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Testimony: “Speculating on U.S.- China Relationship in the Next Five Years”

Dear Chairman Carolyn Bartholomew and Vice Chairman Daniel Blumenthal,

I am honored to be invited by the U.S.-China Economic and Security Review Commission to talk about U.S. – China relations in the next five years. My specialty is comparative political culture and comparative political thought. Therefore, I will look at the issue largely from this perspective. This testimony was drafted in response to the four questions raised by the commission. Each of the four questions is broad. I can only focus on certain aspects of these four questions in this testimony.

1. The State of U.S.-China Relations.

The state of US-China relationship has entered into a more established stage. The two countries need to address bilateral issues on a constant basis and occasionally a crisis may occur. Nevertheless, barring unusually circumstances, the conflicts between the United States and China in the next five years will be manageable. Three decades of engagements have enabled the two countries to know each other a lot better now. Most leaders of the two countries realize that it is in the interest of both to engage with each other. Many key issues in the bilateral relations are not unique between the two countries. For instance, the trade frictions between the United States and China today are very similar to that between the United States and Japan in the past.

To effectively handle the bilateral relationship, “soft issues,” such as cultural and historical factors may deserve more attention, since much attention has already been given to “hard issues,” such as economics and security. Some economic and security crises in the bilateral relations have often been exaggerated because of cultural, psychological and historical factors.

Traditionally, the Chinese have a monistic understanding of the universe. Truth has one source. So does power. This monistic way of thinking is connected with China’s traditional authoritarian political structure. With this way of thinking, it is hard for the Chinese to understand the checks and balances and the separation of power built into the U.S. political system. On bilateral relations, many Chinese believe that there is a conscious division of labor between the two branches of the U.S. government in the sense that the Executive Branch wears a “friendly mask” towards China, while the Legislative Branch wears an “angry mask” towards China. Similarly, many Chinese believe that the

U.S. media “demonize” China, a situation that is believed to be orchestrated by the U.S. government. All these have contributed to the complexity of the bilateral relationship.

Chinese monism is reflected in its behavior in international organizations also. During the two decades from 1978 through 1997, China as a permanent member of the Security Council of the United Nations exercised veto power only once because that issue involved Taiwan. Often, this kind of behavior was interpreted politically: The Chinese government since 1978 has adopted pragmatic policies and focused its attention on domestic modernization. China left the responsibility of maintaining the global system largely to the United States. From a cultural perspective, this behavior may also be connected with the Chinese monistic understanding of the universe. Other permanent members of the Security Council all exercised veto power many times during the period.

Cultural miscommunication can go the other way around. The Taiwan issue is an example. Many Americans don’t understand China’s firm position on the Taiwan issue. Americans feel comfortable with Canada being separate from the United States, although the two countries share similar cultural traditions. Many Americans wonder, “if the United States and Canada can be similar but separate, why not Beijing and Taipei?”¹ With a more pluralistic way of thinking and the earlier building of the “nation-states” in modern times, Westerners feel comfortable about many “nation-states” existing under one civilization. Traditionally for the Chinese, China equals the universe. The concept of “nation-state” is alien to the Chinese – indeed to other non-Western countries as well. The irony is that many contemporary European countries each pretends to be a civilization, although they are little more than “nation-states,” while China, as a civilization, struggles to act like a regular “nation-state.”² It is difficult for many Chinese to accept the idea that Taiwan is separate from the mainland.

This monistic way of thinking is connected with the geographic location from which the Chinese civilization originated: China is a closed system, separate from other parts of the world by the Pacific to the East and South-East, by the Himalayas to the South-West, by the great desert to the West and by highlands to the North. Geographically, China was also large enough to be self sufficient. This situation contrasts with Western Europe whose civilization historically originated around the Mediterranean. Unlike China, the Mediterranean geographically is an open system in the sense that peoples of different linguistic and ethnic backgrounds have always been aware of each other and interacted with each other. It is easier for Europeans to develop a pluralistic understanding of the world.³

Current bilateral relations may also be understood in historical perspectives. The United States’ share of the world’s wealth has dwindled after World War II from about 46 percent to about 30 percent in terms of GDP. In terms of Purchasing Power Parity, the United States’ current share of the world’s wealth is about 21 percent.⁴ But in terms of political and military power, the United States is the sole superpower in the world. For China, in the year 1800, about a third of the world’s wealth was found in China which had perhaps been the world’s wealthiest country for centuries. In the year 1900, only about 6 percent of the world’s wealth was found in China.⁵ Now, China’s economy is the

second largest in the world in terms of Purchasing Power Parity, next only to the United States.⁶ These historical factors have an enormous impact on the emotional and psychological dimensions of the two peoples. To stay rational is a challenge.

