2001.

Building trust and finding workable solutions to tough problems is the premise behind the Obama administration's foreign policy of smart power, as articulated by Secretary of State Clinton. Smart power is based on, as Secretary Clinton outlined in her confirmation hearing, the fundamental belief that "We must use . . . the full range of tools at our disposal—diplomatic, economic, military, political and cultural—picking the right tool, or combination of tools, for each situation."⁴ As the CSIS Commission on Smart Power noted in November 2007, "Smart Power is neither hard nor soft—it is the skillful combination of both. . . . It is an approach that underscores the necessity of a strong military, but also invests heavily in alliances, partnerships and institutions at all levels. . . ."⁵

As such, smart power necessarily mandates a major investment in a U.S.-China partnership on key issues. The concept enjoys broad support among the Chinese and American people and, by promoting the global good, it reaps concrete results around the world. There should be no expectation that Washington and Beijing will or should agree on all, or even most, questions. But the American and Chinese people should expect their leaders to come together on those vital issues that require their cooperation. U.S.-China partnership, though not inevitable, is indispensable.

Indispensable Partnership: A New Narrative for U.S.-China Relations

An important first step in crafting a new way forward for U.S.-China relations is to talk about the situation differently. For too long, the operating theme of the Sino-U.S. relationship has been to emphasize differences, focus on strategic competition, and share strategic mistrust and occasionally antagonisms. For China, this version of the relationship has historical roots in China's "century of humiliation" at the hand of Western powers. For the United States, antipathy toward communism and to Chinese authoritarianism continues to motivate a subgroup of U.S. policymakers and experts, despite its failure to reflect the realities of the modern Chinese state. Ultimately, traditional hostilities cannot be justified given the demands of a globalized world and the high stakes involved in ensuring a constructive U.S.-China relationship.

We need a new narrative for the relationship. It should look forward, not backward. It should be both principled and flexible. And it should not allow disagreements to impede cooperation in areas of mutual interest. The premise for U.S.-China relations going forward must be a shared commitment to working together to promote the global good. Such an approach derives from U.S. principles, supports our interests, and enhances our security.

China's interests are likewise served by such an approach, though for different reasons. As the self-described largest developing country, China has long identified with poor nations and has historically sought to be a voice for the developing "third" world. Like the United States, China seeks safe passage for energy resources, peoples, and goods. Beijing knows that it is not in Chinese interests to allow proliferation, terrorism, environmental degradation, or disease to continue unchecked.

A new narrative is part of the broader effort to build trust between Washington and Beijing as

4. Hillary Rodham Clinton, "Statement before the Senate Foreign Relations Committee, Nomination Hearing to be Secretary of State," January 13, 2009, <http://www.state.gov/secretary/rm/2009a/01/115196.htm>.

5. Armitage and Nye, *A Smarter, More Secure America*, p. 7.

well as between the Chinese and American people. This begins with how leaders and citizens communicate with one another, and effective public diplomacy is central to any effort to strengthen U.S.-China relations. Public diplomacy is typically designed to communicate with the people of foreign countries, not just the governments. That said, official communications can have an impact on popular opinion, particularly in China where the government plays such a central role in providing information. The success of U.S. public diplomacy toward China depends as much on how U.S. officials treat the Chinese government as on how Washington communicates directly with the Chinese people. Displaying respect for China, as with any other country, can have a lasting impact on the Chinese leadership as well as on Chinese public opinion.

The Barack Obama administration's initial moves suggest an understanding of the necessary nuances of a successful policy. Secretary Clinton's trip to China in late February 2009 was widely viewed in Beijing as a policy and public relations success. She reaffirmed the administration's commitment to expand the scope of bilateral discussions such as the Strategic Economic Dialogue (SED) and to identify areas of potential cooperation in economics, energy, and climate. President Obama and President Hu are expected to meet on the sidelines of the Group of Twenty meeting in London in early April 2009, and it is possible that President Obama will visit China early in his term as part of a broader Asia trip. At the appropriate venue, a statement by Obama directly to the Chinese people on the mutual importance of the bilateral relationship could have a positive effect.

When President Hu eventually comes to Washington, it seems likely that he will be accorded an official state visit. U.S. policymakers should seek out additional opportunities to show respect for China's status as a rising power. Washington could explore, for example, the idea of inviting China to participate in the International Space Station.

Trade frictions will not vanish in a cloud of goodwill, but recognition of the need to prevent such tensions from disrupting a broader collaborative agenda will require pointed negotiation and political skill. China's willingness to restart bilateral human rights talks is a positive development.

U.S. officials should commit to attending multilateral and regional meetings at appropriate levels. Not only does such participation show respect to the Asian hosts and attendees, but it deprives ammunition to those who would seek to portray the United States as disengaged or disrespectful. Furthermore, it ensures that Washington's voice will be heard through its seat at the table. We exclude ourselves by not respecting Asian institutions and arrangements. In addition, deft management of key congressionally mandated reports with regard to China, such as the annual Chinese military power report and the World Trade Organization compliance report, will be critical. Such reports must be portrayed as constructive contributions to promoting transparency and mutual understanding between the United States and China. Carefully calibrating the U.S.-Japan-China relationship and proactively identifying areas for trilateral (or quadrilateral, with South Korea) cooperation will be important. Both China and Japan would resent U.S. efforts to profit from their mutual antagonism.

The American and Chinese people alike need to gain a deeper appreciation for the overall success of engagement between the world's only superpower and Asia's largest country. On balance, U.S.-China engagement has promoted peace and prosperity throughout East Asia and has contributed to greater economic growth by both the United States and China. The current financial crisis certainly casts a dark shadow over globalization, but blame for the crisis cannot be laid at the feet of U.S.-China engagement. Indeed, further engagement, not retrenchment, is a key part of the recipe for recovery. For this reason, the following illustrative recommendations show how to promote joint Chinese-U.S. interests through greater Sino-U.S. engagement based on mutual interest and the global good.

Policy Recommendations

This Commission recognizes that other task forces, working groups, and reports on enhancing constructive U.S.-China relations have come before it. Together, these products already offer a valuable library of creative policy ideas. We do not seek to reinvent the wheel. Instead, CSIS has compiled a selected list of recent reports, with summaries of their recommendations, and they are presented in appendix A. The vehicles and mechanisms to accomplish many of these recommendations are largely in place, but they need to be better employed. And they need to function within a context of articulated respect and cooperation between the two nations.

Instead, what this Commission sought to do is to develop a new strategic narrative for the U.S.-China relationship, anchored in the concept of smart power, and to provide a broad blueprint for conducting U.S.-China relations based on this concept.

Much of the debate about the future of U.S.-China relations has traditionally focused on values and process rather than on results. A new narrative for the relationship is a critical precursor for cooperation, but it is just the beginning of the discussion. Sending appropriate signals of respect ensures maintenance of face, but this is only the first step. What is too often missing from the discussion is the establishment of clear, measurable, and enforceable end goals.

This report recommends three specific objectives: Implement an aggressive engagement agenda, launch an action agenda on energy and climate, and institute a new dialogue on finance and economics. There are a myriad of other areas where U.S.-China cooperation is critical; this report focuses on these essential three.

Engagement Agenda

Edward R. Murrow correctly observed that “The real art [of information] is to move it the last three feet in face to face conversation.”⁶ Public diplomacy is based on this concept of direct contact; the level and scope of public diplomacy and strategic communications between China and the United States is dangerously insufficient given the importance of the relationship. History has shown that, conducted unskillfully, public diplomacy can easily be dismissed as propaganda; done skillfully, it can significantly enhance U.S.-China relations.

In his November 26, 2007, speech at Kansas State University, Secretary of Defense Robert M. Gates called for greater investment in soft-power tools: “What is clear to me is that there is a need for a dramatic increase in spending on the civilian instruments of national security—diplomacy, strategic communications, foreign assistance, civic action, and economic reconstruction and development.”⁷ It is the Commission’s hope that the Pentagon chief’s call for greater funding for the State Department and other civilian U.S. government agencies is fulfilled. Such an investment would make possible a proactive, even aggressive, engagement agenda.

