Andrew Small, German Marshall Fund of the United States
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China's expanding Global Influence: Foreign Policy Goals, Practices and Tools
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China's changing policies towards rogue states

Chinese policy towards rogue states has undergone a quiet revolution in the last few years. While China is far from being a genuinely like-minded partner to the United States in dealing with these countries, its cooperation is becoming an increasingly central factor in diplomatic efforts to find solutions to the crises in North Korea, Iran, Sudan, and Burma.

The approach that Beijing is developing is distinct. While continuing to act as a diplomatic protector and deepening its economic ties with pariah states, it is more willing to make its protection conditional on their taking steps towards international acceptability. And Chinese diplomats, who once sat on the sidelines and abjured responsibility on the grounds of China's status as a 'developing country', now devote increasing energy to brokering compromises between these regimes and the international community.

This evolution cuts in both directions. When China believes that these states are behaving with complete recalcitrance it has been prepared to support the imposition of sanctions and to express public criticism. Yet China is also increasingly willing to block efforts to exert pressure on these countries when it believes it to be unjustified interference or where Chinese economic interests are at stake. Importantly though, Beijing's attitude towards 'non-interference in internal affairs' has shifted: aside from cooperation on traditional threats to international security, China is now willing, albeit in limited circumstances, to treat internal repression and atrocities as legitimate grounds for international intervention.

It would be easy to dismiss this as mere tactical flexibility. Moreover, there is a strong argument that these shifts in Beijing's stance remain modest and need to be viewed in a context where China's trade links, investment, and preparedness to sell arms to rogue states continue unabated. But China's willingness to use its 'special' relationships with these regimes to persuade, and even strong-arm them into taking steps that they clearly find uncomfortable has delivered some undeniable diplomatic successes. Determining how best to leverage Beijing's role will be a critical factor in future U.S. diplomacy towards rogue states, as well as an increasingly central element of the bilateral U.S.-China relationship in the coming years.

The testimony below sets out the nature of the shift in Chinese policy, the driving factors, the constraints on its scope, and the implications for U.S. policy.

Current state of play

The background to China's growing role in rogue states has been covered in previous Commission hearings. As a target for extending China's overseas investments and securing resources, these countries present attractive qualities. There is a relative lack of competition from Western companies, barred by sanctions, concern for reputational risk, or simply the difficult operating conditions. And the governments of these countries understand the value of securing a close relationship with a rising, non-Western power, with a seat on the P5, that can act as both economic benefactor and political protector. The push and pull factors have varied. CNPC's initial deals in Sudan went ahead despite Chinese government apprehension; since the start of the decade, the 'go out' strategy has seen more extensive packages of government support to Chinese companies seeking to make international investments; and more recently, there has been assiduous courtship and inducements from regimes establishing 'Look East' policies of different sorts.

This basic dynamic has not gone away. China was awarded a major natural gas exploration contract in Burma within days of vetoing a UN Security Council resolution directed against the junta in January 2007, despite putting in a lower bid than an Indian competitor. And with European and Japanese companies pulling out of Iran, China has been stepping in, with Sinopec and CNOOC signing major deals within the last few months alone. But much else has changed.

In a recent article in *Foreign Affairs*, my co-author, Stephanie Kleine-Ahlbrandt, and I trace the gradual and experimental process through which China's diplomatic approach to managing these relationships has shifted over the past few years. It is useful to compare the current situation with that of barely three years ago. In the first half of 2005, China seemed to go out of its way to provide political support to any authoritarian leader under threat – welcoming Uzbek president Islam Karimov with red-carpet treatment to Beijing within a week of the Andijan massacre and Robert Mugabe to a week-long visit at the peak of international outrage over his campaign to demolish households in opposition strongholds. In the UN Security Council, China had threatened to veto resolutions on Sudan and attempted to prevent even discussion of the crisis in Zimbabwe. Beijing took a quiescent role in the North Korean nuclear crisis, a host for the Six Party Talks but not much more.

At the beginning of 2008, by contrast, China has just supported its third UN Security Council resolution tightening sanctions on Iran. Its special envoy has recently returned from Khartoum publicly expressing 'grave concerns' to the Sudanese government about the situation in Darfur and calling on it to speed up the deployment of peacekeepers to the province. The deployment itself was one that the Sudanese government agreed to following heavy Chinese pressure last July, when Beijing was able to announce the passage of UN Security Council 1769

authorising the deployment of the force, to operate under a chapter 7 mandate, on the final day of its Security Council presidency. Chinese peacekeepers were among the first to deploy.

