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Ageless Chinese Art: Exhibit at George Mason University Fine Arts Gallery
Reviewed by Tian Luan

APPENDIX

China’s 100 Most Influential People
Including government officials, business leaders, academics, celebrities, and more

Select Pieces and Photos from the Ageless Chinese Art Exhibit
From the Collection of Chi Wang
Introduction

The *Washington Journal of Modern China* (WJMC) is a publication affiliated with the U.S.-China Policy Foundation (USCPF), a Washington, DC based non-profit organization dedicated to improving U.S.-China mutual understanding. USCPF was founded during a time of turmoil in the U.S.-China relationship, only a few years after the Tiananmen Incident soured U.S. sentiment towards China. Recognizing that, despite differences and disagreements, China was too important a country to completely ignore, USCPF set out to increase understanding, education, and people-to-people exchanges.

Over the 20 years USCPF has been in operation (and nearly 25 years for the publication of WJMC), the U.S.-China relationship has gone through many ups and downs. Leadership has changed, crises have been overcome, and economic ties have grown. USCPF has witnessed not only the evolution of the Sino-U.S. relationship, but of China’s overall global role as well.

With China’s economic rise has come increased global influence and involvement. This edition of the *Washington Journal* provides a glimpse at what China’s role in the world looks like today and what implications that role might bring. The articles in this edition address China’s relationship with the U.S., Asia, Europe, and Africa. It covers presidential elections, foreign aid, and wider geopolitical theories.

While seemingly different, the articles are all complimentary and key issues analyzed by one author are frequently mentioned by another. Taken together, the articles display China’s increased importance in the world, its growing affect on other countries and their policies, and the underlying worries about what a stronger China really means.
The Value of Presidential Summits

Ambassador J. Stapleton Roy

Adapted from remarks given at the U.S.-China Policy Foundation Panel Discussion on Xi Jinping's September 2015 Visit to the U.S. in Washington, DC on October 9, 2015.

Xi Jinping’s visit to the U.S., as is the case with many of the summit meetings that I have been involved in during my foreign service career, took place with a not very positive atmosphere in U.S.-China relations. In fact, there were enough strains in the relationship, and there had been enough skepticism expressed about policy towards China and about the outlook of U.S.-China relations, that some of the Republican presidential candidates were arguing that the visit should be postponed or cancelled.

I think they were wrong. In my experience, whether relations are good or bad, it’s extraordinarily important for the top leaders of two important countries, such as China and the United States, to be able to communicate with each other. While there are differences, I find that the parallels between interpersonal relationships and intergovernmental relationships are much stronger than most political scientists seem to acknowledge.

I don’t know a marriage counselor in the world who would say that if you and your wife are having difficulties in your marriage, you shouldn’t talk. And yet, frequently, we have people calling to cut communications with countries in which there are bilateral differences. In fact, there are a variety of overwhelmingly good reasons why summit meetings should take place, during good and bad times, in important relationships.

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1 Ambassador J. Stapleton Roy is a Distinguished Scholar and Founding Director Emeritus of the Kissinger Institute on China and the United States at the Woodrow Wilson International Center for Scholars in Washington, DC. Roy served in the U.S. Foreign Service for 45 years, reaching the rank of Career Ambassador. During his career, he served as U.S. Ambassador to Singapore, China, and Indonesia. He also served as the Assistant Secretary for Intelligence and Research. In 2001, Ambassador Roy received Princeton University’s Woodrow Wilson Award for Distinguished Public Service.
I’ve already mentioned the importance of communication. But a second, very important factor is that the countless summit meetings I have been involved in preparations for force bureaucracy on both sides to focus on areas where cooperation could be expanded and on ways to manage existing differences more effectively. In other words, they are action forcing events. They produce ideas that go to the very top levels of government that wouldn’t get there if you didn’t have the summit take place.

When you look at the outcomes of the summit meetings between President Xi Jinping and President Obama, I think you will find an extraordinary range of areas where the United States and China are working together that get almost no attention in the media. The media focuses on the differences in our relationship. But, when we look at what was agreed to in the position papers that have come out after the meetings, we find that the U.S. and China are cooperating in Afghanistan, on peacekeeping, nuclear security, wildlife trafficking, ocean conservation, food security, sustainable development, public health and global health security, humanitarian assistance and disaster response.

We got two new annexes to the military confidence building measures that were agreed in the summit in Beijing last November between the two leaders. We got a new joint statement by the two presidents on cooperation on climate change. We agreed to step up work to complete negotiations to create a bilateral investment treaty. We got a breakthrough of sorts on the very sensitive and difficult cybersecurity issue.

China, for the first time, agreed that states should not knowingly misappropriate intellectual property, including trade secrets or confidential business information, with the intent of providing competitive advantage to their country’s commercial section. We can’t get France to agree to a principle like that. China has now agreed to it. And, as the Chinese frequently say to the Americans: We listen to your words, but we watch your actions. This is a situation where I think Americans are going to be saying the same thing to China on the
cybersecurity issue, that we have heard your words, and now we want to see what are the actions that follow on.