Such an agenda would include a significant expansion of the U.S. diplomatic presence in China. More than 200 cities in China have a population of more than one million people, yet there are only 12 U.S. consulates in China as well as the U.S. embassy in Beijing. These posts are typically understaffed and underfunded. The U.S. Department of State should at least double, if not triple, the number of consulates across the country to bring within reach the huge swath of the Chinese public that has little understanding of the United States. Unwarranted fears regarding the safety

6. Murrow quoted in Armitage and Nye, *A Smarter, More Secure America*, p. 50.

7. Robert M. Gates, secretary of defense (Landon Lecture, Kansas State University, Manhattan, Kans., November 26, 2007), <http://www.defenselink.mil/speeches/speech.aspx?speechid=1199>.

and security of U.S. personnel at additional outposts, particularly in the Chinese West, do not justify limiting U.S. diplomatic posts in China.

The United States must also improve the way it handles visas in China as well as around the world. Our best allies in China are the businesspeople, students, and tourists who visit the United States; they get to know the United States, and Americans get to know them. These visitors must be treated with dignity and efficiency. The Secure Borders and Open Doors Advisory Commission report, issued in 2008, provides excellent recommendations:

The Department of State should expand its use of management practices related to visa processing to include more monitoring of outcomes and the achievement of specific results—including a maximum 30-day wait time for visa interviews and improvements in security and error reduction—with systematic goals, performance metrics, feedback, and improvements in outcomes from year to year.

The Departments of State and Homeland Security should improve collaboration, including establishing a joint Business Process Task Force to set standards for a single enterprise file on businesses that seek to sponsor travel and immigration and/or move goods across U.S. borders and a voluntary Business Movement Service and Security Partnership to facilitate movement of working people and goods.⁸

Washington should also negotiate with Beijing to encourage an increase in the number of Chinese consulates in the United States. In addition to the embassy of the People's Republic of China in Washington, there are only five Chinese consulates in the United States—in New York, Chicago, Los Angeles, Houston, and San Francisco. Approximately 34 U.S. cities have populations of 500,000 or more, but many urban dwellers have few opportunities to learn about China. Many of these localities can be found in the fast-growing areas of the United States and therefore offer good prospects for Chinese investment in companies that create U.S. jobs (in the model of the Japanese auto industry). These Chinese consulates could work with U.S. states and regional institutions to increase bilateral trading opportunities, especially for small businesses.

The American Centers in China and the Confucius Institutes in the United States should be supported and expanded. Their work should be conducted transparently and, ideally, in partnership, to avoid being labeled as propaganda centers.

Other opportunities to demonstrate the U.S. respect for a rising China should also be seized. The U.S. administration should propose a 10-year special allocation of funds, for example, administered through the Fulbright program, to create a new generation of U.S. specialists on China as well as a new generation of Chinese specialists on the United States. In addition, the U.S. government must target younger students. Roughly 200 million students are learning English in China today, compared with only about 50,000 primary and secondary school students who study Chinese in the United States. The state of Utah, for example, has more students studying Mandarin than any other state in the United States. Utah offers a model that should be examined and possibly expanded. Grants targeting school-age children should be made to local education agencies to develop programs that include intensive summer Chinese language instruction, Chinese cultural studies programs, and student exchanges. These programs are not cost free, of course, but the rate of return over the long term to all parties involved is well worth the investment.

8. "Secure Borders and Open Doors: Preserving Our Welcome to the World in an Age of Terrorism" (Washington, D.C.: Secure Borders and Open Doors Advisory Committee, Department of State and Department of Homeland Security, January 2008), p. 7, http://www.dhs.gov/xlibrary/assets/hsac_SBODACreport508-compliant_version2.pdf.

Action Agenda on Energy and Climate

There is no more urgent issue than energy security and climate change. The scientific evidence regarding climate change and its relationship to energy consumption is clear, and the public consciousness has been awakened. Both Washington and Beijing must act quickly, and in concert, to address this urgent global challenge.

Sixteen of the world's 20 most polluted cities are in China, one-third of Chinese people lack access to clean drinking water, acid rain falls on 30 percent of the country, and desertification is increasingly widespread. China faces additional energy and environmental challenges as it tries to ensure high rates of economic growth and job creation—and thereby social stability. Yet the story line of China's indifference to energy and climate is false. A first step in dispelling this myth would be the U.S. recognition of China's commitment to combating climate change and protecting the environment. The Chinese government has established a national law—a measure that goes further than any U.S. law—that sets targets for the amount of renewable energy by 2020 and 2030. Although enforcement remains a major problem, especially at the local level, Beijing should be applauded for the effort as well as for taking positive steps.

Unfortunately, much greater progress is required in both China and the United States. The two nations must accept the basic premise that saving energy today will be significantly less expensive than saving it tomorrow. Both countries must cease playing the game of chicken, waiting to see whether the other will move first. Both must take action, now.

Specifically, the Commission recommends the creation of a U.S.-China joint task force on energy, under the umbrella of (a renamed and expanded) SED, building on the U.S.-China 10-Year Energy and Environment Cooperation Framework inaugurated under the previous U.S. administration. The joint task force, comprising government and private sector experts within both societies and led by senior officials, would be charged with devising specific methodologies to (a) enhance Chinese-U.S. cooperation regarding development, ownership, and transfer of energy-saving and alternative-energy technologies; (b) examine mutual policy apparatuses to encourage broad enforcement of measurable emissions reductions; and (c) find common principles for application in multilateral negotiations. A six-point agenda for the task force is recommended:

1. *Cooperate on increasing energy and water use efficiency.* Reliable energy and freshwater resources are critical to the economic vitality and national security of the United States and China, and radically increasing end-use efficiency of both types of resources is essential. Current energy use in power generation, trucking, aviation, automobiles, and industrial processes, with rare exceptions, is based on old technologies and outmoded cost accounting methods. Similarly inefficient use of freshwater in China and various parts of the United States (no longer simply the desert Southwest) for agriculture, industry, and municipal purposes has led or will lead to growing tensions between water-rich and water-poor regions. The task force would establish a timeline for dramatically improving end-use efficiency of energy and water resources use, including recognizing and valuing the energy embodied in moving and treating water resources and exploring decentralized solutions for the provision and management of energy and water resources.
2. *Explore opportunities for commercial nuclear power.* The joint task force would immediately initiate a high-level discussion on commercial nuclear power. China is currently seeking to implement a major expansion of commercial nuclear power for electricity generation. The United States will likely have a (politically sensitive and perhaps heated) debate on this issue as

well. The joint task force would explore how to manage a global nuclear fuel cycle. Its members would assess how to make the production and use of nuclear energy safer, more affordable, and less susceptible to misuse as a foundation for illicit nuclear weapons programs.

3. *Cooperate to advance renewable energy and biofuel technology.* The United States and China should fund joint efforts to research and perfect renewable energy and biofuel technology to meet both nations' expanding needs for affordably priced energy. In addition, the joint task force should encourage joint research on carbon, capture, and storage—carbon sequestration technology—given that China and the United States hold the largest reserves of coal. The task force should recommend how to make U.S. carbon emission reduction technology available to China at reasonable cost.
4. *Collaborate in the Arctic.* The Arctic is the subject of growing global attention because the receding sea ice has created the prospect of an ice-free northwest passage. Observers are fascinated by the potential implications of such a development for international commerce, security, and resource development. China is not traditionally an Arctic nation, but it has shown increasing interest in the region for sea-lane and resource reasons. Beijing's decision to build an icebreaker, its application to become an observer state in the Arctic Council, and its willingness to send a delegation to the Conference of Arctic Parliamentarians in Fairbanks, Alaska, in 2008 all point to this trend. No protocols currently exist between the United States and China for managing what is likely to become an important shipping route and site of vigorous natural resources exploitation. China has already signed an agreement on Arctic cooperation with Norway in order to facilitate joint research on Arctic geophysics, geology, biology, and technology. The task force would institutionalize a robust and dynamic dialogue on issues related to the Arctic, develop a plan of action, and examine existing protocols such as the Law of the Sea Treaty that could manage shipping and resource exploration.
5. *Examine border adjustment allocations and other trade policy tools.* An Achilles' heel of environmental protection legislation is the claim that the imposition of higher net costs on domestic industry, if not matched by comparable adjustments in overseas economies, will place the environmentally conscious party at a competitive disadvantage. Absent some means to address these sensitivities, the domestic political bar to unilateral climate change legislation would seem unmanageably high. Examining the trade impact of environmental protection and seeking mutually acceptable legislative means to address the concerns of domestic producers would be highly beneficial.
6. *Cooperate on multilateral principles.* To date, the United States and China have not explored areas of common interest in international climate change negotiations. Indeed, many analysts assume that the two countries are in inherent conflict. Yet, the Chinese share many of the concerns about climate change, and how best to respond to it, with their U.S. counterparts. People in both countries share concerns about comparable efforts in other countries, potential problems of enforcing any multilateral agreement, effectiveness of emissions reduction measures, and overall pricing methodologies. Direct exchanges between the two nations on these issues could bear fruit down the road, while in the interim they could help shape U.S. negotiating postures.