China is also currently taking a leading role in attempting to broker an agreement that can break the impasse in the second phase of the North Korean denuclearisation process, engaging in shuttle-diplomacy with Pyongyang, and drafting proposals for the sequencing of measures to be undertaken by the two sides (the United States and North Korea). Pyongyang has seen the willingness of its leading supporter publicly to turn on it where necessary, with Beijing describing North Korean behaviour as 'brazen' after the nuclear test in October 2006 and supporting a tough sanctions resolution. In Burma, UN special envoy Ibrahim Gambari has concluded a third visit – including a further round of meetings with Aung San Suu Kyi – which have come about under systematic Chinese pressure on a reluctant junta to accept him. China's hand is also seen behind the regime's announcement of a 'roadmap' that will include a referendum on a new constitution in May and elections in 2010, a process that China has pushed the junta hard to expedite.

Of course, these headline statements require a long list of caveats. In the negotiations on Iran sanctions, China no longer hides in Russia's shadow and pushes hard to limit their scope. During a period when the Sudanese government has systematically obstructed the deployment of the international force and escalated attacks in the region, China's most notable action was the blocking of a UN Security Council Presidential Statement demanding the extradition of suspected war criminals to the ICC. The referendum and election process in Burma is widely seen as a way of legitimizing military rule, will exclude Aung San Suu Kyi, and will correspond to no imaginable international standards.

But China is nonetheless a fundamentally different diplomatic actor in dealing with these situations than it was in the recent past. Particularly notable is the degree to which policy has shifted simultaneously towards these different countries – both because China is learning and applying lessons from one case to another and because common factors are driving the shift. There are, of course, great differences in the bilateral relationship dynamics. Neighboring Burma or North Korea, where border stability plays such a vital role in China's calculations and where the governments chaff against a big brother relationship, are not a like-for-like comparison with Zimbabwe or Sudan. The nuclear crises in North Korea and Iran are qualitatively different in nature from the internal crises in Sudan or Burma. And the scope of China's leverage varies greatly between North Korea, where it is the leading supplier of energy and aid; Burma, where it has been in pitched competition with India for natural gas contracts; and Iran, where, despite the extent of its trade ties, it plays a much less central diplomatic role. Yet a number of overarching factors have pushed China from what was, three years ago, a largely obstructive approach to the present level of cooperation.

Drivers

Risks and benefits in relations with the United States
China has seen that the advantages of extending its relationships with international pariahs need to be weighed against both the risks of harming relations with the United States and other Western powers, and the advantages that can accrue to China from closer cooperation. The risks were pressed on China forcefully in September 2005 by then-Deputy Secretary of State Robert Zoellick, who argued that China's ties with 'troublesome' states would 'have repercussions elsewhere' and that China needed to choose whether 'to be against us and perhaps others in the international system as well'. But Zoellick also paired them with the prospect of a 'transformation of the Sino-American relationship' to a state where China and the United States are systematic partners – stakeholders – in sustaining the global system. This message was reinforced during Hu Jintao's visit to Washington in April 2006, when China was pressed in meetings with President Bush to cooperate with the United States on policy towards North Korea, Iran and Sudan. While initially perceived as a burden, cooperation on these issues has nevertheless been seen by the Chinese leadership as an opportunity to firewall the U.S.-China relationship against a downturn and to create the goodwill necessary for greater cooperation on China's own priorities (most notably vis-à-vis Taiwan). As cooperation with the United States has proceeded on a case-by-case basis – first North Korea, then Sudan, most recently Burma (and Iran, to a certain extent, throughout) – China's confidence in the benefits of this approach have certainly grown and its suspicions about the risks have diminished. The United States is, of course, far from the only country taking this stance towards China – the Europeans and others, in pressing similar messages, ensure that China is not simply lining up with the United States but with a broader international consensus.

Chinese soft power
While demonstrating to U.S. officials that China is a constructive partner is a high priority, Beijing has seen that it will still face serious problems if broader public opinion is hostile. Although the Olympics have provided a focal point, the issues at stake transcend them. Not only is there the risk that a popular backlash against China's global role could gain political momentum but China naturally wants to ensure that it is not operating in a global environment of constant scrutiny, suspicion, and condemnation. The 'genocide Olympics' campaign showed the scale of the threat to China's image that association with these regimes poses if there is no genuinely defensible position that Chinese officials can take. While China's policy on the Darfur issue had moved months before the campaign started, it created considerable additional pressure for Chinese diplomats to deliver results with Khartoum and led to the appointment of special envoy Liu Guijin.