But it was more than that. The United States and China are taking the lead in trying to fashion norms for those areas of cybersecurity where international cooperation is possible. And there are some areas of cybersecurity where, frankly, there are no immediate prospects of being able to make progress. But in areas such as cybercrime and cyber warfare, there are possibilities for agreements. We have set up a senior experts group to discuss norms for state behavior in cyberspace and will also establish a joint dialogue mechanism on fighting cybercrime and related issues. We set up a hotline, so that if there are very urgent cyber issues that need to be discussed, we can do so in a very timely fashion.

These are not trivial accomplishments and they wouldn’t have happened if the two presidents hadn’t met.
Will The Past Repeat Itself?
Examining the Accuracy of a Cold War Analogy in Framing U.S.-China Relations

Ariane C. Rosen

Media outlets are full of commentary regarding China’s rise, China’s threat to the United States, and the potential for China to overtake the American role in the global order. While these fears are not new ones, they seem to have taken on a heightened urgency and fervor. As China’s global influence and economic strength rises, so too do the alarmed calls from American media, politicians, and pundits about what these changes might mean for the United States.

Given that China is a communist country considered a competitor to the U.S., it is only natural for comparisons to be made between America’s relationship to China today and the Cold War conflict between the U.S. and the Soviet Union (USSR). After all, the Cold War saw a similar situation with two global powers in conflict, and would thus appear to be a close approximation to the present Sino-American relationship. Current U.S. leaders grew up in a time when the U.S. and the Soviet Union were fighting for dominance on the world stage; they were playing a zero-sum game with only one victor. Though the analogy is being drawn with China, we must ask if it is apt: What exactly does a Cold War comparison mean? Is an increasingly strong China gearing up for a bilateral struggle for superiority and dominance with the U.S.? Is such a conflict even possible in today’s global climate?

Setting the Stage for a New Cold War

Many forget that the U.S. and the Soviet Union were strategic allies against Germany during World War II (WWII). When the Nazis were defeated, both countries were forced to redefine their relationship with the other as well as their respective roles in the international community. It was the inability to come to a consensus about the post-war structure that ultimately led to a four-decade-long Cold War. Echoes of this post-war struggle can be seen again today in the U.S.’s relationship with China. While China was initially an ally of the Soviet
Union during the Cold War, security concerns regarding this fickle partner led China to reconsider its alliance in favor of one with the United States, which also viewed the Soviet Union as the greater threat. Like the USSR and the U.S. after WWII, when the Soviet Union finally broke apart, so too did the basis of the new U.S.-China alliance.

The Soviet Union’s status as a superpower, however, was immediately acknowledged in the wake of WWII, while it took years after the end of the Cold War for China to be recognized as major world power. Even though the Soviet Union suffered huge losses during WWII, in the post-war period the Soviet Union expanded its influence and territory, turning annexed countries into satellite states. China, on the other hand, accrued power gradually after the end of the Cold War. China was still recovering from the devastations of the Great Leap Forward, the Cultural Revolution, and decades of isolation. Its economic opening up and growth had just begun when the USSR collapsed. It is only more recently that China has started taking on a role as a global power and potential rival hegemon to the U.S.

*Engaging China After the Cold War*

The United States’ diplomatic approach to China is a post-Cold War phenomenon. During the Cold War, the strategy of containment prevailed. For decades, this strategy underscored the preservation of the American-led international system that it worked to establish after WWII. The United States continued to fight for this system beyond the Cold War’s end in 1989, but the strategic framework of containment no longer applied.¹

The break-up of the Soviet Union forced the U.S. to re-think its foreign policy, including with China. In Americans’ minds, China had only recently been transformed from a Cold War enemy, one that had engaged in direct military conflict with the U.S. during the Korean War. By the time the USSR collapsed, the Sino-American relationship had evolved into a strategic partnership aimed at the Soviet threat. With

the collapse, however, the key basis of their relationship disappeared, while the ideological and cultural differences that had originally pitted the two countries against each other remained.

The U.S. nevertheless strove to redefine the relationship. Its response to a changed relationship with China diverged drastically from that with the Soviet Union at the end of WWII. Instead of erecting an “iron curtain” to contain China, the U.S. took a very different approach -- engagement. In doing so, U.S. policymakers were still following a historical precedent, though a more recent one than the start of the Cold War.

In 1972, President Richard Nixon went to China. The U.S. was still in the midst of the Cold War; communism was still the enemy. And yet, based on an emerging perception that not all communism was Soviet communism and a recognition that the rivalry between China and the USSR could be exploited for American benefit, Nixon made the trip. As a result, the Cold War with China ended and the two countries moved forward on a path towards resumed diplomatic relations, officially established under President Jimmy Carter in 1979. Before Nixon headed to China, he explained his views to Congress:

> It is a truism that an international order cannot be secure if one of the major powers remains largely outside it and hostile toward it. In this decade, therefore, there will be no more important challenge than that of drawing the People’s Republic of China into a constructive relationship with the world community, and particularly with the rest of Asia.²

This idea, that a country containing a fifth of the world population is too big to be left out of the global system, provided the basis for the U.S. approach towards China in the post-Cold War era. A major test of this strategy came before the Cold War had officially ended -- the Tiananmen Square Incident on June 4, 1989. China had begun opening

up to the world through economic reforms. Americans were hopeful that a more open China would translate to a more liberal China. That hope was dashed when the Chinese government put a violent stop to student-led protests in Beijing.