Dialogue on Finance and Economics

A joint task force on finance and economics should also be established under the SED framework. A primary objective of this group would be to analyze investment and trade opportunities for Chinese businesses in consultation with state and local officials in the United States, and also examine how U.S. small and medium-sized businesses can trade with and access the Chinese market. Much of the discussion about Chinese investment in the United States focuses on concerns about investment in sensitive sectors. The resulting debate in Washington therefore revolves around the role of the Committee on Foreign Investment in the United States; therefore, this debate obscures the enormous enthusiasm in the states and municipalities for Chinese investment in job-creating private sector companies. Finding ways to better integrate the debate in Washington with the broad public demand for Chinese investment is an important activity for the United States and China in order to reduce tensions and maximize opportunities for our respective populations. This task force would have a role in bringing together demand for investment with interested Chinese investors within a framework that recognizes appropriate political sensitivities in both countries.

Furthermore, significant work is needed to review, improve, and harmonize financial management, risk analysis, and banking regulatory practices in the United States and China in ways that serve as a levee against further crises. Given the importance of the U.S. and Chinese economies, these standards could set global norms. The United States and China should also focus on building advance-warning mechanisms for each other's respective regulatory institutions that better assess and control for unhealthy imbalances and other risks. The task force would be a central channel of communication and coordination on this and other financial issues.

Increasing innovation and technological advancement is also a prime area for cooperation between the United States and China. Both nations have peoples that are inventive and entrepreneurial. We can work together to harness this energy to help grow our way out of the financial crisis, and innovations should be an important element in the economic dialogue. One example would be government, business, and academic exchange on the best way to build and sustain innovative societies. Another would be for the United States and China to work with other nations to deploy competitively derived international standards.

The United States should also support and facilitate China's role in broad international organizations such as the World Bank and International Monetary Fund, as well as explore means of closer cooperation on matters of common interest in important emerging multilateral institutions such as the Group of Twenty. The United States should also act to ensure that it has a prominent role in East Asian architectures like the East Asia Summit, so that it can usefully craft the long-term agendas for those architectures with China and other Asian states.

Finally, U.S. and Chinese leaders must continue to educate their publics about the benefits of trade and economic integration. It may be a hard sell in the context of the current financial crisis, but more (not less) integration will be critical to global recovery. Engaging U.S. and Chinese state and provincial leaders would be one way to help build this message in key regions in both countries. As a starting point, a mechanism for regular contact between U.S. governors and their counterparts in China would go a long way toward broadening contact on economic issues as well as promoting U.S. exports. This could be done through the SED, the National Governors Association, or another effective vehicle.

Conclusion

Painting China, and Washington's policy toward Beijing, in black and white is unhelpful. Labeling someone as either a "panda hugger" or a "dragon slayer" or calling someone "pro-China" or "anti-China" reflects a simplistic view of the world and our respective places therein. Forging a view of China in Washington that allows for shades of gray in U.S.-China relations and does not assume a uniform view of China as either a benign or a hostile power is a critical step to avoiding conflict that will damage key U.S. interests and reduce U.S. standing in the world. Virtually no global challenge can be met without U.S.-China cooperation. A positive approach toward Sino-U.S. relations serves the interests of the United States, China, and the global good.

APPENDIX A

SUMMARIES OF RECENT REPORTS ON U.S.-CHINA RELATIONS

C. Fred Bergsten, Bates Gill, Nicholas R. Lardy, and Derek Mitchell, *China: The Balance Sheet: What the World Needs to Know Now about the Emerging Superpower* (New York: Public Affairs, 2006).

The Center for Strategic and International Studies (CSIS) and the Institute for International Economics (IIE) launched a multiyear study, the China Balance Sheet Project, directed by Carola McGiffert of CSIS and J. Bradford Jensen of IIE, to assess the implications of China's growing economic and political power. The authors of this first volume from the project note that China's rise is both one of the most important developments in world history and potentially the most important challenge for U.S. foreign policy in the coming years. For this reason, the authors aim through this and other studies to provide readers with a comprehensive, fact-based, and balanced assessment of China's economic, political, and security policies as well as their possible future evolution and effects on the United States and other countries. The study team assessed China's economic growth, its prospects for democratization and social order, and the implications of the PRC's growing economic and military strength for the United States, focusing on whether China represented an economic opportunity or threat as well as whether the People's Republic of China (PRC) could become a security partner or rival.

The authors stress the complex dimensions of contemporary China. Whereas three decades earlier China might have been described as a largely monolithic society governed by an omnipotent regime, China today represents a diverse society with many actors that could potentially influence the country's foreign and domestic policies. As a result, Chinese policies present a complex mix of potential challenges and opportunities for the United States and other countries. The PRC has great economic and military strengths, but these should not be exaggerated and could weaken as well as strengthen in the future. In general, the task force members conclude that the present Chinese government focuses on developing its national power, building economic ties, and avoiding international conflicts. Although Chinese leaders express dissatisfaction with various U.S. policies, they have not sought to organize an anti-U.S. bloc of states that could challenge Washington's international primacy. The study team expects that China's rise could bring considerable benefits for its people and the wider international community. At the same time, they note the risk that the Chinese government could use its increased power in ways harmful to the interests of other countries, including the United States. Although this is judged a less likely scenario, the team fears that serious socioeconomic disorders in China could also present major problems for international stability.

The study team members recommend that U.S. policies continue to try to shape the PRC's foreign economic and defense policies in benign directions through engagement rather than prejudice that China is an emerging peer adversary of the United States. For example, both the U.S. government and the U.S. private sector could exploit the currently inward focus of Chinese leaders to export ideas, expertise, and technologies that would further China's positive political, economic, and

social development. More generally, U.S. policymakers should take advantage of areas of mutual economic and security interest while insisting that their Chinese colleagues adopt global norms that apply to the world's strongest economies. In return, Washington should enable Beijing to participate more in shaping and managing major global economic initiatives and decisionmaking institutions. The study team also urges that the United States could better respond to China's rise by introducing its own budget, education, human capital, and other domestic reforms.

Carla A. Hills and Dennis C. Blair (chairs) and Frank Sampson Jannuzi (director), *U.S.-China Relations: An Affirmative Agenda, A Responsible Course* (New York: Council on Foreign Relations, 2007), <http://www.cfr.org/publication/12985>.

The Council on Foreign Relations (CFR) established an independent task force to assess developments in China since 1972—especially China's growing economic, diplomatic, and military power as well as its recent behavior—and analyze their implications for the country and Sino-U.S. relations. The task force was led by Carla Hills and Dennis Blair and included former U.S. defense and trade officials, leaders of international finance and investment, and representatives from academia.

The task force considers Sino-U.S. relations during the past 35 years as generally positive. The Chinese government has largely adhered to international rules and institutions. The authors note that China suffers from severe pollution, income inequalities, widespread corruption, political repression, limited institutional capacity, and other problems that could disrupt its impressive recent economic performance as well as potentially its political stability. They also project that the United States is likely to remain militarily superior to China for at least the next several decades. Nevertheless, the authors caution that China's economic growth and other achievements had made the country more powerful and assertive in its foreign policy, a development that could increase Chinese-U.S. tensions regarding nonproliferation, human rights, civil liberties, and humanitarian interventions. For these reasons, the report insists that the United States can no longer simply engage the PRC as it did during the Cold War. U.S. policymakers need a new strategy to govern bilateral relations.

The CFR task force recommends that the United States conduct a strategy aimed at integrating China into the global community on the grounds that such an approach would most likely encourage Beijing to support U.S. values and interests. They urge that U.S. policymakers should clearly oppose aggressive or improper economic, political, and security behavior by China. For example, the task force advocates challenging the Chinese government's poor enforcement of U.S. intellectual property rights or implicit support for odious regimes under United Nations sanctions (for example, Somalia). They also advise continuing efforts to maintain military superiority over the People's Liberation Army (PLA) and strong security ties with China's neighbors. Yet, its members advocate that U.S. officials should generally use bilateral dialogue and other means to try to establish, deepen, and act upon common Chinese-U.S. interests in the Asia-Pacific region as well as globally. The experts also caution against blaming China for U.S. problems largely caused by U.S. actions, such as the loss of U.S. industrial jobs, or taking actions that could harm U.S. interests, such as imposing tariffs that could disrupt mutually beneficial commercial relations. In addition, they argue that a U.S. commitment to addressing the problem of climate change would encourage a comparable Chinese commitment. Finally, the report recommends that the U.S. president regularly stress the importance and benefits of the Chinese-U.S. relationship to the American people and take other actions to minimize bilateral suspicions.

