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China's Expanding Global Influence
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Overview

Over the past decade, China's international engagement has changed rapidly, reflecting Beijing's growing global activism and new, more sophisticated diplomatic strategy. Indeed, as China has emerged a globally active power, exerting influence in regions far from its borders, it has developed a style of diplomacy and strategic influence that is a sharp break from its own past. What's more, China's style suggests Beijing wants to pursue a far different model of influence than that of the United States.¹

Beijing has enjoyed significant initial success with its diplomatic strategy. This success is reflected in numerous recent surveys of international opinion, in which China is perceived in developing nations more favorably than the United States. China's popularity makes it easier for leaders, in democracies and semi-authoritarian states, to work more closely with Beijing, since they know the public supports warmer relations. China has begun to use this popularity to push for closer defense relationships with key nations in Asia, Africa, and Latin America, knowing that defense planners in other countries know there is now less public fear of Beijing and of the People's Liberation Army. China also has utilized this popularity, along with its aggressive influence in international organizations and its growing aid disbursements, to increasingly push Taiwan out of its formal diplomatic relationships and keep Taiwan from international organizations. Most recently, China persuaded the African nation of Malawi to switch recognition to Beijing, a change that reportedly came with a substantial new influx of Chinese aid. China's skillful diplomacy also bolsters its economic and trade relations, including its global hunt for resources; the more positive Beijing's public image, the easier it is for China to mitigate countries' fears about the negative implications of Chinese investment and trade with China.

The diplomatic strategy also has allowed China to build close relationships with regional organizations in Asia, Latin America, and Africa – and, in some cases, to use these organizations to exclude the US from important regional gatherings. In fact, a significant part of China's new global strategy relies upon its interaction with regional multilateral organizations, from the East Asia Summit to the Shanghai Cooperation Organization, at a time when the United States tends to pay little attention to these regional multilateral groups. Once enmeshed in the organizations, Beijing increasingly utilizes its position in them to contrast its relations with those of the United States, and to leverage multilateral ties to build bilateral links to important nations ranging from the Philippines to Uzbekistan. At times, China, working with other authoritarian nations like Russia, also

¹ Portions of this testimony are taken from previous work by the author, including *Charm Offensive: How China's Soft Power is Transforming the World* (New Haven: Yale University Press, 2007) and numerous articles

has utilized organizations such as the SCO to directly push back at American policy goals within a region, like democracy promotion in the fragile states of Central Asia.

China's Emerging Diplomacy: Strategies and Tools

As much as any large nation with many actors within its bureaucracy can be said to have a coherent strategy, China appears to have a set of relatively consistent diplomatic strategies it pursues, with some adjustments from case to case. First, Beijing ties its efforts into a “win-win” set of values – into the idea that China is growing into a preeminent power but supports a world in which nations would not use hard power to interfere in other nations’ affairs, and in which all countries can benefit from China’s rise. China contrasts this philosophy with that of the US, which Beijing portrays as constantly asking other nations for concessions in the economic and security realms.

What’s more, China’s noninterventionist language, unlike the United States’ rhetoric, also mirrors some of the ideas enunciated by many developing nations’ own regional organizations, created since smaller developing countries often fear being overpowered by larger states. To take one example, since its founding four decades ago, for example, the Association of Southeast Asian Nations has always adhered to a code of noninterference in member states’ affairs, a code that fits well with China’s message of noninterference.²

Beijing’s new diplomacy displays a level of pragmatism unthinkable to a previous generation of Chinese leaders. For past leaders, ideology defined relationships, trumping other factors. Now, China deals with any state or political actor it thought necessary to achieving its aims, cultivating a much broader range of actors within other countries’ political systems. In the Philippines, China asks to mediate between the government and communist insurgents, so alienating the communists that they started threatening Chinese businesspeople investing in the Philippines.³

In some cases, however, China seems eager to cultivate nations whose relationships with the United States are faltering. In Uzbekistan, for example, Beijing bolstered its diplomatic outreach toward the government of Islam Karimov after the United States harshly criticized Uzbek human rights abuses in 2005. In the Philippines, Beijing took advantage of Manila’s frustration with America’s negative response to the pullout of Philippine troops from Iraq to step up China’s engagement with the government of Gloria Macapagal-Arroyo and the Philippine military, which now has far closer defense partnerships with Beijing and also bilateral defense training.