Despite the public outcry in the U.S. and moves by Congress to sanction China, President George H.W. Bush worked to maintain diplomatic ties with China. Bush argued that “anyone familiar with recent Chinese history can attest that the most brutal and protracted periods of repression took place precisely when China turned inward, against the world...We are making a difference in China by remaining engaged.” To Americans, Tiananmen represented China’s present failure to liberalize, but Bush maintained that China would only liberalize in the future through continued engagement.

In the succeeding years, the U.S. engagement strategy towards China remained hinged on two ideas: first, a country as large as China must be incorporated into the existing international system; and second, China would eventually evolve into a more liberal, Westernized society through continued engagement.

Even leaders who initially promised harsher China policies ended up maintaining this policy. During his campaign, Bill Clinton promised to respond harshly to human rights abuses in China, but later insisted expanding cooperation and “confronting our differences openly” was the best method to advance American goals and “promote a more open and free China.” Similarly, then-presidential hopeful George W. Bush said that “we need to be tough and firm” on China. During his presidency, however, Bush’s Deputy Secretary of State championed a strategy of encouraging China to become a “responsible stakeholder.” His statement concluded, “We can cooperate with the emerging China of today, even as we work for the democratic China of tomorrow,”

succinctly aligning this strategy with the twin premises of post-Cold War China Policy outlined in this section.\textsuperscript{6}

\textit{A Rising China}

The policy of engagement with China succeeded in fostering an ideal environment for China's economic development. The U.S. provided stability and consistency in the Asia Pacific Region, allowing China to focus on internal reform and development, and simultaneously encouraged Chinese trade and integration with the international economic system.

China has experienced rapid economic growth since its initial reform and opening up, reaching the status as the world's largest exporter in 2009 and second largest economy in 2010. This economic growth was not achieved in a vacuum. It required participation in the international system and integration into the global economy. China was granted Most Favored Nation trade status by the U.S. in 1994 and became a member of the World Trade Organization in 2001. These are in addition to China's longstanding inclusion in the International Monetary Fund and permanent membership on the United Nations Security Council.

During this period, China's economic growth remained the primary focus of its foreign policy efforts. The architect of China's economic reforms, Deng Xiaoping, recognized that China's economic growth required a peaceful and stable global environment. With that in mind, Deng proposed that China “observe calmly; secure our position; cope with affairs calmly; hide our capacities; bide our time; be good at maintaining a low profile; never claim leadership.”\textsuperscript{7}

Just as Nixon's move to engage China set the groundwork for future U.S. policy towards China, Deng's internal focus and emphasis on measured, careful foreign policy set the tone for future Chinese


leaders. As China was striving to grow, it largely accepted its differences with the U.S. and worked within the boundaries of the American global order; after all, courting conflict with the U.S. would hardly be conducive to economic growth. Faithful to Deng’s words, China let the U.S. lead and kept a low profile in order to allow itself time to grow and reach its potential.

In 2008, China hosted the Summer Olympics in Beijing. China saw this extravagant global spectacle as its “coming out party,” celebrating its reemergence onto the world stage. It was a symbolic move, indicating that China no longer saw itself as the victim whose former status as regional hegemon had been supplanted. China was wiping away the remaining scars from its “century of humiliation” (百年国耻), a period of Western and Japanese control over China from 1839-1949 that had marked the end of its regional dominance. China could now hold its own among the global powers who had once dominated and humiliated it.

A New Focus on China

The China Barack Obama faced when he assumed office in 2009 was very different than the China of his predecessors. China had become bigger, more influential, and more globally integrated than ever before. President Obama was faced with the results or, as some might argue, consequences of the previous engagement policy towards China.

The question for the Obama administration, then, became how to handle its relationship with a new, more powerful, China. With Obama’s plans to move out of the Middle East and wind down the military efforts that had consumed U.S. foreign policy since 9/11, new emphasis could now be placed on the U.S. relationship with China and the Asia Pacific region. In an unprecedented move, Obama visited China during his first year in office. He also established the U.S.-China Strategic and Economic Dialogue, an annual high-level bilateral conference to discuss key issues.
In 2012, then Secretary of State Hillary Clinton announced the Obama administration’s new “Pivot to Asia.” The pivot, or “rebalance,” was based on the idea that past U.S. involvement in Asia had maintained stability and that this stewardship needed to continue. Clinton wrote, “We are the only power with a network of strong alliances in the region, no territorial ambitions, and a long record of providing for the common good.”

While pointing out the importance of the Asia Pacific and American intentions to recommit itself to its longstanding position in the region, the Obama administration still continued to extol the values and rhetoric of the past engagement policy. Despite these assurances, China was concerned about the U.S. role in the region. While China had accepted U.S. leadership in the past, China was now a world power in its own right and no longer needed to conform. China’s growth and increasingly assertive world view bred worry and mistrust in the U.S. As mistrust on both sides grew, the tone of Obama’s “rebalance” gradually shifted as well. Over the past couple years, the U.S.-China relationship has become increasingly strained and, “in a climate of suspicion and doubt, the countries are now in danger of entering a phase of strategic mutual suspicion.”