C. Fred Bergsten, Charles Freeman, Nicholas R. Lardy, and Derek J. Mitchell, *China's Rise: Challenges and Opportunities* (Washington, D.C.: Peterson Institute for International Economics and Center for Strategic and International Studies, 2008).

China's Rise: Challenges and Opportunities is the second volume produced by the multiyear China Balance Sheet Project, directed by Carola McGiffert of the Center for Strategic and International Studies and J. Bradford Jensen of the Peterson Institute for International Economics, to assess the implications of China's growing economic and political power. The review of the first volume appears earlier in this appendix. Bergsten and Lardy work at the Peterson Institute; Freeman and Mitchell work at CSIS.

According to the authors, although China has changed considerably during the past three decades, U.S. policy has retained a static engagement policy as its guiding principle throughout these years, a policy that has sought to integrate the PRC into the U.S.-dominated global order. Washington's efforts to engage Beijing have been successful. Both countries have not engaged in war, and China has experienced remarkable growth from its involvement in existing international economic institutions, which has improved the welfare of millions of Chinese people. At present, however, the Chinese government is (perhaps unconsciously) using its economic achievements to challenge U.S. soft power. Many developing nations, or at least their governments, now see China's mixture of a market economy and an authoritarian political system as representing a development model superior to that offered by the Washington consensus. This perspective overlooks the many socioeconomic problems China is experiencing, including pervasive corruption, environmental degradation, and widespread social unrest. The authors note that the PRC is using its growing economic potential to achieve rapid military modernization that challenges the role of the United States as the guarantor of security in the Asia. Some Americans feel threatened by China's rising economic and military power.

The authors urge Chinese and U.S. leaders to help counter misperceptions and undo fears about the other country. Instead, they should support a domestic consensus that will provide a stable foundation for cooperative policies in areas of shared interest. In the authors' view, these mutual interests create many opportunities for profitable Chinese-U.S. partnerships. They should, for example, collaborate on promoting economic stability, curbing climate change, and conserving energy. In the realm of security, Beijing and Washington can work to promote international stability. U.S. policymakers should accept that the existing U.S.-led multilateral institutions (such as those established at the 1944 Bretton Woods conference) need to adapt to China's growing power and influence. In addition, they should support the establishment of new institutions in which Beijing has a leading role. Otherwise, they risk being marginalized as China creates its own multilateral institutions that exclude the United States. The authors also believe that deepening academic exchanges and ties between Chinese and U.S. nongovernmental organizations could contribute to promoting political and religious freedom within China. The authors also recommend that U.S. politicians, officials, and academics work with Chinese leaders at all levels of government to promote mutual understanding and alter Chinese policies that harm U.S. interests. The United States must also sustain its security presence in Asia and upgrade its defensive military capabilities.

David Wendt, “Clean Coal: U.S.-China Cooperation in Energy Security” (New York: EastWest Institute, August 2008), <http://www.iewe.org/pdf/CleanCoal6.pdf>.

The EastWest Institute seeks to promote dialogue among representatives of institutions and countries that normally find it difficult to cooperate. In addition, as in the case of David Wendt’s report, the institute seeks to reframe issues in ways that identify possible win-win solutions. In this manner, the institute hopes to mobilize public-private networks on behalf of beneficial collaboration regarding important public policy issues.

Wendt notes that the United States and China rely heavily on coal as a major energy source. Combined, the two countries consume about half of the world’s coal supply. He anticipates that their abundant coal reserves and the high costs and other problems associated with alternative energy sources will continue this dependence for years. Unfortunately, their current coal extraction and use technologies produce excessive societal and environmental costs. Burning coal contributes to the emission of greenhouse gases into the atmosphere, which contributes to climate change. It also pollutes the air breathed by many people. Mining coal is an inherently dangerous activity, fraught with accidents, that leaves the landscape disfigured and often poisoned. Fortunately, both nations have developed complementary coal production technologies that could profitably be adopted by the other country. By sharing these technologies, China and the United States could improve their energy security and achieve other commercial, environmental, and political benefits.

Wendt recommends ways in which China and the United States can derive energy from coal in a more productive, sustainable, and environmentally responsible manner. He suggests that the Chinese government adopt a more comprehensive energy strategy that limits the discretion of local and regional authorities. The strategy should aim to promote “clean coal,” develop a radically improved energy infrastructure, support the coordinated distribution of electric power supplies across all regions, and rationalize energy pricing by curtailing subsidies. This latter step will provide incentives for increased investment in clean coal solutions and promote greater energy conservation. Wendt believes that a properly designed and implemented national energy strategy could allow China to become the world’s leader in clean coal technologies. In the case of the United States, he recommends that the federal government offer greater support for researching and developing clean coal technologies such as coal gasification. In particular, Wendt advocates major changes in U.S. energy legislation, increasing budget allocations for clean coal projects, and the use of improved management tools.

The Chinese and U.S. governments should coordinate their energy security policies and collaborate in helping the other country overcome its clean coal vulnerabilities. They should also work with their private sectors to increase incentives for developing and exchanging clean coal technologies through market-sharing agreements, joint projects, and measures to compensate technology sharers for the potential loss of business opportunities.

David Shinn and Joshua Eisenman, “Responding to China in Africa” (Washington, D.C.: American Foreign Policy Council, 2008), http://www.afpc.org/publication_listings/viewPolicyPaper/236.

The American Foreign Policy Council launched this study in 2006 to analyze the objectives and means associated with China’s strategy toward Africa. David Shinn is an adjunct professor at the George Washington University, while Joshua Eisenman is a fellow in Asia Studies at the American Foreign Policy Council. They sought to highlight the implications of China’s policies for

U.S. relations with African countries. They spent two years conducting supporting research and interviewing more than 250 academics, government officials, businesspersons, civil society representatives, and ordinary citizens from China, Africa, Europe, and the United States.

The authors find that U.S. and Chinese interests in Africa differ in many cases, but not so greatly as to render them irreconcilable. In addition, there are more areas where the two countries can cooperate for the benefit of Africans than there are issues where disagreement and competition is unavoidable. They note that the PRC has developed good diplomatic ties with many African nations. Of the 49 African countries that maintain relations with China, only the tiny Comoro Islands does not have an embassy in Beijing. The International Department of the Communist Party of China has also established strong ties with the ruling parties in one-party-dominated states like Angola, Sudan, Zambia, and Zimbabwe.

The PRC seems comfortable dealing with diverse types of African regimes, ranging from an overtly Islamist government in Sudan, a democracy in South Africa, and an autocracy in Equatorial Guinea. Increasingly, China is strengthening its ties to Africa's regional and subregional organizations. Contrary to common perceptions, the authors argue that Africans do not necessarily see China as a development model; African leaders generally welcome Chinese assistance because, aside from having to accept Beijing's one-China policy, it normally comes with few conditions. They especially welcome Chinese investment in African infrastructure and special economic zones. Chinese banks are rapidly developing an important presence in many African countries. China's state-run news agency, Xinhua, has also become a leading information source for and about Africans. Although China has not established bases in Africa, many Chinese nationals are involved in UN peacekeeping missions on the continent.

The report offers several suggestions for complementing China's growing influence in Africa with an increased U.S. presence on the continent. The authors urge that a greater number of senior U.S. officials visit Africa and lower-level U.S. representatives and the U.S. military increase contacts with their African counterparts. The United States should elevate the Sino-U.S. dialogue regarding Africa by including more senior U.S. officials among the participants. Topics for discussion could include how the two countries could help Africans with disaster relief, agriculture, public health, foreign direct investment, natural resource development, counternarcotics efforts, and promoting ties between Chinese and U.S. experts regarding Africa.