The Chinese leadership embraced “win-win” diplomacy and these new partnerships as it realized its hard power remained relatively weak. In fact, assuming a humble hard power posture is another part of China’s new diplomacy. Rhetorically accepting limits on its

² Robin Ramcharan, “Asean and Noninterference: A Principle Maintained,” *Contemporary Southeast Asia*, Apr 2000.

³ Author interview with Alejandro Melchor, former Undersecretary of Defense of the Philippines, Manila, Mar 2006.

hard power allows China to contrast itself with the US, which has a robust National Security Strategy, basing agreements around the world, and a blue water navy. Since the United States is the preeminent naval force, needed to guarantee the safety of vital sea lanes, it can accept no such limitations on its hard power. At least for now, China can accept such limits, though in the future that clearly may change.

Clearly, part of China's growing influence stems from its increasing power as a source of foreign direct investment and aid. Although neither of these topics is the subject of this hearing, they are worth mentioning in discussing Chinese diplomacy. From virtually no aid programs a decade ago, China has become the largest donor in Cambodia, one of the largest in numerous African nations, and one of the largest in many other states in Central and Southeast Asia. Though China's stock of outward investment remains small, it is growing exponentially, and Beijing also has positioned itself as a more equitable pursuer of free trade agreements than Western nations. In particular, at the WTO and other regional trade organizations, China has begun to suggest that, as the "world's largest developing nation," it has a better understanding of the needs of other developing states within trade organizations – even though, in reality, China's interests in trade organizations line up more with Western states, and many developing countries have begun to anger at China's aggressive trade diplomacy. Still, Beijing has enjoyed some success with this strategy – such as by creating, with ASEAN, potentially the largest free trade zone in the world. In all these deals, "win-win" Beijing presents itself as committed to free trade but not imposing any conditions on trade partners related to governance, environmental issues, or labor rights.

Again, this appears to be a direct contrast to other countries' diplomacy. The US, Europe, and Japan have to deal with more powerful and vocal domestic business interests, and legislatures that respond to these businesses. This is one reason why the US has not launched a trade agreement with all of Southeast Asia.

Chinese officials support the idea of "win-win economics" by providing trade and investment and tourism targets. These targets, for five or ten years in the future, tend to be enormous, and obscure the fact that, at present, Chinese direct investment into regions like Southeast Asia still lags far behind investment from the US and Japan and other developed nations. So, when Hu Jintao met Philippine President Gloria Macapagal-Arroyo in 2005, he promised over \$1.6 billion in new Chinese investment and aid to Manila; in 2005, when China hosted Indonesian Minister of Finance Jusuf Anwar, the Chinese announced that PRC investment in Indonesia could triple within five years, to as much as \$20 billion.⁴

Part of the engagement with multilateral organizations includes using more frequent state visits by top Chinese leaders. Over the past five years, senior Chinese politicians, like Hu Jintao and Wen Jiabao, have become far more active internationally, as documented by

⁴ "China Agrees to \$200 Million in Loans: Jusuf," *Jakarta Post*, 29 June 2005. Genalyn D. Kabaling, "RP, China Sign \$1.6 Billion Accords; Hu Cites 'Golden Age' of Ties at Congress Joint Session," *Manila Bulletin*, 28 Apr 2005.

National Defense University's monitor of leadership travel.⁵ In Africa, for example, leaders like Hu Jintao and Wen Jiabao make state visits to the continent at least once a year, while American presidents may not visit during an entire term. During these visits, Chinese leaders – especially Wen Jiabao – now are far more willing to expand their meetings beyond heads of state to include meetings with lower-level politicians, non-governmental organizations, religious figures, and other local opinion leaders.