Chinese officials are generally suspicious about the motives and agendas of the NGOs that target China on these issues. They complain about what they often perceive to be a hostile media. But privately they often admit that they are embarrassed to be associated with the likes of Ahmadinejad, Mugabe, or the Burmese junta, and that these rogue state relationships undermine China's

efforts to portray itself as a responsible power. How much of this is concern about image and how much reflects the fact that Chinese officials are genuinely concerned about the situations in questions is an interesting question. Perhaps the most substantial point of critical Chinese feedback about the *Foreign Affairs* article on this subject concerned this issue of 'values': the article having claimed that China's position on these issues reflected no more than a cold calculation of interests. It is certainly fair to say that Chinese diplomats make a distinction between the 'bad authoritarians' in Burma, Zimbabwe, or North Korea, whose populations suffer from desperately stagnant or deteriorating conditions, and 'good authoritarians', such as Russia, Vietnam or China itself, whose people at least appear to benefit from economic growth. In the former case, China privately urges reforms on the regimes and has been willing, at points, to be openly critical of the conditions in these countries. At the very least, China knows that being seen in the same camp as the 'bad authoritarians' poses a threat to the international legitimacy of its own system. But when Chinese diplomats return from Darfur making statements about being moved by the stories of people forced to flee their homes, it would be unfair to dismiss this purely as cynical public relations tactics and to fail to recognize the degree to which a more active involvement in these crises might bring more basic human concerns into play.

Securing China's interests on the ground

As China's investments in these countries have grown and its citizens have arrived in increasing numbers, China has had to develop a more sophisticated way of securing its interests. After a flush of enthusiasm rushing into countries such as Zimbabwe, Chinese officials have discovered a marked difference between the relationship needed to strike the deals with repressive governments and the relationships needed to make a success of these investments in the longer term. The short-term component has been the kidnappings and killings of Chinese workers in Ethiopia, Niger, Nigeria and Pakistan; the attacks on Chinese property in Zambia and Zimbabwe; threats to Chinese oil installations from rebel groups in Darfur; and protests outside the Chinese embassy in Yangon during the September demonstrations. China fears that the targeting of Chinese assets and citizens could become a more systematic political tactic – or that popular resentment about the Chinese role could explode. This is particularly acute in countries such as Burma, where there has previously been large-scale violence directed against the Chinese population, which currently numbers as much as a million.

Over the longer-term, China has profound doubts about the stability and viability of some of these governments. As it looks to portray itself as a neutral force rather than an unequivocal backer of government repression, it has made efforts to develop ties with other groupings in many of these countries. It has reached out to a number of different factions in ZANU-PF and possible successors to Mugabe; it has developed extensive relationships with the democratic opposition and ethnic minority groups in Burma; and it has moved to extend ties with the Government of South Sudan. The need for a more balanced set of relationships inevitably pulls China towards a more nuanced position than was the case before

it engaged in a meaningful way with these internal political dynamics. And China knows it cannot afford to place all its chips on the survival of fragile and unpopular regimes.

Securing China's interests in international forums
The pace of China's diplomatic learning process has been faster than Chinese officials would have liked and has led them well outside their comfort zone. In North Korea, Burma and Sudan, Beijing has been pushed to take a centre-stage position that it would rather have avoided – but the outcome has been a considerable growth in China's diplomatic self-confidence. The North Korean nuclear test in October 2006 was perhaps the single most important catalyst. Having tried to sit on the fence and placate both sides, China found itself instead with the worst of all worlds: a declared nuclear North Korea; the United States believing that China had done too little to head the threat off; and North Korea believing that China had sold them out to the United States over financial sanctions. Since then, while retaining an instinctive reluctance to exercising a leadership role, Chinese officials have done a far better job of punching (at least) at their weight, shaping diplomatic processes, and determining clear Chinese policy objectives when dealing with diplomatic crises. Beijing has also come to see the value of ensuring that there is a political process in place to deal with these crises that it can point to in order to hold back consideration of coercive resolutions at the UN Security Council. This includes the Gambari and National Convention processes in Burma, the Six Party Talks, the Sudan peace talks, and the EU3+3 meetings on Iran. When these tracks have broken down, China has been willing to consider UN Security Council action. While it is a less-preferred option, it is still better than a systematic deadlock on the Council that could lead to the United States and other powers looking to alternative forums or resorting to military action.