2. China As A Responsible Stakeholder.

China's involvement in the global system is in the interest of the United States. Since China joined the World Trade Organization in 2001, U.S. exports to China have risen more than 20 percent a year. An average American household saves about \$500 a year because of U.S. trade with China. Therefore, it is more constructive to treat China as a normal country, not a communist one, not one with the ambition to dominate the world any time soon. It may be more effective for the two countries to address those bilateral issues such as trade imbalance and intellectual property violations on an issue by issue basis and case by case basis without drawing upon the references of ideological differences or global power competition.

China has the incentive to be a responsible stakeholder, because in recent decades, countries like China, Japan, and South Korea have been the beneficiaries of the global system maintained largely by the West, especially by the United States. The Chinese government, at least for now, has little incentive to change the current global system. Chinese leaders realize the crucial role that the United States plays in maintaining the global system under which China benefits. China is at the opposite end of those so-called "failing states" which the United States is struggling with. For instance, some Middle East countries don't perceive the current global system as beneficial to them. Many people believe, right or wrong, that without oil some Middle East countries would be like many African countries which are largely left out of the world's prosperity.

It takes a long time for a country like China to meet the international standards in every way. In a sense, China's opening to the outside world in the last three decades parallels that of Japan after World War II. In the 1950s and 1960s, Japan benefited from the global system but did not worry about its own contribution to the maintenance of the system. During the time period, the United States' market was wide open to Japan; but Japan's market was not as open to the United States.⁷ Japan did not take a more active role in the maintenance of the global system until the 1980s.

It is in the long term interest of countries like China to behave like responsible stakeholders in the world community. This is something that the Japanese leaders have learned in the last half a century. As a proud country of 5,000 years of glorious history and without the bondage of a communist ideology, China will find it hard to intentionally violate the international standards that it has committed itself to. After World War II, both the governments in Beijing and Taipei announced that they voluntarily gave up war reparations against Japan.

China's growing influence in the world needs more careful examination. On this, the Japanese experience is also educational. On the eve of the collapse of the former Soviet Union in 1988, public opinion polls showed that the Americans were worried more about Japan than the so-called "Evil Empire" of the former Soviet Union, because of Japan's enormous economic power then.⁸ With the slowing down of the Japanese economy in

the last fifteen years,⁹ Japan no longer occupies the same place in the minds of the average Americans as it used to in the late 1980s. For instance, one major textbook of comparative politics dropped the chapter about Japan altogether in its most recent edition with the assumption that Japan is no longer as important as it used to be. This is very telling in that the textbook covers eleven important countries and the Japanese economy is still the second largest in the world in terms of GDP.¹⁰

Leading Chinese political scientist Wang Jisi from Peking University argued that to predict China's future based on the assumption that China will continue to grow annually at the rate of 8 to 10 percent for the next 30 to 50 years is ridiculous. Thus, the claim that the 21st century is the "China Century" is groundless, in spite of the fact that in comparative terms, China has been growing at a more rapid rate than the United States in the last century. Although the United States became the most powerful country in the world in 1900, it took another 50 years for the country to become a world superpower.¹¹

3. U.S.-China Collaborations.

The United States currently engages China in most international organizations. In December 2006, Henry M. Paulson, U.S. Commerce Secretary, led a high level delegation to visit Beijing. The high profile of the delegation was un-preceded in history. The delegation composes of half a dozen cabinet secretaries including those of Commerce, Energy, Labor, Health and Human Services, the US Trade Representative and, most significantly, Federal Reserve Chairman Ben Bernanke. Mr. Paulson has visited China more than 70 times. Typically, the Federal Reserve Chairman does not get involved directly in foreign policy and this is the first time that a U.S. Federal Reserve Chairman visited China. All these are very constructive attempts in developing a healthy relationship between the two countries.