China may have realized that, by avoiding multilateral organizations in the past, it only stoked fears of Beijing, since other countries had less interaction with Chinese diplomats, and few forums to discuss issues of concern with Chinese leaders. By fostering more interactions between foreign and Chinese officials, China could reduce fears of Beijing, allowing China time to gain more influence without other countries worrying so much about its rise.⁶ So, China has enthusiastically cultivated groups like Asean: According to Asian diplomats, China has initiated far more joint projects with Asean than other partners like Japan or the US.⁷ China also has consistently sent higher-level representation to the Asean Regional Forum, the premier Asian security grouping, than the United States, has sent higher-level representation to the numerous Asean-related meetings that occur throughout the calendar year, and has become an active participant in Asean + 3.

In Latin America, China has joined the Organization of American States, the most important regional group, observed at the Inter-American Development Bank, and signed an agreement on closer relations with the Andean Community.⁸ In Central Asia, China helped found the Shanghai Cooperation Organization, and in the Middle East China has helped create the Sino-Arab Cooperation Forum.⁹ In Africa Beijing established a Forum on China-Africa Cooperation in 2000, and then used the forum to create a Program for China-Africa Cooperation in Economic and Social Development, which outlined plans for closer cooperation on economic, health, development, and diplomatic issues.¹⁰ To boost its influence in African organizations, China hosted the last meeting of the African Development Bank, in Shanghai, which allowed China to showcase its economic success and developmental model to African leaders, many of whom were duly impressed. Increasingly, in the future, China may pursue a model of interaction with regional organizations in which it either helps found its own groups, like the SCO or the Sino-Arab Cooperation Forum, which inherently gives it more influence than joining an already-existing group.

⁵ Philip Saunders, *China's Global Activism: Strategy, Drivers, and Tools*, Washington: National Defense University Press, 2006. A complete listing of Chinese leaders' travel is available at <http://chinavitae.com/vip/>

⁶ Author interviews with Chinese scholars, Nha Trang, Oct 2005.

⁷ Author interview with Southeast Asian diplomats, Singapore, Jan 2006 and Oct 2007.

⁸ Ministry of Foreign Affairs of the People's Republic of China, "Inter-American Development Bank," updated 25 June 2006. Andean Community, <http://www.comunidadandina.org/ingles/Exterior/asia.htm> accessed 10 May 2006

⁹ "China, Arab States Set up Cooperation Forum," *People's Daily*, 30 Jan 2004.

¹⁰ Foreign Ministry of the People's Republic of China, "Great Achievements Obtained in Zeng Qinghong's Visit to Venezuela," 30 Jan 2005. See also "Forum on China-Africa Cooperation," <http://www.fmprc.gov.cn/zflt/eng/>

China also places a high priority on publicly adhering to the protocols of regional organizations, and on signing agreements and partnerships on nearly every trip abroad by Chinese leaders. Beijing has ended nearly all of its border disputes and has inked the Treaty of Amity and Cooperation, a document that commits the signers to mutual respect for the sovereignty and equality of the ten countries in the Association of Southeast Asian Nations. Beijing has committed to creating a code of conduct on the South China Sea; it has pledged adherence to the Southeast Asian Nuclear Weapon Free Zone, which the US rejects; it has enthusiastically signed bilateral cooperative agreements and strategic partnerships with several Asian states on a range of economic and strategic issues.¹¹ In Africa, meanwhile, China has signed cooperation agreements with over forty nations.¹² Beijing implicitly uses its recognition of regional organizations' protocols to contrast itself with the United States -- which, for example, has not signed the Treaty of Amity and Cooperation.

