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Audit of the Conventional Wisdom

The Audit of Conventional Wisdom

In this series of essays, MIT's Center for International Studies tours the horizon of conventional wisdoms that define U.S. foreign policy, and put them to the test of data and history. By subjecting particularly well-accepted ideas to close scrutiny, our aim is to re-engage policy and opinion leaders on topics that are too easily passing such scrutiny. We hope that this will lead to further debate and inquiries, with a result we can all agree on: better foreign policies that lead to a more peaceful and prosperous world. Authors in this series are available to the press and policy community. Contact: Michelle Nhuch (NHUCH@MIT.EDU, 617.253.1965)

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Distracted at the Creation: Washington's China Policy

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U.S. China policy in the beginning of the twenty-first century is greater than the sum of diplomatic initiatives and presidential statements. Since China's rise is reshaping global politics, U.S. policy should be evaluated in this larger context. Washington must not only handle its relationship with China on a day-to-day basis, but must also lay the foundations for a long-term response to its rise.¹

The Bush administration came to office primed to address traditional, great power politics and to reassert American leadership globally, and has successfully enhanced deterrence of contemporary Chinese military threats. Yet, if Washington's China policy is to contribute to the wider goal of sustaining the U.S.-led international order that has prevailed since the 1940s, the administration will have to adopt a broader set of policies than has been practiced in recent years. Although the Bush administration has managed tactical, short-term bilateral relations with efficiency and occasional deftness, the broader strategic issue of a rising China has not been adequately confronted.

Although there is little the U.S. can do to stop China's relative rise in the long run, Washington can solidify the U.S.-led order within which that rise occurs. Doing so not only enhances the United States' military security, but also allows Washington to shape the norms of international behavior in ways that redound to America's benefit and to the system as a whole. Of what does this international system consist? Fundamentally, it is a web of U.S.-led alliances and the institutions shaping the rules of international economic activity under the World Trade Organization (WTO) and other bodies. Increasingly important also is the nonproliferation regime, widely conceived. Finally, a number of less formal norms and practices also contribute: a norm against the use of force to change external borders;² an emerging norm countering international terrorism; and less established domestic governance norms.

It is critical to avoid Chinese challenges to both the bilateral alliances and the broader systemic structure that is maintained by U.S. predominance. A mix of policies can serve

A Bandoning of the Conventional Wisdom

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to achieve these goals: deterrence of military threats, dissuasion of broader competition, and enmeshing others within a set of practices and norms that reshape their interests.³ How well has each of these been pursued by Washington in the past decade?

Abandoning Global Economic Leadership

The high point of the Bush administration's economic policy toward China has been prodding Beijing into relaxing its controls on the yuan, which has appreciated nearly nine percent since July 2005. While beneficial to the United States, this has been a narrow victory: in the 1980s, the depreciation of the U.S. dollar was carefully managed and coordinated in a multilateral forum resulting in the heralded Plaza Accord. Today there is no similar mechanism to facilitate such shifts that includes China, nor has the Bush administration provided the leadership to create such cooperation.

In trade policy, the administration has at times advanced parochial interests over free-trade norms. Washington imposed unilateral tariffs on Chinese steel, quotas on a range of textiles, and charged Chinese firms with receiving unfair subsidies in paper products. Other actions have been more clearly consistent with WTO norms, but the uneven pattern of trade policy relative to free-trade norms undermines a broad norm that the U.S. assiduously built over the postwar era. In the most egregious case, Congress' decision to block a Chinese oil firm's bid for Unocal in early 2005 sent two messages to Beijing: China is not a trusted partner and energy is not a normal commodity. Rather than reassure Beijing that it could thrive peacefully under the U.S.-led order, China's vulnerability to energy trade was emphasized.

The Bretton Woods system is a central element in the U.S.-led global order: Washington has defined its agenda over six decades. Drawing China deeper into this system and playing by its rules can have important benefits for the United States. Since accession to the WTO, China has been forced to treat Taiwan as an equal entity before a body empowered, by Beijing, to make binding judgments.⁴ Similarly, China has required its most advanced firms to follow transparent international accounting standards.⁵ In both these cases, China had sacrificed some of its narrow self-interest to integrate itself further into the U.S.-led global economic system.

Unfortunately, Washington has eroded the global economic institutions just as Beijing has increased its participation in them. By virtue of its massive trade presence and growing outward investment flows, China is actively creating webs of its own influence, particularly among resource-rich autocracies. By abdicating a leadership role in the global economic system, the Bush administration has left a void into which China has stepped nimbly with a wide range of proposals and ongoing negotiations for regional cooperation.

Taiwan and Other Provocations

In the Taiwan Strait, the Bush administration has balanced several concerns adeptly in the face of very contentious Taiwanese domestic politics and a rapid Chinese military buildup. Efforts at deterring China have surpassed those of most previous administrations. In 2001, Bush stated flatly that the United States would "do whatever it took to help Taiwan defend herself," and his administration has supported substantial arms sales to and deepening military-to-military links with Taiwan. At the same time, the administration has repeatedly communicated that it does not support the de jure independence of Taiwan. Despite extremely provocative leadership in Taipei, and notwithstanding the continuing chance of misperception, today's strategic stability in the Taiwan Strait is a substantial achievement.