The twin goals for the U.S. China policy no longer seem to apply. Now China does not need to be integrated into the international system -- it instead has the power to challenge it -- and, despite decades of engagement, China’s leadership continues to quickly quash dissent and limit domestic freedoms. Although long after the end of the Cold War, this change in attitude in the U.S. could now be compared to the shift in sentiment towards the Soviet Union after WWII.

**Xi Jinping’s New China**

While China’s economic growth and emergence as a powerful player

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on the world stage had already been a cause for concern at the beginning of Obama’s presidency, his China policy still initially consisted primarily of engagement. It was not China’s economic strength, but strategic rise and new assertiveness, that became the primary cause for concern. The origin of this new, more challenging China can be traced to when Xi Jinping assumed leadership of China’s Communist Party in 2012 and became president in 2013.

Xi Jinping's leadership style diverges greatly from those who came before him. His power is significantly more concentrated. He is likely the most independently engaging and powerful Chinese leader since Deng Xiaoping. It naturally follows that Xi would endeavor to replace Deng's foreign policy strategy with one of his own. The time for maintaining a low profile was over. Instead of Deng’s measured approach, “Xi seems far more interested in friction, competition, and confrontation than he does in compromise, consultation, or cooperation.”

Xi Jinping's more assertive approach can in part be seen as a response to China’s rising power and in part as a response to China’s own insecurities. China now has the capacity and will to present itself as an alternative to U.S. leadership in the region and is taking advantage of any perceived U.S. weakness to highlight its own strength. On top of this, is the pervasive need for the Chinese leadership to maintain domestic stability and ensure party legitimacy.

Under Deng the focus of government legitimacy shifted from ideology to economic growth. However, as China’s economic growth began to taper and the social, environmental, and other societal consequences of rapid economic growth took shape, that claim to legitimacy needed to be fortified. The Chinese leadership accomplished this be fostering a sense of nationalism and placing itself in the role as guarantor of national pride. Xi Jinping quickly implemented policies that would promote this mythos of nationalist champion.

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12 Wei Pu, “Strategic Mistrust Deepens.”
Once Xi became president he proposed a “New Type of Great Power Relations” with the U.S. This policy was meant to introduce a future model of U.S.-China relations designed by China. It ranked China at the same level as the U.S. and placed equal value and importance on Chinese values and priorities. While shrouded in rhetoric of positive cooperation, this slogan was a method to promote a Chinese concept of international relations and assert China’s role as a global power. American policymakers shy away from legitimizing this viewpoint in support of maintaining a U.S.-led model for international relations, and also because they are “unwilling to accept a formula that not only assumes that the two countries are peers but seems to place them on the same moral plane.”

In addition to these broader ideological goals for a stronger China, Xi Jinping has made tangible efforts to increase China’s global role and consolidate China’s influence in the Asia Pacific (specific examples will be discussed later). China is announcing itself as a regional and even global leader. While Xi Jinping claims these actions are meant to improve the current global system, not overturn it, many American analysts and policymakers feel Xi’s actions, taken together, “show a China that’s often more ready to upset the status quo than to strengthen it.”

**A Challenge to the Global Order?**

The success of China’s economic growth has changed the global stage. A strong China evokes fear among Americans and existing American foreign policy is seen as limiting by the Chinese. A stronger China can now use its economic and strategic weight to promote its global goals. However, China becoming a global power is not sufficient cause to proclaim the start of a second Cold War. China’s rise and subsequent goals for the international system and governance must also be incompatible with the American version of the international system. With Xi Jinping’s calls for a more assertive China and claims that China

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13 Browne, “Another Kind of Climate Change.”
14 Xi Jinping, “Full Interview: WSJ.”
15 Browne, “Another Kind of Climate Change.”
is part of “a struggle for the international order,” those requirements might have been met.

The U.S. aim is to “defend the United States and strengthen the principled international order that has served the United States, our many friends and allies -- and yes -- if you think about it, Russia, China, and many other countries, well for decades.” The U.S. wants to maintain the system put in place after World War II, one that emphasizes Western values and supports a large American role. In reference to Asia specifically, “first and foremost is the general refusal of most if not all U.S. decisionmakers and officials to contemplate an alternative to U.S. military predominance in this vital region.”

China, on the other hand, wants to look to regional bodies and bilateral agreements to settle disputes instead of global organizations, largely supports a policy of non-interference, and questions U.S. regional actions. China has been assuming a larger role in regional organizations, has been working to expand economic ties, and has created institutions and policies that can be seen as direct challenges to the current international order.

The U.S. sees these actions, and China’s overall views on the global system, as aimed at pushing the U.S. out of the Asia Pacific and taking its place. Likewise, China does not think the U.S. will be willing to reduce its role in the region in light of China’s rise and will instead work to contain China and bar it from assuming a greater role in the international system.

American fears that China is attempting to unravel the American global system sets the overarching rationale for a Cold War analogy and new framework for dealing with the U.S.-China relationship.