The report also advocates that U.S. government agencies and the Congress devote more attention to assessing China's presence and aims in Africa as well as their implications for the United States. According to the authors, the U.S. government should further support African economic development, including by enhancing opportunities through the Africa Growth and Opportunity Act. The U.S. Agency for International Development and the State Department should increase support for U.S.-Africa academic exchanges and environmental protection measures in Africa. Finally, the authors recommend that U.S. diplomats in China and African countries should actively monitor how Sino-African relations might affect the United States.

U.S. National Intelligence Council, *Global Trends 2025: A Transformed World* (Washington, D.C., November 2008), http://www.dni.gov/nic/NIC_2025_project.html.

The National Intelligence Council (NIC) serves as a focal point for generating answers to broad strategic questions raised by senior U.S. policymakers. Its national intelligence officers and supporting staff solicit information and assessments from all 16 U.S. intelligence agencies as well as academic, private sector, and other nongovernmental experts. *Global Trends 2025* represents

the NIC's fourth attempt to publish a comprehensive assessment of the most important variables that could affect international affairs during the next 15–20 years. The text draws heavily on related NIC analyses, such as the recent national intelligence estimate on the implications of global climate change. The study authors also commissioned new research on certain issues and conducted a wide variety of workshops and other outreach efforts to learn about U.S. and foreign thinking on key issues.

The authors state that the recent chaos influencing the world economy will probably accelerate the growth of “state capitalism.” In contrast with the recently dominant Western liberal model of development, which seeks to constrain the government’s role in economic policy to a minimum, the state capitalist paradigm allocates a wide role for government intervention to promote national economic development. The NIC classifies China as a leading adherent to the state capitalism development model. Countries adhering to state capitalism tend to have authoritarian regimes despite the expectation of many political theorists that economic development based on capitalist principles tends to promote liberal democratic government.

In contrast with the assessment offered in the 2004 *Global Trends* report that projected developments through 2020, the NIC analysts now anticipate that the relative strength of China, as well as India and perhaps Russia and other states, will increase markedly relative to that of the United States. As a result, “Few countries are poised to have more impact on the world over the next 15–20 years than China.” Whereas the 2004 report projected continued U.S. global dominance with the acquiescence of most of the other great powers, the 2008 study stresses the constraints on U.S. influence caused by ongoing globalization, the diffusion of military technologies, “an historic shift of relative wealth and economic power from West to East,” and other factors. A reinforcing trend is that demographic, economic, and other problems will decrease the relative influence of key U.S. allies in Europe and Asia.

Like other NIC products, *Global Trends 2025* does not aim to offer explicit policy recommendations. Nonetheless, the presumption is that U.S. government policymakers need to prepare for a range of China futures scenarios. The most likely outcome is the continued growth of China’s economic and military strength in coming years as well as the persistence of an authoritarian government in Beijing committed to the state capitalist model of development. Yet the authors also discuss the possibility that a lengthy economic slowdown could lead to “virulent and xenophobic forms of Chinese nationalism” if the Chinese government attempts to blame foreigners for China’s difficulties.

“Relations with China, India, and Russia,” in *Cato Handbook for Policymakers*, 7th ed., ed. David Boaz (Washington, D.C.: Cato Institute, 2009), chap. 53, <http://www.cato.org/pubs/handbook/hb111/hb111-53.pdf>.

The *Cato Handbook for Policymakers* analyzes a diverse range of issue areas from the perspective of an institution that generally seeks to constrain U.S. foreign policy commitments, U.S. foreign policy expenditures, and the use of force by the United States and other countries. Cato’s foreign policy team is known for seeking to lessen security ties between the United States and traditional military allies such as Taiwan and South Korea.

According to the section on China, most Americans dealing with U.S. policy toward the PRC fall into one of two camps. One group is said to presume that China’s economic development will eventually contribute to the PRC’s political liberalization and eventual transformation into a political democracy, which will presumably lead Beijing to adopt foreign policies supportive of Wash-

ington. The other group perceives China as a strategic adversary whose authoritarian government could pose a mortal threat to the United States, should Chinese leaders acquire considerably more economic and military resources. The Cato authors see some merit in each approach. They maintain that China has often partnered with the United States in upholding the current international system while nevertheless challenging U.S. interests on specific issues. Similarly, Chinese and U.S. entities both cooperate and compete on various global economic issues. The authors' main concern is that, as China's economic and military power continues to grow, a clash between Beijing and Taipei could become more likely.

The handbook recommends that the United States "treat China as simply another great power" as well as relinquish "America's own hegemony in East Asia." In the authors' assessment, this strategy would require Washington to continue to pursue "maximum economic and diplomatic engagement" with Beijing while concurrently hedging against a downturn in relations by allowing Japan, India, and other countries to adopt more active security roles in East Asia. They believe the advent of multiple centers of power in Asia would discourage PRC adventurism; reduce the strategic burdens on the United States in the region; and allow for a reduction in U.S. defense ties with Taiwan, South Korea, and other Asian countries that are already capable of defending themselves.

Kenneth Lieberthal and David Sandalow, "Overcoming Obstacles to U.S.-China Cooperation on Climate Change" (Washington, D.C.: John L. Thornton China Center, Brookings Institution, January 2009), http://www.brookings.edu/~media/Files/rc/reports/2009/01_climate_change_lieberthal_sandalow/01_climate_change_lieberthal_sandalow.pdf.

This report was drafted by two scholars affiliated with the John L. Thornton China Center at Brookings who, alarmed by the destructive effects of climate change, attempt to improve Sino-U.S. cooperation in this area. To promote greater Chinese-U.S. cooperation in this area, they considered it important to understand the factors most affecting climate and energy policies within each country and to analyze the perspectives, goals, and constraints in both countries. The authors composed this study to provide an overview and a number of recommendations to senior Chinese and U.S. leaders. Through this analysis they aim to advance both specific bilateral initiatives and stronger multilateral agreements that will enjoy sustained, high-level political support in both countries. The Brookings scholars fear that a failure to expand Chinese-U.S. cooperation regarding climate change will deepen mistrust between the two countries, whereas progress in this area would likely have positive effects on Sino-U.S. collaboration in other fields.

Their study stresses the necessity of Chinese-U.S. cooperation to mitigate and manage climate change. China and the United States are the world's top two greenhouse gas emitters; therefore, any solution to the challenge of global climate change will require both countries to transition to low-carbon economies based on much wider use of "clean" energy technologies. Sino-U.S. cooperation on climate change is also seen as essential for strengthening multilateral collaboration in this area. The authors acknowledge the existence of barriers to stronger collaboration, including differences in the two societies and their perceptions about specific climate issues. In addition, whereas the main political obstacles to climate-friendly policies exist at the level of policy development in Washington, in China the main barriers lie at the policy execution stage because the government often lacks the capacity to implement climate-friendly policies at the local level. The authors urge senior Chinese and U.S. government leaders to take charge of joint climate change efforts because it is these individuals who can best mobilize the bold actions required in both countries. Once they commit to implementing mutually supportive policies, their cooperation will energize local

governments, universities, nongovernmental organizations, and corporations in both countries.

The report offers nine specific recommendations for joint action aimed at achieving mutual benefits. The first suggestion is for both Americans and Chinese to acknowledge that the other nation has legitimate views and approaches toward the climate challenge. The second recommendation is to adopt a clean-energy paradigm in framing cooperative initiatives because clean energy evokes fewer ideological differences and is more politically attractive than alternative paradigms. The third proposal is to focus attention on one or two major high-visibility initiatives to capture the public's imagination and mobilize support in both countries. The report offers such possible headline programs as electrifying vehicle fleets or recruiting millions of volunteers for a new Clean Energy Corps. The fourth recommendation is to concentrate on jointly developing technologies that could meet mutual needs while drawing on the two countries' complementary strengths, assets, and contributions. The fifth piece of advice is to promote cooperation between Chinese and U.S. localities; the Brookings scholars see much creativity and dynamism in both countries at the community level. The sixth recommendation is for the United States to help strengthen the capacity of the Chinese government to manage climate change challenges, especially by monitoring and evaluating outcomes in this area. The United States, for example, could assist with setting standards, drafting laws and regulations, and managing large databases. The seventh suggestion is for both national governments to agree to adhere to certain broad principles that could also serve as the basis of broader multilateral agreements. The eighth proposal is for both countries to use but improve existing agreements, programs, and institutions for bilateral cooperation. Washington and Beijing, for example, could create a new dialogue on climate change and clean energy to parallel the existing Strategic Economic Dialogue. The report's final recommendation is for Chinese and U.S. leaders to highlight their shared profound concern about climate change and clean energy at a joint summit.