Constraints
Several important limits to China's role, however, must be born in mind when considering US policy responses. China sees its willingness to cooperate on policy towards rogue states partly as a means of justifying its economic relationships with them – it does not consider its economic ties as means to exert pressure. Even when China has supported sanctions, it tends to treat them as a largely 'symbolic' measure. Similarly, China's attitude towards weapons sales has been legalistic and defensive. This position has been maintained despite consistent evidence that Chinese weapons have, for instance, been systematically used in Darfur and by Iranian linked groups in Afghanistan.

Important constituencies in China – mostly on the commercial and military side – believe both that trade ties must continue uninterrupted and that full-spectrum cooperation with Western policy should not be pursued. Even among Chinese supporters of cooperation with the United States, there is a limited degree to which values and threat perceptions are really aligned. China is undoubtedly concerned about the risks to its interests from further nuclear proliferation and there is some degree of distaste for the behaviour of the Sudanese government

and the Burmese generals. But it does not see the likes of Iran as a threat *per se*, and plenty of Chinese officials see internal repression of the sort that took place in Burma last September as understandable, even if regrettable. China therefore treats elements of its cooperation as something of a concession to the West, which could be reversed if relations were to take a serious turn for the worse.

China also sees continued value in maintaining positive relationships with these countries and in sustaining its reputation as a champion of the interests of developing countries (or at least their governments). It knows that its leverage and influence over rogue states derives from being seen by these regimes as an economic supporter and diplomatic protector that will slow down or fend off Western pressure, even if not to the extent of provoking a confrontation with the United States. But China is concerned that its reputation is fragile and that if it is seen to go too wholeheartedly into the Western camp then its capacity to play a central role in these crises is diminished – and even its support in the G77 over issues such as Taiwan and human rights may even be at risk. Moreover, these regimes are stubborn, paranoid and often have cards of their own to play with the Chinese. None of them are going to compromise on basic regime interests, even under very heavy pressure. For the most part then, China is – in the crudest formulation – happy to play 'good cop' with rogue states but will only play 'bad cop' in the most exceptional circumstances.

Issues for U.S. diplomacy

This is a policy area in considerable flux, and is still moving forward on a case-by-case basis. But in the short-to-medium term, these basic elements of Chinese foreign policy practice have become relatively predictable, with some obvious implications.

i) China wants to be seen to be on the right side of the United States on issues that it perceives either as serious U.S. security concerns (North Korea, Iran) or issues with domestic U.S. political traction (Sudan, Burma). When the United States defines these as priorities, it can now reasonably expect to receive some meaningful level of cooperation from Beijing. The extent will depend on China's own stake in the issue – high in the case of North Korea, where there is a genuinely shared concern over denuclearisation, lower on Burma, where there is no basic alignment with the United States on the fate of the regime or the establishment of a genuine democracy there. It will also depend on U.S. willingness consistently to convey the need for Chinese cooperation on these issues at the highest political levels. The top leadership in China is still driving the major policy shifts in this area and need to intervene above the heads of the disparate, competing bureaucratic and economic interests lower down in the hierarchy. This high-level attention needs to be maintained. When President Hu Jintao and Premier Wen Jiabao are being pressed regularly in meetings and telephone calls, the level of diplomatic activity on an issue such as Sudan is naturally higher. But Chinese attention and efforts are wont to drift when its political salience on the U.S. side is perceived to diminish.

ii) China is acquiring increasing scope to define the bottom line when it comes to multilateral agreements on policy towards rogue states. It negotiates hard on the details and generally makes some measure of compromise on preferred U.S. policy a precondition of its support. China's support has been deemed valuable enough to make this process worthwhile, and weakened Security Council resolutions preferable to no resolutions. In some cases, the weakening of these resolutions has even been necessary to gain governments' consent to the proposed measures proposed, such as the AU/UN hybrid force in Darfur; but in others, they have largely reflected a fear that China's own economic interests are under threat. Calling China's bluff by putting tougher resolutions on the table than it indicated willingness to support has real risks – China vetoed the draft resolution on Burma in January 2007 when a Presidential Statement could likely have been agreed, and there is good reason to think that they would be willing to do so again.