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16 Quoted in Rudd, “U.S.-China 21,” 23.
President Obama said, “We have to make sure America writes the rules of the global economy....Because if we don’t write the rules for trade around the world -- guess what -- China will.”20 These remarks are practically interchangeable with ones made by President Harry Truman in 1945, not long before the start of the Cold War. Truman said, “We have to get tough with the Russians. They don’t know how to behave. They are like bulls in a china shop...We have got to teach them how to behave.”21

U.S.-China mistrust, ideological differences, and competing models for the global system breed a very real potential for lasting and consuming conflict between these two powers. In this respect, it may seem that the global climate has reverted back to 1945, with each power viewing the other “not as partners, competitors or rivals but as adversaries.”22 However, these aspects are still quite abstract, limited to overarching attitudes about the other country and its motivations. The remainder of this section of the paper will examine more concrete examples of how the U.S. and China are interacting with each other today and will make comparisons to themes and strategies that characterized the original Cold War.

Promoting Negative Perceptions

The Cold War was different than wars of the past. While there were proxy wars that involved actual fighting, such as Korea and Vietnam, and real security threats, such as the near nuclear scare of the Cuban Missile Crisis, much of the war between the U.S. and the Soviet Union occurred at a larger ideological level. The Soviet Union was definitely the enemy -- but the U.S. was not sending troops to invade Moscow. The primary enemy was actually “communism.”

With such an intangible enemy, greater importance was placed on perception and winning over the hearts and minds of the world. The role of image and propaganda in Cold War strategy cannot be

22 Browne, “Another Kind of Climate Change.”
overlooked. Efforts to shape the conversation within their respective home countries and in the greater global environment are also now being played out in the current U.S.-China relationship.

The United States continues to tout its role as protector of the global system, benevolent hegemon, and symbol of liberal values. Conversely, China has been putting itself forward as an alternative to what it perceives as a meddling power. The two countries work to project their respective images of themselves through foreign aid, diplomatic meetings, speeches to the UN, and more.

Domestically, U.S. media and policymakers frequently promote a tough stance on China. “Blaming China” for U.S. economic troubles or publicly castigating China’s human rights abuses have been popular techniques used in American political campaigns. While not as consuming as McCarthy’s Cold War witch hunt against domestic Communism, any American politicians or pundits seen as taking too soft a line on China are labeled “panda huggers.”

In breeding nationalist sentiment and promoting a stronger, more assertive country, China has cast the United States and its allies in the role of enemy working to prevent China’s rise to its rightful place as a global power. Having an external enemy is a useful tool for China’s leadership. It takes attention away from domestic issues, such as pollution and economic inequality, and provides a banner for the people to unite under; a banner the Chinese government aims to control and shape.

Unlike during the Cold War, however, these negative attitudes are not pervasive and all consuming. Neither country wants the other to be seen as a complete enemy, as they do not want to prevent constructive cooperation. Furthermore, in a globalized world, there are limitations on how much weight official statements and interpretations of countries actually have. There are plenty of other methods Americans and Chinese can use to find out about each other and form their own opinions.
Will The Past Repeat Itself?

Courting Spheres of Influence

In the Cold War, spheres of influence were regions and countries over which either the U.S. or the Soviet Union exerted influence and control. Different regions supported and followed the lead of each of the global leaders. For the Soviet Union, its sphere of influence took on an additional importance -- it provided a physical buffer between it and possible aggressor countries.

The situation today, however, is quite different. China does not need buffer states to the degree the Soviet Union did. The smaller countries in the Asia Pacific pose little threat to China and Japan is held back by the U.S. role in the region. While the U.S. presence might prevent a security motivation for a sphere of influence, there are still other potential motivations for increasing its own role in the region. For example, it could be seen as a means of promoting a “sense of pride,” “restoring their wounded honor,” or taking on a “more formidable” role internationally.23

China’s attempts to exert more influence are mostly concentrated in the Asia Pacific but also extend globally. China has been extending financial aid and ties to Africa and Latin America. Xi Jinping has also “become the most-travelled Chinese leader in modern times.”24 He has worked to increase ties with countries throughout the globe.

For example, Xi Jinping’s “One Belt, One Road” initiative is aimed at increasing China’s international trade connections. This ongoing project consists of the “Silk Road Economic Belt,” which is made up of land based roads, pipelines, and other infrastructure projects traveling from China, through central Asia, and into Europe, and the “Maritime Silk Road,” which includes ports and coastal projects around the Asian region and into East Africa and the Mediterranean. Based on some

24 Chris Peterson, “Xi’s foreign trips present China as a world player,” The Telegraph, December 14, 2015, www.telegraph.co.uk.
estimates and suggested goals, the final network could “include 65 countries, 4.4 billion people and about 40 percent of global GDP.”

These projects and outreach, on their own, do not suggest Xi is trying to create new spheres of influence, only that he is trying to increase and better capitalize on the influence China already has. His efforts in Asia, however, could be viewed as more hostile to U.S. interests in the region. This especially holds true if using a zero-sum approach, where successes and gains for China equal failures and losses for the U.S.

A key example of perceived Chinese efforts to overtake previous U.S. influence is the establishment of the Asian Infrastructure Investment Bank (AIIB). The AIIB presents Asia with an alternative to the World Bank as a source of funding and development support. The U.S. fears the AIIB extends China’s economic influence and allows it to set its own rules and agenda that will likely overlook priorities and values the U.S. promotes in its own development efforts.