Beyond Taiwan, Washington has aimed to dissuade China from engaging in competition with the United States in a broader area and over the longer term. However, research suggests the efficacy of such "general deterrence" is at best ambiguous.⁶

Nevertheless, Washington has built up its military forces throughout East Asia. American bases there have been upgraded and are now home to several new forces: heavy bombers, attack submarines, additional carriers, and the most advanced missile defense destroyers in the U.S. Navy. Washington has been upgrading ties with a number of Asian powers on China's periphery: Japan, South Korea, the Philippines, Singapore, Indonesia, and even Malaysia. The Pentagon is planning to enhance its conventional strike capabilities in ways that seem optimized for conflicts against China (e.g., the long-range penetrating bomber

called for in the 2006 Quadrennial Defense Review, Strategic Command's Global Strike program, and the Navy's aspiration to increase its attack submarine procurement rate).

The war in Iraq, however, has disadvantaged the Pentagon's ability to maintain its lead over China by fundamentally reshaping the priorities for near-term technology development and strategic innovation. Rather than addressing critical needs in anti-submarine warfare to respond to the frenetic pace of Chinese innovation and deployment, the Pentagon's attentions are focused on jamming garage-door, remote-triggered, buried artillery shells. Rather than invest in advanced fighter aircraft able to deploy far from China's sizable short-range ballistic missile arsenal, the Pentagon has had to bolt armor plates on its transport trucks. Similarly, the emphasis on small-scale conflicts has emphasized littoral combat ships over future destroyer development. These are particularly important failures since these modernizations would not only enhance American capabilities in Asia but would do so without being as provocative as other elements of the Bush administration's programs.

On the strategic side, threats from small states warrant a thin national missile defense system. However, Washington is developing a multilayered system that is destined to provoke great powers. More generally, modernization of the U.S. nuclear arsenal and satellite systems calls into question the security of second-strike forces in China.⁷ In each of these areas, alternative policy could secure American interests with less provocation of China: Beijing's concerns regarding missile defense might have been assuaged through the sorts of cooperative proposals that were offered to Russia. Discussing each side's perceptions of the destabilizing effects of strategic competition could lead to tacit cooperation to avoid such provocations. The U.S. could shape the security environment in space so that China is not interested in challenging the U.S. there. The Bush administration has shown no initiative in any of these areas; in their abhorrence of traditional arms control regimes, Bush officials have actively undermined the prospects for progress on these issues.

Failures to Enmesh China

If the U.S. fails to enmesh China within the U.S.-led order, Beijing will work to undermine it. Indeed, it has already begun to chart its own regional and global leadership path through initiatives such as the East Asian Summit, the Shanghai Cooperation Organization, "Good Neighbor" rhetoric, and promotion of the "Beijing model" of economic development. Former Deputy Secretary of State Robert Zoellick's formulation of "responsible stakeholder" emphasized to China that it benefits from the existing international order and therefore *should* shoulder responsibilities for its maintenance. Unfortunately, this emphasis left State when Zoellick did. Similarly on the military side, former Defense Secretary Don Rumsfeld's restrictions on

military-to-military ties—bolstered by the 2001 EP-3 incident—only gradually began to thaw. These poorly coordinated initiatives, based on personalities rather than sustained institutionalization, have sent muddled signals to Beijing.

On global proliferation, Bush administration officials have labored, with some success, to draw China into emerging and established norms. Beijing's leadership of the Six-Party talks has served to directly implement an important priority of the Bush administration. Washington has also been able to elicit hints that China is sympathetic to other aspects of American non-proliferation policy. More fundamentally, however, the Bush administration has denigrated formal legal structures and traditional arms control agreements, favoring instead "coalitions of the willing" and flexible statements of principles (e.g., those of the Proliferation Security Initiative started by Bush in 2003). In contrast, it is clear that Beijing has increasingly come to regard the United Nations not as something to be obstructed but as a useful tool.⁸ Unfortunately, just as Beijing moves toward Washington's historic position on institutions like the U.S.-created UN, the Bush administration has pulled away.

This move away from a centuries-old historic position on these issues has costs. While it may be true that the post-9/11 era is unique, it is unlikely that the utility of formal institutions has been erased. It is precisely their cumbersome formality that ensures consensus on the commitments the institutions entail. It also imbues them with a greater degree of permanence than purely ad hoc coalitions can create. By shifting the definition of the U.S.-led order and weakening its structures, the Bush administration has reduced America's long-term ability to co-opt the rise of China, a strategic failure of the first order.

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article footnotes

1 The author develops the arguments in this article in detail in "Grasping Tactical Success, Missing Strategic Opportunity in US China Policy since 9/11," *Asian Survey* 47:4 (2007), pp. 536-559. The views expressed in this article do not represent the views of the U.S. Navy or other government offices.

2 Mark W. Zacher, "The Territorial Integrity Norm: International Boundaries and the Use of Force," *International Organization* 55:2 (Spring 2001), pp. 215-50.

3 *Quadrennial Defense Review Report* (Washington, DC: Department of Defense, 2001), p. iv.

4 Hui-Wan Cho, "China-Taiwan Tug of War in the WTO," *Asian Survey* 45:5 (September/October 2005), p. 751.

5 "Cultural Revolution: Chinese Accounting," *Economist* January 11, 2007.

6 The most comprehensive survey can be found in Patrick M. Morgan, *Deterrence Now* (New York, NY: Cambridge University Press, 2003), Chapter 3.

7 Keir A. Lieber and Daryl G. Press, "The End of Mad? The Nuclear Dimension of U.S. Primacy," *International Security* 30:4 (Spring 2006), pp. 7-44.

8 For a supportive description of Beijing's evolution on core sovereignty issues within the UN, see Allen Carlson, "Helping to Keep the Peace (Albeit Reluctantly): China's Recent Stance on Sovereignty and Multilateral Intervention," *Pacific Affairs* 77:1 (Spring 2004), pp. 9-27.



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