Finally, in all its relationships, Beijing prefers a model of influence in which it does not explicitly have to express its desires, but in which foreign nations come to understand what China desires and interpret China's needs into their thinking almost unconsciously. Such a style sometimes allows China to support countries advocating policies that exclude the United States, without appearing to be taking the lead on these policies. For example, working with Malaysian diplomats, Chinese officials were able to help set the criteria of the inaugural 2005 East Asia Summit so that it automatically excluded the US, since only countries that had signed the Asean Treaty of Amity and Cooperation could participate in the summit.¹³ However, in its aggressive behind-the-scenes diplomacy before the inaugural EAS, China alienated some Southeast Asian nations, since its aggressiveness contrasted with Beijing's stated philosophy of "win-win" diplomacy. Similarly, China may have quietly supported discussions at meetings of the Shanghai Cooperation Organization about US force presence in Central Asia, but when it came to for the group to release a statement, Beijing allowed other SCO members to take the lead.¹⁴

This style has roots in history – it was a style of diplomacy practiced by the imperial Chinese court towards its vassal states. Today it is seen most obviously in Southeast Asia, where Southeast Asian diplomats say that in the past three years, decisions at meetings of the Association of Southeast Asian Nations often are delayed as member nations quietly analyze what Beijing's potential reactions to any decision.¹⁵ Again, this is a sharp

¹¹ See, for example, Carlyle Thayer, "China Consolidates its Long Term Bilateral Relations with Southeast Asia," *Comparative Connections*, July 2000

¹² Ian Taylor, "Beijing's Arms and Oil Interests in Africa," *China Brief*, Jamestown Foundation, 13 Oct 2005.

¹³ Author interviews with Malaysian policy-makers, Kuala Lumpur, Jan 2006, and Singapore policy-makers, Singapore, Oct 2007.

¹⁴ Josh White, "Uzbekistan Senate Says U.S. Troops Must Leave," *The Washington Post*, 27 Aug 2005. See also "Central Asian Security Group Demands Deadlines for Western Bases to Pull Out," *AFX News*, 5 July 2005.

¹⁵ Author interview with Singaporean diplomats, Singapore, Jan 2006. Interview with Chinese diplomats, Washington, July 2006.

contrast from much of American diplomacy, which places a premium on not only cooperation but also statements of cooperation.

How China Wields its Influence to Achieve Foreign Policy Objectives: Successes and Failures

At the most basic level, China's diplomacy, including its interaction with regional organizations, simply helps Beijing pursue critical goals. These include: fostering stability within China itself, preserving the Communist Party's hold on power, boosting trade and growing markets for Chinese goods, increasing China's access to resources, settling border disputes, building closer relationships with key nations in Asia, and allowing China to assume a larger presence on the global stage without sparking a significant response from other countries in its region, among others.

Many of these goals do not threaten the United States. The fact that China is becoming a larger trading partner in Southeast Asia or Africa should be welcomed by the United States, as China's demand, particularly for commodities, has powered a new era of developing nation growth. If China becomes a larger player in global trade organizations, it eventually may become obvious that many of Beijing's trade interests actually line up with those of the United States, allowing more effective partnership. If China can effectively settle disputes over borders and overlapping claims, like those in the South China Sea, it would be a major step forward for the Asian security environment. What's more, China's pressure on regional groups like Asean to become more economically united actually will help American multinationals, which have factories across Southeast Asia and would prosper in a more integrated, open Asean market.

What's more, China's increasing diplomatic assertiveness and participation in regional organizations has, to some extent, led Beijing to take upon more of the responsibility of a great power. This is particularly true in Asia, where China appears most comfortable as a leader. Besides obvious examples like hosting the Six-Party Talks on North Korea, Beijing has become more active as a leader in less obvious ways. After tensions between Cambodia and Thailand nearly escalated into war in 2003, both countries needed someone to broker their feud, but Cambodia's leadership had a poor relationship with the US. So the two sides turned to Beijing. After the Chinese ambassador in Phnom Penh issued a statement asking Cambodia and Thailand to cool down, Chinese Vice Foreign Minister Wang Yi called in the Thai and Cambodian representatives in Beijing and helped them lay out their grievances. In private, the Chinese minister then warned the neighbors to normalize relations as soon as possible, or risk angering China – something neither Cambodia nor Thailand would do, since both are increasingly reliant on trade and aid from China.¹⁶ Chastened, the two sides began to patch up their relationship. By March of 2003, Thailand and Cambodia had reopened their customs posts, and their bilateral relationship had normalized.¹⁷

¹⁶ Author interviews with Cambodian diplomats, Phnom Penh, Jan 2006. See also "China Hopes Thailand, Cambodia Settle Unrest Calmly," *Xinhua*, 30 Jan 2003.