In an effort to maintain U.S. control over the economic system in the Pacific, the Obama administration has been heavily promoting the Trans-Pacific Partnership (TPP). The TPP is a trade agreement between the U.S., Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam. Obama even mentioned it during his final State of the Union Address: “With TPP, China does not set the rules in that region; we do. You want to show our strength in this new century? Approve this agreement. Give us the tools to enforce it. It’s the right thing to do.”

American interests in the Asia Pacific are not just economic. In the

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early years of the Cold War, the U.S. established five collective defense agreements in the Asia Pacific Region. The treaties cover Australia and New Zealand, the Philippines, the Republic of Korea, Southeast Asia, and Japan. In addition to these agreements, is the Taiwan Relations Act, which guarantees Taiwan necessary “defense articles and defense services.” These agreements are all still active and represent the longstanding and continued American presence and strategic interest in the Asia Pacific.

In 2014, Xi Jinping introduced what can be viewed as an alternative to the American-led security model and defense agreements -- the “Asian Security Concept.” Xi called for a new common, inclusive, equal, comprehensive, and cooperative security model that differs from the one that has been in place since the Cold War. It would also be a regional model, one specifically for Asian countries. In this system, the United States would no longer serve as regional protector.

**Brinkmanship and the Potential for Military Conflict**

One of the pervading elements of the Cold War was the fear that it would explode into all out military conflict. Due to the strategic, security, and treaty interests for both the U.S. and China in the Asia Pacific, this is the region where such a clash is most likely to take place. The two countries have conflicting views of how the other should act in the Asia Pacific region and are each shoring up their military capabilities and strategy.

There are various small islands in the South China Sea that China claims ownership over alongside a multitude of U.S. treaty countries. While these island disputes are nothing new, they have gained increased attention in the past couple years. China has been building

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islands, creating air strips, enforcing an Air Defense Identification Zone, and increasing naval patrols in support of its claims to these islands. The U.S., on the other hand, is asserting the right to the freedom of navigation of the seas and insists that these disputes should be handled under international law. The Philippines has taken its dispute regarding sovereignty over the Spratly islands before The Hague, a UN appointed adjudicator of international maritime disputes. China, however, has refused to accept any rulings determined by this court.33

 Territory disputes also exist in the East China Sea between China and Japan, a key U.S. ally. An additional area of potential military conflict is the Taiwan Strait. China claims Taiwan as part of China. The U.S., while diplomatically recognizing the People’s Republic of China and acceding to a principle of “one China” (as opposed to a separate Taiwan), is pledged to defend Taiwan if China attempts to reunify China by force. Recent events have increased the potential for conflict in the Taiwan Strait. Xi Jinping went against past precedent in 2013 when he said the Taiwan issue “must reach a final resolution” and “cannot be passed on from generation to generation.”34 Further cause for strain is the recent election of a new Taiwanese president who is part of the Democratic Progressive Party (DPP), a pro-independence leaning party.

 The Taiwan Straits was a point of tension and potential conflict between the U.S. and China during the Cold War as well. The U.S. is just as bound to Taiwan today, making a new flare up in the Taiwan Straits possible again in the future. During the Cold War, “even though [President] Eisenhower privately doubted that the ‘damned little offshore islands’ were a vital interest of the United States, he staked American credibility and prestige on the defense of America’s Nationalist allies in Taiwan.”35

34 Quoted in Nusa Dua, “China’s Xi says political solution for Taiwan can’t wait forever,” Reuters, October 6, 2013, www.reuters.com
Eisenhower's sentiment remains true today, for the East and South China Seas as well. The South China Sea, in particular, embodies modern day brinkmanship. This was a dangerous Cold War strategy of questionable usefulness that "brought the world to the brink of war for issues that were, at best, marginal to U.S. interests."\(^{36}\)

China has increased its defense spending and is working to grow and modernize its military force. In September 2015, Xi put on a "Kremlin-style parade of China's military force"\(^{37}\) to commemorate the 70th Anniversary of the end of WWII and celebrate how far China has risen from the devastations of war. On the other hand, the U.S. is still the world's largest military power, spending twice as much as China, the second place spender.\(^{38}\) The U.S. periodically puts its military might on display in the South China Sea. For example, it sailed a U.S. destroyer less than 12-nautical miles from the Spratly Islands in October 2015.\(^{39}\) Both countries also still maintain second-strike nuclear capabilities.

Eisenhower also said, "Like a high-stakes game of chicken, he would push his adversaries to the brink of war, brandishing the threat of nuclear attack in an effort to wring concessions."\(^{40}\) The problem with a game of chicken is that either one side swerves, showing weakness, or they crash. Right now, the situation in the South China Sea is tense but stable. However, if tensions reach a boiling point, neither the U.S. or China can afford to swerve. If the U.S. backs down from treaty obligations in Asia, all other treaty obligations worldwide would be called into question. If China backs down, it will be seen as bowing down to China's past oppressors and will undermine the legitimacy Xi's government has pinned on China's "national rejuvenation."

The U.S. and China do not want an armed military conflict. It would threaten regional stability and economic goals. It would involve the U.S. in a new military conflict that it has no real interest in, especially

\(^{36}\) McMahon and Zeiler, *Guide to U.S. Foreign Policy*.
\(^{38}\) Ashley Kirk, "What are the biggest defence budgets in the world?,” *The Telegraph*, October 27, 2015, www.telegraph.co.uk.
\(^{39}\) “Q&A: South China Sea dispute”
after over a decade spent in the Middle East. For China, such a conflict would be “a nightmare scenario that would fundamentally undermine China’s economic rise” and would also be one China is not currently capable of winning. \(^{41}\) Unfortunately, a lack of will is not enough to prevent war.