A common ground for bilateral cooperation between the two countries in such areas as proliferation of weapons of mass destruction, energy security, and counterterrorism is the September 11 Terrorist Attack in New York in 2001. Both countries have to struggle with the so-called "failing states," that is, those that are outside of globalization and that do not benefit from the current global system.

China realizes that North Korea's possession of nuclear weapons is not in the interest of China. If the United States and China can work with each other in the area of proliferation of weapons of mass destruction, it is possible for the two countries to work together on other commonly concerned issues, such as energy security and counter terrorism. China is the second oil primary commercial consumption country, next only to the United States. China accounts for 40 percent of the world's oil-demand growth.¹² Beijing now imports one-third of the oil it consumes. In the last two decades, China's oil primary commercial consumption grows an average of 4 percent annually, while GNP grows 9.5 percent. The United States and China have the common interest to maintain the stability of those areas where they both depend on oil supplies, such as the Middle East. China contributed monetarily to the reconstruction of Iraq. Since 1990, China has sent at least 6,000 troops in 15 peacekeeping missions.¹³

4. China's Political Reforms.

Although major political changes in China are usually prompted by internal factors, external ones do have a huge impact on the Chinese political process. The exchanges of students between the two countries have contributed positively to political changes in China. Since 1978, about 600,000 Chinese students have been trained overseas, many in the United States. At least 150,000 of them have returned to China and are playing important roles in the country's political process.¹⁴

China is a huge country with complex internal problems. It might be more constructive for the two countries to collaborate with each other in those areas where China has already made progress in terms of political reforms, such as village level elections, NGOs, rule of law, and the professionalization of legislation.

Although less visible than economic ones, subtle political changes have taken place in China in the last three decades.¹⁵ The most important political change has occurred in people's minds. Many current Chinese leaders are technocrats and are not against democracy as an ideal, although they may not be democrats themselves.¹⁶ As early as the late 1980s, half of China's cabinet ministers were former engineers.¹⁷ The Chinese government nowadays is still dominated by those who had training in technology oriented fields. Therefore, the official ideology has become less rigid. A recent article published by the Central Party School in the name of Yu Keping is titled "Democracy is a Good Thing." Yu is believed to be close to the top leadership.¹⁸

Among the common people, political culture change has also taken place. When asked in 2006 "Would you want to vote if the government holds open elections?" 65% of those average citizens polled said "yes;" among the civil servants polled, 95% said "yes." Responding to the question, "If people disagree with each other, there will be social chaos," 80% of those polled said "no." In a response to the question: "View points should be decided by the government," 85% of those polled said "no." When asked, "If an entity has a variety of opinions, it will be detrimental to solidarity," 60% of those polled said "no."¹⁹

Institutional changes are even more subtle and gradual. Most Chinese villages currently have multi-candidates elections. Quite often, the candidates appointed by the party fail to be elected. Many people in the West know that China has had double digit growth in the last two decades. Few people realize that China has had double digit average annual growth in legislation as well.²⁰ The concept of rule of law has gradually taken root in the Chinese political culture. By 2003, 400 laws, 1,000 administrative acts, 10,000 local rules and regulations and 30,000 administrative procedures were enacted or amended.²¹ This is against the background that the Deng reform emerged from the Cultural Revolution when practically no lawyers were practicing law during the period of 1966-1976. Merits have received more attention nowadays in the selection of Chinese civil servants, whereas three decades ago, political credentials were the only standards.

In spite of the political changes, China and other Asian societies are unlikely to become exactly like Western societies. This is so even in those Asian societies where democracy

has been well developed. The Japanese democracy was imposed on Japan by the United States after World War II and most political scientists believe that the Japanese democratization is a success story. Yet, the Japanese democracy has its own characteristics. Roughly 40 percent of members of the Japanese parliament, i.e., the Diet, are the sons of former members of the Diet.²²

Socio-economic rights receive more attention among the Asian leaders than civic rights. An outspoken Asian leader about the so-called “Asian values” is former Malaysian Prime Minister Mahathir Mohamad. In 1994, many Americans were puzzled by the way that the Singaporean legal system treated the American teenager Michael P. Fay for vandalism in spite of President Bill Clinton’s plea for pardon. The boy was sentenced to the physical punishment of a canning. While it is true that some Asian leaders use the so-called “Asian values” to defend their dubious acts which sometimes border human rights violations, some Asian societies such as Taiwan have a smaller income gap between the rich and the poor in comparison with Western countries. All these remind us that the Chinese democratization process may travel a different path as the Western countries have traveled.