¹⁷ "Cambodian Border: Checkpoints Reopen," *The Nation (Thailand)*, 22 Mar 2003.

In addition, China's growing interaction with multilateral donor organizations also may prove positive. China may make its aid programs more transparent and sophisticated. In crises like the Asian tsunami, China has coordinated with other donors. On other occasions, in Cambodia and East Timor, Chinese officials were invited to meetings of all major donors, and began attending, showing their interest in working with other countries.ⁱ Beijing also has quietly told aid specialists that it wants to build a Chinese version of the United States Agency for International Development (USAID), a permanent aid bureaucracy.ⁱⁱ

Yet at the same time, there are clear potential negative impacts of China's new diplomacy. As China becomes more effective in regional multilateral organizations, it can utilize those groups to push back at American strategic interests and broader American goals. In Central Asia, for example, China and Russia have utilized the SCO to publicly take a stand against democracy promotion in the region, and against American basing in the region.¹⁸ In July 2005, at the Shanghai Cooperation Organization summit, SCO countries warned against any countries "monopolizing or dominating international affairs" and demanded that Washington provide a timeline for withdrawing American forces from SCO member countries.¹⁹ Soon, Uzbekistan tore up America's basing rights.²⁰

On a more subtle level, the SCO has allowed China far greater interaction with Central Asian nations, many of whom now send police and other legal officials to China for training – training that undoubtedly contains some element of pressure to crack down on Uighurs living in Central Asia, where many had fled from China as refugees. In fact, in recent years several Central Asian nations have become noticeably less hospitable to Uighur refugees, and have proven willing to repatriate Uighurs to China.

Also, as China increasingly gains access to resources, it could have significant economic implications for the United States, some of them negative. China's growing diplomatic skill, and its desire to not only buy oil but also control oil infrastructure, could eventually allow it to gain exclusive access to oil and gas fields, particularly in nations like Venezuela seeking to downgrade links to America. Though China has been very cautious about directly threatening American access to oil, as Beijing's energy needs skyrocket, it could find itself with little choice other than to compete with the US. Already, Chinese state-linked oil company Sinopec has expressed interest in upgrading a pipeline from Venezuela that would run through Panama and to the Pacific, and Chinese companies have helped Venezuela become less dependent on American technology in other industries, including telecommunications.²¹

¹⁸ Stephen Blank, "Islam Karimov and the Heirs of Tiananmen," *Eurasia Daily Monitor*, Jamestown Foundation, 14 June 2005.

¹⁹ "Central Asian Security Group Demands Deadlines for Western Bases to Pull Out," *AFX News*, 5 July 2005.

²⁰ Josh White, "Uzbekistan Senate Says U.S. Troops Must Leave," *The Washington Post*, 27 Aug 2005.

²¹ R. Evan Ellis, "US National Security Implications of Chinese Involvement in Latin America," Strategic Studies Institute, US Army War College, June 2005, p. 8

What's more, China clearly has begun to utilize its more effective diplomacy to limit Taiwan's space both in multilateral organizations and in Taiwan's informal bilateral relationships with other nations. In Southeast Asia alone, China has increasingly pressured individual nations to limit Taiwanese politicians' informal relationships with Southeast Asian leaders, as well as Taiwan's informal diplomatic missions in Southeast Asian nations.

China also increasingly has put pressure on Southeast Asian and African nations to help it oppose Taiwan's membership in a range of international organizations.