Tianjian Shi, Meredith Wen, "Avoiding Mutual Misunderstanding: Sino-U.S. Relations and the New Administration" (Washington, D.C.: Carnegie Endowment for International Peace, January 2009, <http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=22617&prog=zch>).

After the November 2008 U.S. presidential election, the Beijing office of the Carnegie Endowment for International Peace solicited the views of leading Chinese foreign policy analysts regarding how Sino-U.S. relations might develop under the new Barack Obama administration. The Carnegie organizers presume that knowing these views should help U.S. policymakers better understand the sources of China's behavior.

The Chinese scholars, though generally appreciative of the progress achieved in Sino-U.S. relations during the eight years of the George W. Bush administration, worry that many Americans labored under intense misperceptions regarding China. The experts deny, for example, that the Chinese Communist Party has been a monolithic or omnipresent entity. In addition, they argue that Chinese residents have access to much more information than is commonly believed in the West. Although China is in some respects a great global power, in other respects it should best be seen as a developing country whose government is preoccupied with promoting economic development, preventing domestic instability, and, above all, with upholding the regime's legitimacy within China. They claim that the Chinese people remain acutely sensitive about U.S. ties with Taiwan. They also worry about that the Obama administration will adopt protectionist measures that harm Chinese economic interests.

The scholars recommend that President Obama visit East Asia as soon as possible to dem-

onstrate the importance of the region to the United States and to develop personal relations with Asian leaders, who value such ties. The Chinese experts stress that their government is eager to cooperate in multinational efforts to overcome the current global financial crisis, though generally by giving priority to stabilizing Chinese domestic markets rather than by contributing capital to any global anti-crisis response. In the authors' view, Americans need to abandon any unrealistic expectations they might hold in this regard, or these could lead to mutual frustrations. With regard to Taiwan, they also recommend that the Obama administration suspend arms sales to Taiwan to promote reconciliation between Beijing and the new government in Taipei. The Chinese analysts also urge the Obama administration to avoid making the mistake of the Clinton administration and pursuing an "ideological" foreign policy that attacked the PRC for not adhering to liberal democratic values. They warn that any effort to form a "League of Democracies" outside the United Nations "would surely be interpreted as trying to isolate and humiliate China politically and would make U.S.-Chinese collaboration extremely difficult, if not impossible." They encourage the new administration to consider Beijing as a responsible stakeholder in the coming years, especially for U.S. regional initiatives in East Asia.

Kurt M. Campbell, Nirav Patel, and Vikram J. Singh, *The Power of Balance: America in iAsia* (Washington, D.C.: Center for a New American Security, June 2008), <http://www.cnas.org/node/118>.

The Center for a New American Security organized and published this study to offer policy guidance for the next U.S. administration regarding the Asia-Pacific region. The center has rapidly become one of the most influential security research institutions in the United States. The three authors are all experienced Asia experts with extensive contacts in the region as well as in Washington.

The authors recommend that U.S. policymakers employ a new framework to analyze contemporary and future developments in Asia. Instead of considering these trends from a balance-of-power perspective, which emphasizes the relative military power of states and the resulting zero-sum competition among them, they urge the adoption of a "power of balance" approach that recognizes that the nation-state represents just one of many international actors in Asia. From this perspective, many win-win situations arise in the realms of diplomacy, economics, and other policy areas. This balanced approach also appreciates the importance of globalization, soft-power resources, and other forces that are leading to a dynamic and integrating region that they term "iAsia."

The rise of China, and its role in promoting the region's dynamism and integration, is a recurring theme of the report. The authors note that the emerging regional order presents both challenges and opportunities for U.S. leaders. They fault U.S. foreign-policy makers for not making a greater effort to engage in these multilateral processes, noting that the United States has traditionally prioritized bilateral relations with the most important regional actors. More recently, the U.S. government has become preoccupied with the Middle East to the neglect of iAsia and other important regions, a trend they believe has weakened U.S. influence in the region. In contrast, Chinese diplomats have played an active role in shaping the region's most important multilateral institutions, sometimes by excluding the United States (as in the case of the Shanghai Cooperation Organization and the East Asia Summit).

The authors urge U.S. policymakers to reassert their presence in iAsia, especially through increased participation in the region's multilateral initiatives. They should also strengthen the U.S.

bilateral relationships in the Asia-Pacific, particularly by offering more opportunities for genuine security consultation in the region while eschewing counterproductive attempts to align key Asian governments in an overtly anti-Chinese direction. The report calls for “a realistic and pragmatic China policy” that accepts the probable predominance of Chinese cultural and political influence in iAsia, addresses more comprehensively the nonmilitary dimensions of Sino-U.S. competition and engagement while it also promotes military-to-military diplomacy, and prioritizes the many policy areas of concern to both governments. As they establish these priorities, which embrace such areas as human rights, climate change, commercial relations, and regional security, U.S. policymakers should be guided “not on what China is but on what China does.” The report concludes by reminding U.S. political leaders of the value of pursuing a more bipartisan approach to foreign policy. In the authors’ assessment, only a durable, strong, bipartisan consensus will provide a solid foundation for advancing U.S. interests in the important Asia-Pacific region.

Nina Hachigian, Michael Schiffer, and Winny Chen, *A Global Imperative: A Progressive Approach to U.S.-China Relations in the 21st Century* (Washington, D.C.: Center for American Progress, August 2008), http://www.americanprogress.org/issues/2008/08/china_report.html.

The national security team at the Center for American Progress established a China Task Force to analyze how to develop an “updated and forward-looking” U.S. government policy toward China. The group consulted with a variety of experts of diverse ideological backgrounds in academia, business, media, and policy analysts and advocates concerned with China. They drew on these insights as well as their own in crafting their report. Several people involved in the preparation of this report worked on the Obama presidential campaign and are now contributing to the formation of the new administration’s foreign policies.

According to the report, China’s evolution remains profoundly unpredictable, full of contradictions that make the country simultaneously a strong and weak state. Despite its stupendous economic growth during recent decades, the PRC remains a developing nation with unprecedented pollution problems, many public health issues, and pervasive social stresses. The authors depict the PRC as modernizing its military but still suffering from serious defense weaknesses. The Chinese political system has seen “pockets” of progress, but severe restrictions on political pluralism still exist. The authors warn that, despite recent improvements in cross-strait ties, relations between Beijing and Taipei remain fraught with tensions and, if not well managed, could escalate into an armed confrontation involving the United States. U.S. policy toward this and other China-related issues has suffered from the previous U.S. administration’s preoccupation with other regions and the sometimes unhelpful influence of U.S. pressure groups on Sino-U.S. relations. On balance, the reports finds that China’s growing power across multiple dimensions is a probable characteristic of this century, making the PRC increasingly important for solving global problems that also affect the United States.

The authors warn the next U.S. president against adopting the easy choice of seeking to appear “tougher” on China than the previous administration. Past presidents have found such an approach unhelpful, and they wasted valuable time and other resources in backing away from it. Instead, they urge the next administration to adopt a pragmatic, results-oriented strategy throughout its tenure, a strategy that seeks steady progress in promoting the interests of the United States, China, and other nations. The report further stresses the need for U.S. policymakers to invest more resources in better understanding the PRC while making the Chinese appreciate that Americans understand China’s importance for global affairs and the United States.

The next administration should make clear that it does not aim to prevent the PRC's peaceful development, and it should also commit to improving U.S. domestic policies that contribute to tensions with China and other countries. To make U.S. policy toward China less reactive and uncoordinated, the executive branch should adopt an integrated interagency process in which the diverse separate dialogues between the Chinese and U.S. officials are supervised by the National Security Council, which will also collaborate with Congress and other interested stakeholders.

The authors' risk-management approach sees China as a global stakeholder and a potential and essential partner in solving diverse international problems. The authors identify climate change and energy security, balanced and sustainable global growth, enhanced security in the Asia-Pacific region, China's military modernization, stability in the Taiwan Strait, and governance and individual rights as the most important areas of concern for the United States in its relations with China. In addition to collaborating with the PRC bilaterally on these urgent global challenges, the authors advocate working with China within multilateral institutions. Granting Beijing a greater say in these institutions will encourage improved Chinese behavior by giving the PRC a greater stake in shaping the international system and simultaneously strengthen global rules and norms. By engaging China in combination with other countries, moreover, the United States will increase its ability to induce changes in Beijing's policies, such as regarding human rights. While noting Sino-U.S. differences in each of these areas, they suggest specific principles and policies that U.S. policymakers should adopt in seeking to achieve progress through cooperation. Although generally advocating efforts to engage with the Chinese government on these areas of mutual concern, the authors urge the United States to ensure that it retains adequate military and diplomatic capacity to respond to the many possible contingencies that might arise regarding the PRC owing to its uncertain trajectory.