In broad terms, this U.S. approach makes sense. The multilateral track is delivering important enough results that keeping China on board is now a real priority. It is also important to bear in mind that the real focus of Chinese efforts is more often on the bilateral track – when its diplomats are willing to play diplomatic hardball in Pyongyang, Naypyidaw, or Khartoum. But if China continues to place major limits on the scope for pursuing coercive methods against rogue states through the UN Security Council, parallel coalitions that are prepared to go further will also need to be built outside it. One recent example of this was bilateral U.S. financial sanctions on Iran and Burma, a tactic that a number of other countries (and companies) have supported. In some circumstances, such approaches may put Chinese cooperation in jeopardy, particularly where it involves the targeting of Chinese companies. But so far, it has as often led to the parts of the Chinese economy that have a stake in access to the Western financial system – most notably Chinese banks – grudgingly taking steps that go beyond anything that could ever have been agreed at the UN, without damaging the primary multilateral track.

It is also important to note China's fear of being cut out of the process entirely. For instance, the greatest risk to Chinese interests in some of these cases has been the prospect of US military intervention – most obviously in Iran, but even in a case such as Sudan, where options such as no-fly zones or missile strikes on Khartoum have been floated. Where there is a credible threat that the failure of a process (such as the EU3+3) will lead to the issue falling outside Chinese control, there is far more incentive for China to ensure that the process delivers. And when that threat comes off the table – as they believe it to have in the case of Iran – the pressure to cooperate quite so extensively diminishes.

iii) Building a wide international consensus on policy towards specific rogue states – making them into genuine pariahs – will also contribute towards more active Chinese cooperation. China does not want to be isolated. Even when vetoing the Burma resolution, China solicited Russia to veto alongside it and is very loath to be the odd one out among the P5. It is also willing to show some

deference to the preferences of regional organisations such as the AU, ASEAN and SADC, whose political cover, *inter alia*, makes it easier for China to cooperate with the West without being seen to 'sell out' its friends in the developing world. If the United States invests diplomatic energy in squaring other key allies, neighbors, and regional organisations – even those that may be perceived as otherwise ineffectual – both the ease of getting China on board and the extent of its cooperation will be that much greater.

iv) The United States and its allies need to keep pushing China to bring the full extent of its leverage to bear. At present, it is too much to expect that China would suspend its economic cooperation with some of these countries. But Beijing can reasonably be asked to spell out some red lines beyond which it would be willing to apply pressure on these governments through economic as well as diplomatic means. China must also be pushed hard to restrain its companies during sensitive moments in diplomatic processes, even if Chinese leaders only do so through the exertion of informal pressure rather than legal means. The willingness of Chinese energy companies to sign major deals with Iran at the same time as negotiations on another UN Security Council resolution were underway undermined its impact. They could very likely have been prevented if political pressure from Beijing on Sinopec and CNOOC had been brought to bear. There are many other similar cases of Chinese mixed messages, and over time it will be harder to persuade even U.S. allies to cooperate if China moves systematically to pick up every contract they pull out of. Similar principles apply on weapons sales. When Chinese arms continue to turn up in Darfur despite the UN embargo, China should be pushed to restrain supplies to Khartoum until they can guarantee that this will no longer happen.

In every case, when behind-the-scenes Chinese diplomacy is delivering results, it is reasonable enough for Chinese diplomats to argue that they are doing what they can – but when it isn't, China should be pressed to use the other tools it has at its disposal.

China's new pariah state policy

In the final analysis, there is much to be upbeat about. There is now an important, basic level to which China takes a responsible position in dealing with these states. There is also an acceptance on China's part that the United States and others are right to expect it to take such a position of responsibility. And when China does step up on the issues, it does not act purely as a plus-one but brings new elements to the table – a level of trust and a form of leverage with many of these countries that the United States and other powers do not always have. Its desire not to risk serious rifts in these relationships acts as a constraint on U.S. policy, both because of China's willingness to hold off certain sorts of coercive international pressure and because its economic links provide these countries with a lifeline that most of them would not otherwise enjoy. In some cases, the United States will have to push China to go further; in other cases find ways of exerting pressure on these countries despite Chinese resistance. But the level of cooperation that China is already comfortable offering is already starting

to produce meaningful results. It is now reasonable to expect that a major component of U.S. efforts will on many occasions be one of effective policy coordination with the Chinese.

The scale of China's policy shift and its level of alignment with the United States should not be oversold – China is not going to bring democracy to Burma or stop buying oil from Iran. But the existing Chinese policy is a leap beyond what would have seemed plausible barely two years ago. Rather than debating whether or not a shift has really taken place, the aim now must be to determine how best to take advantage of it.