These trends have significant implications for the United States, as Taiwan's decreasing informal diplomatic presence only heightens anxiety in Taipei about its global role, and potentially makes Taipei even more dependent on its relationship with Washington. In the long run, too, China may utilize its increasing influence in Southeast Asia to pressure other nations like Singapore and the Philippines to abandon their quiet, but crucial, defense links to Taiwan; or, to pressure US allies like Australia to become more ambiguous about Canberra's willingness, under the ANZUS alliance, to support the United States in case of a Chinese attack on Taiwan. Again, such changes would put even more pressure on the US-Taiwan relationship, and further isolate the United States from other nations in Asia.

Beijing's tacit support for authoritarian regimes, stemming from its vow of noninterference, also runs exactly contrary to this American foreign policy. China already has shown a willingness, at a range of international forums, not to intercede in cases when pressure on foreign governments might threaten nations' sovereignty. As China becomes more engaged in multilateral and regional forums – many of which, like Asean, already are reluctant to criticize member-states – it is likely to strengthen this preference for noninterference over pressure on nations, from Burma to Sudan, to upholds standards of better governance.

An American Response

Despite China's more sophisticated diplomacy and growing influence in multilateral and regional organizations, Beijing still faces many hurdles in consolidating its diplomatic successes. If it becomes more assertive in bilateral or multilateral relations China may scuttle perceptions it has tried to create that it is a different type of diplomatic power that values sovereignty, thereby undermining its own diplomacy. To take one example, in Zambia populist opposition politicians recently have tried to make Chinese investment in Zambia a campaign issue – they claim that Chinese investment in Zambian mines has led to deteriorating safety standards, they warn that Zambians are not benefited from Chinese investment, and they suggest shifting recognition to Taiwan. In response, the Chinese embassy in Zambia, for perhaps the first time ever, took a public stand on an election in Africa, warning Zambians to vote for the government or face potential sanctions from

Beijing.²² As a result, China no longer seemed to be a different, non-interfering type of power, damaging its image in Zambia.

In addition, since China's new diplomacy also depends on signing trade, economic, and security agreements rapidly, to create initial goodwill, China can face problems in other nations when those agreements are not rapidly implemented, or are less substantial than they appeared at first. Often, the agreements are merely letters of intent. In Asia, when officials from local boards of trade and investment follow up, they sometimes find that Chinese officials had laid no groundwork to put these letters into practice.²³ Similarly, many of the new multilateral organizations created by China over the past decade to further its relations with parts of the developing world have done little of substance, disappointing member-states. Making matters worse, many leaders across the developing world have begun to share Western perceptions China as an unfair competitor, due to China's labor practices, dumping, undervaluation of its currency, and state support for certain industries.ⁱⁱⁱ To take one example, Argentina has imposed new non-tariff barriers on categories of Chinese imports. Brazil alone has used at least twenty antidumping clauses and safeguards against categories of Chinese exports.

Chinese aid also often has come tied to commitments to provide contracts to Chinese construction firms -- a tying strategy similar to unpopular Japanese assistance programs in the past.^{iv} In addition, Chinese investment often tends to be low-interest loans given to Chinese companies to build factories and infrastructure, rather than money given to aid local companies. The fact that Chinese aid often does not build local capacity has begun to spark criticism in Africa and Southeast Asia.

In addition, since China bases its diplomacy partly on appearing to be a champion of developing nations, it will increasingly face a quandary at global institutions like the United Nations or the World Trade Organization. In many cases, China's own interests coincide with those of industrialized nations -- China shares many of the same trade goals as the US, Europe, and Japan. But if China goes along with these industrialized nations, it risks alienating developing countries, a central component of its new diplomacy.

Finally, China's exporting of its own poor standards on labor issues, the environment, and corporate governance also is beginning to foster blowback against Beijing in the developing world. Local workers have protested Chinese firms' poor labor policies not only in Peru but also in South Africa and Zambia and many other nations.