Linden J. Ellis and Jennifer L. Turner, *Sowing the Seeds: Opportunities for U.S.-China Cooperation on Food Safety* (Washington, D.C.: Woodrow Wilson International Center for Scholars, September 2008), http://www.wilsoncenter.org/topics/pubs/CEF_food_safety_text.pdf

The two authors work for the China Environment Forum at the Woodrow Wilson Center. The forum supports sustainable development in China by promoting creative cooperation among public and private sector actors. It seeks to solve energy and environmental problems through information sharing, policy debates, and building networks between U.S. and Chinese officials, scholars, journalists, and businesspeople. The authors interviewed many of these experts and also derived insights from the forum's public presentations.

This report notes that China has become the third-largest source of food imports into the United States. Between 2001 and 2007, the value of these imports tripled. Unfortunately, Chinese-U.S. tensions have also risen in recent years following revelations that some Chinese foods imported into the United States were harmful. The authors attribute these problems to the weak legal, political, and regulatory infrastructure for food safety in China, which has allowed the export of unsafe foods to the United States and other countries. In particular, the food safety system in the PRC suffers from local government protection of industries, the absence of a product liability law, a fragmented network of regulatory agencies, a feeble court system, poor consumer education, and weak capacity in the public sector to monitor food products.

Although the authors acknowledge that China and the United States have increased their cooperation regarding food safety since 2007, they recommend that U.S. officials and consumer advocacy groups attempt to directly enhance the capacity of Chinese food safety agencies, espe-

cially at the local level, where enforcement of national laws and regulations has proven difficult. In addition, Chinese and U.S. officials could jointly develop a system for auditing and prequalifying exporters. They further recommend that U.S. nongovernmental organizations consider educating Chinese consumers about minimizing food safety threats. Ellis and Turner call for giving the U.S. Food and Drug Administration additional funds, legal tools, and a stronger mandate in order to bolster its capacity to keep unsafe foods out of U.S. domestic markets.

United States Trade Representative, *2008 Report to Congress on China's WTO Compliance* (Washington, D.C., December 2008), http://www.ustr.gov/assets/Document_Library/Reports_Publications/2008/asset_upload_file192_15258.pdf.

The U.S.-China Relations Act of 2000 (Section 421) directs the United States Trade Representative (USTR) to present an annual report to Congress on the compliance of the PRC with its commitments to the WTO. The report focuses on nine major categories of China's WTO commitments, highlights areas where progress has been achieved, and underscores areas of concern. It also incorporates the findings of the Overseas Compliance Program, which is required by Section 413 of the act. This latest report, like previous editions, addresses China's multilateral obligations as well as the bilateral commitments the PRC has made to the United States.

The report's main conclusions are that the PRC adopted a more constructive and cooperative approach toward the WTO in 2008 than it had in 2007. The Chinese government lifted several bans on goods imported from the United States last year and agreed to begin discussing other trade-related issues. The USTR attributes this progress to the intensive Sino-U.S. commercial dialogue and the Bush administration's strict enforcement of China's WTO trade commitments affecting commercial relations with the United States. It cites the value of both the formal and the informal meetings and dialogues held between the two governments. These mechanisms include intergovernmental working groups and high-level exchanges within the framework of the U.S.-China Joint Commission on Commerce and Trade and the U.S.-China Strategic Economic Dialogue. The report finds that U.S. use of the WTO dispute settlement proved particularly effective.

Adopting a longer-range perspective, the USTR finds that the Chinese government has taken many steps to meet its WTO accession commitments during the past seven years. These measures include reducing tariffs, eliminating nontariff barriers, expanding market access for goods and services imported from the United States and other WTO members, and improving the transparency of its economic policies. As a consequence of these reforms, China has made progress transitioning from a centrally planned economy toward a free-market economy that is based on the rule of law at home. At the international level, China has become better integrated into the international trading system. Nonetheless, the report identifies remaining issues of concern, specifically the need for the PRC to comply more effectively with its commitments regarding intellectual property rights, industrial policy, trading rights, and agriculture. The USTR also expresses unease that recent Chinese acts such as adopting new restrictions on foreign investment and unique national standards might signal that the PRC is moving toward a more restrictive trading regime.

The report recommends that the United States continue efforts to ensure that China implements its WTO accession commitments. Areas of priority concern should include reducing the intervention of the Chinese government in the market (such as its trade-distorting industrial policies), lowering infringements against foreign intellectual property rights, and removing remaining Chinese barriers to U.S. investment and trade (especially in the agricultural and service sectors). The report recommends that the USTR continue to use "vigorous bilateral engagement"

and negotiation, but also to employ legal action and the WTO dispute settlement procedures when dialogue fails to resolve key U.S. concerns. On the basis of the positive 2008 experience, the USTR is “optimistic that significant progress is obtainable in 2009.”

Asia Society Task Force Report, *Common Challenge, Collaborative Response: A Roadmap for U.S.-China Cooperation on Energy and Climate Change* (Washington, D.C.: Asia Society, January 2009), http://www.asiasociety.org/taskforces/climateroadmap/US_China_Roadmap_on_Climate_Change.pdf.

The Center on U.S.-China Relations at the Asia Society and the and Pew Center on Global Climate Change launched their Initiative for U.S.-China Cooperation on Energy and Climate to consider how China and the United States could contribute to managing global climate change. The Brookings Institution, the Council on Foreign Relations, the National Committee on U.S.-China Relations, and the Environmental Defense Fund also participated. The project specifically seeks to promote U.S.-China cooperation to minimize greenhouse gas emissions by changing how the two countries produce and use energy, especially by reducing the heavy dependence on coal in both states. This report is the first to arise from the initiative. It draws on the insights of many experts, policymakers, and industry and civil society experts in both China and the United States.

The report stresses the dangerous implications of global climate change and the urgency for joint action by China and the United States to counter it. Both countries rely heavily on environmentally and climate-unfriendly coal as a major energy source. Combined, China and the United States contribute to nearly half of the world’s greenhouse gas emissions. Unless they jointly adopt cleaner energy practices and become coleaders in transitioning the world to more climate-friendly policies, international progress in curbing global climate change could prove impossible.

The task force urges China and the United States to launch major initiatives to reduce their reliance on coal and other carbon-based energy sources. The first step is recommended to be a leadership summit in which both governments commit to cooperating on these areas and adopt a joint road map to guide the development of their policies in this area. More frequent meetings between senior Chinese and U.S. officials should soon follow in order to agree on specific projects. A high-level council should be created to sustain high-level Chinese and U.S. attention and communication regarding these issues. If both governments invested greater funds toward developing “green” technologies, they could create new jobs and help overcome the current economic crisis. The broader objective of the Sino-U.S. partnership in this area would be to reduce threats to energy security as well as the sources of climate change. Such an energy transformation would also help revitalize the Chinese and U.S. economies. Engaging the private as well as the public sectors in both countries in this endeavor is also essential given the assets and insights available to Chinese and U.S. businesses, research centers, investors, and other nongovernmental actors. Competition among these groups and countries should be channeled through appropriate regulatory action and various government incentives to promote innovation and energy efficiency. Priority areas for China-U.S. public-private partnerships should include promoting low-emission coal technologies, improving energy efficiency and conservation, developing an advanced electric grid, encouraging wider use of renewable energy sources, quantifying and projecting their carbon emissions, and providing financial support for low-carbon technologies.

Ralph A. Cossa, Brad Glosserman, Michael A. McDevitt, Nirav Patel, James Przystup, and Brad Roberts, *The United States and the Asia-Pacific Region: Security Strategy for the Obama Administration* (Washington, D.C.: Center for a New American Security, February 2009), http://www.cnas.org/files/documents/publications/CampbellPatelFord_US_Asia-Pacific_February2009.pdf.

In March 2008, the Center for a New American Security established the 2008 Asia-Pacific Strategy Project with support from the Pacific Forum CSIS, the Institute for Defense Analyses, the Center for Advanced Naval Analyses, and the Institute for National Strategic Studies at the National Defense University. The project aimed to develop a new strategy for securing U.S. strategic interests in Asia.