In the South China Sea, “the potential for miscalculation is great.” \(^{42}\) One plane or ship accidentally crossing an invisible border has the potential to snowball into something much larger. During the Cold War, “there were a number of astonishingly close calls -- simple mistakes or accidents might have inadvertently led to war.” \(^{43}\) That uncertainty still exists today. However, efforts have been made to minimize the chance of armed conflict.

**Where the Cold War Analogy Falls Short**

The competing views of the international system, rampant mistrust, regional tension, and strong nationalist sentiment are all indicators of a Cold War scenario. However, the Cold War strategies and traits explored in the previous section seem to only be watered down versions of the originals. The U.S. does not have anti-China propaganda posters or nuclear bomb drills. The fear, confusion, and sense of “us versus them” is not as strong as it was during the Cold War. Our rivalry with China is not all consuming. This suggests that there is something missing from the Cold War analogy.

**The Lack of a Truly Bipolar World**

The world today is not as clear cut as it was decades ago. During the Cold War, the conflict with the Soviet Union was the be all, end all of foreign policy. The decisions the U.S. government made -- whether it was military buildup, economic aid to Europe, or space exploration -- were all undertaken with the goal of outdoing and limiting the Soviet

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\(^{41}\) Rudd, “U.S.-China 21,” 16.


Today, the U.S. and China are not the only countries “impacting the principled international order.” Separate from China, Russia has increased its efforts to reemerge as a global power -- leading some analysts to suggest a new Cold War not with China but with Russia. The European Union collectively holds considerable weight in international affairs. And non-state actors are increasingly important elements affecting global decisionmaking.

In this new global climate, the past single-mindedness of U.S. foreign policy does not exist. Preventing nuclear proliferation in Iran and monitoring North Korea's nuclear usage, putting an end to the Islamic State terrorist group, supporting Israel, ending the Ebola epidemic in Africa, and stabilizing the Middle East are all goals separate from U.S. concerns in the Pacific. During President Obama’s latest State of the Union address, Cuba, Syria, Russia, and the Ukraine were all mentioned. Significant focus was also placed on non-state terrorist groups: Islamic State and al Qaeda. In a world where some of the biggest security concerns are not even states, the limitations of the bipolar Cold War comparison are clear.

In the bipolar world of the Cold War, not only was the Soviet Union the only other major power, but the rest of the world was also divided into Soviet and American camps. China’s supreme leader during the Cold War, Mao Zedong, described this global environment: “Not just in China, but everywhere in the world without exception, one either leans to the side of imperialism or the side of socialism. Neutrality is mere camouflage; a third road does not exist.”

This strict division is no longer there. Countries want ties with the U.S. and China. They are not choosing between the two. The United Kingdom remains one of the biggest U.S. allies, yet it joined the China led AIIB against American wishes and welcomed President Xi Jinping

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45 Carter, “Strategic and Operational Innovation.”
46 Obama, “State of the Union.”
to the UK with an unprecedented level of pomp and circumstance. Countries in Asia value their alliances with the U.S. as a way to limit Chinese dominance in the region, while at the same time courting stronger economic ties with China as a vital trading partner.

This climate makes the containment strategy that characterized the Cold War, and that China fears the U.S. is trying to repeat, nearly impossible to enact. Containment requires the participation of allied countries to be truly successful. However, interested parties today want good ties with both countries and would thus not partake in an alliance aimed at completely containing China.48 What is left are polices meant to limit or shape China’s influence and role, not cut it off entirely. For example, the TPP aims to shape regional trade rules but does not preclude the creation of trade deals with China. In fact, the U.S. itself is working on a Bilateral Investment Treaty with China.

Globalization Prevents an “Iron Curtain”

During the Cold War an “iron curtain” descended, cutting the Soviet Union off from the Western world. The U.S. and Soviet Union were isolated from each other, with limited cultural and economic interactions. In today’s globalized world, such an extreme level of isolation is no longer possible. Exchanges between the peoples of different countries have increased, culture and views have spread, and economic integration is at an all time high.

Last school year, there were over 300,000 Chinese students studying in American schools, accounting for more than 30% of the international student population in the U.S.49 In the 2013/14 school year, 25,460 American students studied in China.50 In 2010, then Secretary of State Clinton launched the “100,000 Strong” initiative to

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encourage American students to study in China.\footnote{100,000 Strong Educational Exchange Initiative,” U.S. Department of State, www.state.gov.} In addition to student exchanges, there are many other informal exchanges between the two countries. For example, the U.S. Commerce Department predicts that Chinese visitors to the U.S. will reach five million plus visitors in 2020.\footnote{“Forecast of International Travelers to the United States by Top Origin Countries,” Office of Travel & Tourism Industries, International Trade Administration. http://travel.trade.gov.}

Chinese who never leave the country are also exposed to American ideas and culture. Chinese wear Western brands, watch American television, and will even visit the Disney theme park opening in Shanghai. Also, despite government controls over Chinese media and the spread of information, China’s censorship and control of internet access is not absolute. Chinese have the ability to access, even if in limited quantity, perspectives, news stories, and other information about the West separate from the official material. This higher level of exposure to Americans and American culture -- an exposure which was all but non-existent before the Cold War with China ended in 1972 -- helps mitigate the feelings of “otherness” that pervaded during the Cold War. Such interactions increase bilateral understanding and aid in the process of moving past the existing levels of mutual mistrust.