An American response to China's emerging diplomacy, then, must simultaneously strengthen the positive aspects of China's diplomacy while challenging the negative elements. First, the United States must have a better understanding of China's global diplomacy. Partly, this can be accomplished through efforts like the U.S. China

²² Joseph J. Schatz, "Zambian Hopeful Takes a Swing at China," *The Washington Post*, 25 Sept 2006. See also John Reed, "China Intervenes in Zambian Election," *Financial Times*, 5 Sept 2006. See also Victor Mallet, "Ugly Face of China in Africa," *Financial Times*, 13 Sept 2006.

²³ Author interviews with officials at Philippines Department of Trade and Industry, Manila, Mar 2006 and Cambodia Ministry of Commerce, Phnom Penh, Jan 2006.

Engagement Act, which would create more American missions in China so that US diplomats would build closer relations with their Chinese counterparts and would boost federal grants for Americans studying Chinese. The US also should have one person in each embassy examining that nation's bilateral relations with China – China's aid policies, Chinese investment, China's public diplomacy, Chinese leaders' visits. This group of China-watchers could be drawn from the ranks of young American diplomats I've met who have served in China in recent years, been transferred to other posts, but remain intensely interested in China issues. When I have suggested this idea to some scholars and American officials, they rejected it, saying that this policy would signal a confrontational approach to China. But while this policy might seem confrontational, it also seems only rational. Almost definitely, Chinese embassies in many countries closely monitor US relations with each nation, even as Chinese diplomats build ties to US diplomats and cooperate on topics of mutual concern.

With a better understanding of China's new diplomacy, the United States can more systematically set clear limits of where it believes China's diplomacy possibly assists Chinese hard power objectives that threaten American interests. Recognizing China's growing power, the United States can on the one hand encourage China to play a larger, more constructive role in multilateral organizations like the WTO, and promote a larger role by giving Beijing more power and influence at such organizations. It can push China to play a constructive role in regional organizations like Asean + 3, and allow China increasingly to help mediate regional disputes, from North Korea to Burma, where a 6-Party process similar to the North Korean plan might be appropriate. It can attempt to convince China to cooperate more closely with the United States on energy issues, where Beijing and Washington, as the two largest consumers in the world, do have convergent interests.

At the same time, however, the United States must protect its geostrategic interests from China's increasing global influence. For one, the United States must make clear to allies like Australia their obligations under the ANZUS treaty. In addition, the United States should encourage its friends in Southeast Asia, like the Philippines and Singapore, not to completely cut off Taiwan's informal diplomatic links and defense relationships, which serve an important purpose. The United States should make clear to Beijing that utilizing regional organizations like the SCO or the EAS to exclude American influence from a certain region is not acceptable. At the same time, the United States should not shy away from highlighting the negative aspects of China's rise to other nations around the world, including China's impact on labor rights, governance, and environmental protection in other nations.

In order to actively combat China's growing influence, the United States also must rebuild its own diminished global soft power. Doing so will require many steps, too numerous to detail here. But a good start would include: re-engaging with the regional organizations, like Asean, which China has targeted, including by sending higher-level American representation to Asean meetings; re-energizing US trade diplomacy in Asia; continuing the State Department's reforms of American public diplomacy; following through, with appropriate resources, on the State Department's new "transformational

diplomacy” initiative; considering signing important regional documents like Asean’s Treaty of Amity and Cooperation; shifting away from the traditional American focus on bilateral alliances in Asia; and reinvigorating the idea of a “community of democracies” in Asia, among other plans.

Thank you for your time, and your interest in this critical subject.

ⁱ Interview with Elizabeth Huybens, World Bank East Timor, Dili, Mar 2006. Interview with Western diplomats, Phnom Penh, Jan 2006.

ⁱⁱ Interview with Carol Lancaster, Georgetown University aid specialist, Washington, Aug 2005. Interview with Chinese officials, Washington and Beijing, July 2005 and Aug 2005.

ⁱⁱⁱ James Allen, “Lula Admits he Made Political Decision,” *O Estado de Sao Paulo*, 13 Nov 2004.

^{iv} R. Evan Ellis, *US National Security Implications of Chinese Involvement in Latin America*, Carlisle, PA: Strategic Studies Institute, 2005, p. 29.