The report describes the elements of this new strategy. The authors first analyze the new security environment in the region resulting from changing power dynamics and other developments. They underscore the significance of China's increasingly important role in the region owing to its growing economic and military strength. Although other East Asian countries generally view the PRC's strong economy favorably, they remain uneasy about its continued military modernization and limited defense transparency. Nonetheless, China has become a key player in regional security issues such as the Six-Party Talks regarding denuclearization of the Korean peninsula.

The report calls on the United States to adopt a more proactive and strategic approach toward China and the rest of the Asia-Pacific region. A major priority is to reconcile China's growing strength with U.S. interests and values in the Asia-Pacific region. The authors advocate continued efforts to integrate a more powerful China into both East Asia and the larger international system in a way that supports U.S. objectives. The study team favors using diplomatic, economic, and military cooperation with the PRC to shape Chinese policies in ways that contribute to regional stability. The United States, the report says, must adopt a pragmatic and realistic China policy that encourages China to be a responsible stakeholder in Asia. The authors stress the importance of articulating this policy clearly through presidential statements that detail U.S. intentions regarding China. To this end, U.S. policymakers should engage in frequent and high-level dialogue with Chinese officials, pursue practical cooperation with the PRC on diverse issues, apply pressure where necessary as with product safety issues, and encourage political liberalization and military transparency in China through patient engagement.

The report proposes several guiding principles to govern specific U.S. policies toward China. These include acknowledging that China will remain one of the region's most important actors, avoiding overt strategic competition with the PRC, reassuring U.S. allies that Washington remains committed to their protection and prosperity, and ordering U.S. goals regarding China in a way that focuses on improving Chinese behavior in the most important policy areas. These areas could cover a wide range of issues such as engaging China in multilateral organizations, addressing environmental and climate change threats, and curbing nuclear proliferation. Finally, the United States should support the recent benign trends in the relationship between the PRC and Taiwan and discourage disruptive acts by either government.

Liu Xuecheng and Robert Oxnam, "The Pivotal Relationship: How Obama Should Engage China" (New York: EastWest Institute, 2009), <http://www.eastwestinstitute.com/pdf/LiuOxnam.pdf>.

The EastWest Institute released this report as the new U.S. secretary of state, Hillary Rodham Clinton, was preparing to make her first official visit to China and several of its Asian neighbors.

Liu Xuecheng is senior fellow and executive vice president of the Center for China-U.S. Relations Studies at the China Institute of International Studies. Robert B. Oxnam was president of the Asia Society from 1981 to 1992 and served on the Asia policy advisory team for the Obama presidential campaign. By publishing their essays in a single volume, the institute allows readers to compare and contrast Chinese and U.S. views regarding the state of the Sino-U.S. relationship at the beginning of the Obama administration as well as how they think it should evolve.

The authors agree that Chinese-U.S. relations proceeded well during the George W. Bush administration. Xuecheng appreciates that Senator Obama largely refrained from attacking China during his election campaign and endorsed the position that Washington and Beijing should cooperate to solve regional and global problems. He adds, however, that some Chinese worry that the new U.S. administration will adopt protectionist measures toward China and will pursue policies toward Taiwan and Tibet that the PRC will consider unfriendly. Oxnam calls the China-U.S. relationship pivotal given its importance for addressing the world's most important security and economic issues. His main concern is that some Americans and Chinese misperceive the other country as a military threat rather than as a potential security partner.

Xuecheng calls for joint Chinese-U.S. actions to address the world economic crisis as well as other regional and global security problems. He cautions that the new administration needs to appreciate the important political, economic, and cultural differences between China and the United States. In his view, these differences require Washington and Beijing to adhere to the principles of mutual respect and joint and equal consultations in pursuit of win-win cooperation. Xuecheng relates that Chinese leaders want the new U.S. administration to broaden and strengthen the most important existing mechanisms for bilateral consultations, the Strategic Economic Dialogue and the Senior Official Dialogue. Oxnam calls for a Chinese-U.S. "green relationship" that would jointly address the interlocking issues of environmental degradation, global warming, and energy security. In particular, he recommends that both governments convene a presidential summit devoted to limiting climate change. Oxnam also favors negotiating an enforceable agreement to cap their carbon emissions as well as measures to promote the sharing of energy technologies between Chinese and Americans. He also favors broadening the membership and mandate of the Strategic Economic Dialogue to include nongovernmental actors and a wider range of issues. Oxnam calls on both governments to adopt more transparent military security policies in order to counter threat misperceptions. He favors joint consultations and actions by China and the United States to address contemporary security challenges such as North Korea, South Asia, and the Middle East.



APPENDIX B

ABOUT THE COMMISSIONERS

Commission Cochairs

William S. Cohen is chairman and CEO of The Cohen Group, a strategic business consulting firm based in Washington, D.C. Secretary Cohen served as U.S. secretary of defense from January 1997 to January 2001. Prior to leading the Department of Defense, he represented Maine in the U.S. Senate from 1979 to 1997 and served in the U.S. House of Representatives from 1975 to 1979. Secretary Cohen is a counselor and trustee for CSIS.

Maurice R. Greenberg is chairman and CEO of C.V. Starr & Co., Inc. Mr. Greenberg retired four years ago as chairman and CEO of American International Group (AIG) after more than 40 years of leadership, creating the largest insurance company in history.

Commissioners

John S. Chen has served as chairman, CEO, and president of Sybase, Inc., since 1998. Under his leadership, Sybase has become the industry leader in enterprise mobility infrastructure. In addition, the company has significantly strengthened its position in data management and has a long track record of increasing revenue and profitability. Mr. Chen has testified before Congress on U.S.-China trade relations and was appointed in 2005 to serve on the President's Export Council. In 2006, he was appointed cochair of the Secure Borders and Open Doors Advisory Committee organized jointly under the Department of Homeland Security and the Department of State. He also serves on the boards of the Walt Disney Company and Wells Fargo & Co.

Charles W. Freeman III holds the Freeman Chair in China Studies at CSIS. He previously served as assistant U.S. trade representative for China affairs, where he was the chief China trade negotiator for the United States. Outside of government, as a lawyer and business adviser, he has counseled corporations and financial institutions on strategic planning, government relations, market access, mergers and acquisitions, corporate communication, and political and economic risk management in China.

Jon M. Huntsman Jr. is in his second term as governor of Utah. During his time in office, Utah has been named by the Pew Center as one of the three the best-managed states in the country. Fluent in Mandarin Chinese, Governor Huntsman was a White House staff assistant to President Ronald Reagan, has had senior appointments in the Commerce Department and the State Department, and has served as deputy U.S. trade representative.

Henry A. Kissinger served as the U.S. secretary of state from 1973 to 1977 and as assistant to the president for national security affairs from 1969 to 1975. At present, Dr. Kissinger is chairman of Kissinger Associates, Inc., an international consulting firm. He is also a member of the International Council of J.P. Morgan Chase & Co.; chairman of the International Advisory Board of American International Group, Inc.; and a counselor and trustee for CSIS.

Rick Larsen (D-WA) is currently serving his fifth term in the U.S. House of Representatives. Representative Larsen is a member of the House Armed Services Committee, the House Transportation and Infrastructure Committee, and the House Budget Committee. He also serves as cochair of the bipartisan U.S.-China Working Group.

Amory B. Lovins is cofounder, chairman, and chief scientist of the Rocky Mountain Institute, a nonprofit organization that fosters the efficient and restorative use of energy and resources. Dr. Lovins has led the redesign of more than \$30 billion worth of facilities for energy and resource efficiency, written 29 books and hundreds of papers, and consulted for scores of governments worldwide.

Edward Tsang Lu currently works at Google Inc. Prior to joining Google, Dr. Lu was an astronaut for NASA. He flew on two space shuttle missions: first aboard Atlantis in 1997 and 2000 and then he lived on the International Space Station for six months in 2003 as flight engineer and NASA science officer. Dr. Lu received his Ph.D. from Stanford University and his bachelor's degree from Cornell University.

Lisa Murkowski (R-AK) is the senior senator from Alaska. Senator Murkowski is the senior Republican member of the Senate Energy and Natural Resources Committee. Prior to her election to the Senate, she was elected to three terms in the Alaska State House of Representatives and was named majority leader for the 2003–2004 term.



APPENDIX C

CSIS CONTRIBUTORS

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