¹ . For different perspectives on the Taiwan issue, see, Shiping Hua, ed., *Reflecting on the Triangular Relations between Beijing, Taipei and Washington*, (New York: Palgrave-McMillan, 2006).

² . For understanding the concepts of “nation-states” and “civilization” in the context of China, see, John King Fairbank, *The United States and China* (4th edition) (Cambridge: Harvard University Press, 1983).

³ . For understanding the origins of the Chinese and Western civilizations in terms of “open system” and “closed system,” see, Jin Guaotao and Liu Qingfeng, *Zhongguo Fengjian Shehui de Chaowending Jiegou (The Ultra-stable Structure of China’s Feudal Society)* (Human: Hunan Renmin Chubanshe, 1984). .

⁴ . <http://www.harvardir.org/articles/1287/> Retrieved January 28, 2007)

⁵ . For the ups and downs of China in the global system, see, Akira Iriye, *China and Japan in the Global Setting*, (Cambridge, MA: Harvard University Press, 1992).

⁶ . CIA World Factbook, China. Retrieved on January 25, 2007 from: <https://www.cia.gov/cia/publications/factbook/print/ch.html>

⁷ . For U.S.-Japan relations from the end of World War II through the 1980s, see, Akira Iriye and Warren I. Cohen, *The United States and Japan: in the Postwar World*, (Lexington, KY: University Press of Kentucky, 1989).

⁸ . *Christian Science Monitor*, April 29, 1988, Friday, page 3.

⁹ . For an explanation regarding the Japanese economic slowing down starting in the late 1990s, see, Richard Katz, *Japan: The System that Sourced*, (Armonk, NY: M.E. Sharpe, 1998).

¹⁰ . Comparing the two editions of 2004 and 2006 of the book by Charles Hauss, *Comparative Politics*, (Minneapolis: West Publishing Co.,2004, 2006).

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- ¹¹ Wang Jisi, interview, in Feng Lin, ed., *21 shiji zhongguo da yuce (Prediction of China's 21st Century)* (Beijing: Gaige Chubanshe, 1996), p. 424.
- ¹² . Mary Hennock, (March 9, 2005). "China's global hunt for oil." *BBC News*. Retrieved on January 25, 2007 from: <http://news.bbc.co.uk/1/hi/business/4191683.stm>
- ¹³ . *China Daily* November 3, 2006.
- ¹⁴ . Embassy of the People's Republic of China in the United States of America. Retrieved on January 25, 2007 from: <http://www.china-embassy.org/eng/gyzg/t42338.htm>
- ¹⁵ . Some Western scholars have noted the political changes in China in recent years. See, Yang Zhong and Shiping Hua, eds., *Political Civilization and Modernization in China*, (Singapore: World Scientific Press, 2006.)
- ¹⁶ . For an analysis of the current Chinese leaders including their ideological orientations, see, Cheng Li, *China's Leaders* (Lanham, MD: Roman & Littlefield Publishers, 2001.)
- ¹⁷ . For an analysis of the transition of professional backgrounds of Chinese leaders since the Deng reform, see, Hong Yung Lee, *From Revolutionary Cadres to Party Technocrats in Socialist China* (Berkeley, CA: University of California Press, 1990). .
- ¹⁸ . Sophie Beach. (January 8, 2007). "Democracy is a Good Thing- Yu Keping." *China Digital Times*. Retrieved on January 26, 2007 from: http://chinadigitaltimes.net/2007/01/democracy_is_a_good_thing_yu_keeping.php
- ¹⁹ . Ying Zhu, "Yingxiang xiaokang jincheng de shida jiaodian wenti," (Ten key issues that affect negatively China's march towards a society of small prosperity), *Du Zhe*, 2006, 1-6 volumes, p. 36-37.
- ²⁰ . The growth of China's legislation was cited in the introduction of the edited book by Shiping Hua etc. eds, *China in the 21st Century: Challenges and Opportunities*, (forthcoming Palgrave-Macmillan, 2007).
- ²¹ . China Internet Information Center. (September 28, 2003). "The Development of Contemporary Chinese Legislation." Retrieved on January 26, 2007 from: <http://www.china.org.cn/english/kuaixun/76336.htm>
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