Globalization has also led to high levels of economic integration between the U.S. and China. China is the U.S.’s largest trading partner, accounting for 16% of total U.S. trade. China is America’s largest source of imports and third largest market for exports (behind only Canada and Mexico).\footnote{“Top Trading Partners - November 2015,” United States Census Bureau, www.census.gov.} Similarly, the U.S. is China’s second largest trade partner behind the combined European Union.\footnote{“Top 10 trading partners of the Chinese mainland in 2014,” China Daily, January 19, 2015, www.chinadaily.com.cn.} China is also a growing source of foreign direct investment (FDI) into the United States. In 2015, FDI from Chinese businesses in the U.S. was $15.7
The effects of this economic interdependence between the U.S. and China can be seen playing out not only through statistics, but also through significant anecdotal evidence. When Xi Jinping visited the U.S. in September, his first stop was in Seattle to visit with U.S. tech leaders. Xi’s ability to gather such a large group of CEOs into one room, including the heads of Apple, Microsoft, Amazon, and Facebook, shows both the importance of the Chinese market for American businesses and also the value Xi places on increasing business connections with the U.S.

The value of FDI for local economies also motivates U.S. states to actively seek out economic ties with China. According to a 2015 report, representative offices have been opened in China by 25 states. Interested cities and states are also members of the Council of American States in China (CASIC), which helps promote trade, investment, and positive working relations with Chinese organizations and government agencies.

Increased globalization limits the affects of negative rhetoric on popular perception, creates multiple ties between the U.S. and China, and makes the two countries increasingly interdependent. Economic interdependence encourage both countries to exercise caution, keep ties open, and promote stability, since any notable conflicts or disruptions in bilateral ties will have far reaching negative economic consequences.

Frequent U.S.-China Cooperation

China’s growth, the ongoing American role in global affairs, and U.S.-China economic interdependence have led many to claim that the U.S.-China relationship is currently the most important bilateral relationship in the international arena. With this in mind, both

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American and Chinese leaders have recognized the importance of continued engagement, meetings, and dialogues between the countries.

This has led to the creation of a system of regular meetings between presidents, high-level dialogues, working groups, and summits on various key issue areas. The U.S. and China participate in institutionalized high-level bilateral meetings, such as such as the annual Strategic & Economic Dialogue (S&ED), the U.S.-China High-Level Consultation on People-to-People Exchange (CPE), and the newly established U.S.-China High-Level Joint Dialogue on Cybercrime and Related Issues. The presidents and high ranking officials of each country also frequently hold bilateral summits and meetings or speak during the Asia-Pacific Economic Cooperation (APEC) forum and other multilateral and regional meetings. The two countries also engage in joint military exercises, hold academic conferences, and promote additional methods of maintaining conversation and exchange.

In addition to keeping communication open, the two countries have also recognized the importance of active cooperation on certain key issues. When President Xi meet with President Obama in Washington last September, they outlined multiple areas where the two countries pledged to expand cooperation. These areas for cooperation include working towards peaceful development in Afghanistan, participating in United Nation peacekeeping actions, continuing nuclear security efforts, expanding counterterrorism cooperation, reducing wildlife trafficking, and expanding ocean conservation activities. They also agreed to strengthen cooperation towards various development goals, such as food security, sustainable development, public health, humanitarian aid, and disaster response.

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57 Rudd, “The Price of Mistrust.”
The continuous high-level exchanges between the U.S. and China help create a constructive and ongoing relationship between the two countries. This dialogue limits the chance for misunderstandings to spiral out of control and also encourages cooperation. The increasingly integrated and complex global system we are dealing with today also makes it more difficult for the U.S. and China to successfully handle certain key issues unilaterally. Some foreign policy goals can only be achieved with both American and Chinese support. For example, the successful outcomes of the Paris climate change conference would not have been possible without the groundwork laid by the U.S. and China in their bilateral summits.\textsuperscript{61} The multilateral global order, globalization and interdependence, and the benefits, and even necessity, of bilateral cooperation between the U.S. and China, all prevent a truly Cold War style relationship from reemerging today.

\textit{Dangers of Applying the Cold War Framework}

Using a Cold War framework focuses U.S. foreign policy on divisive, combative, and aggressive strategies that stem from the basis of a zero-sum competition for control. This attitude overlooks the very real changes the global environment has gone through since the end of the Cold War. It negates the complexity of international affairs, the immense level of globalization and interconnectedness, and the wide range of global challenges that fall outside the umbrella of conflict between the U.S. and China.

This framework overlooks important aspects and complexities of today’s global system, and also places dangerous constraints on U.S. foreign policy decisions. It limits the discussion of U.S.-China relations and perpetuates a Cold War mentality. This narrow view becomes even more biased and limiting due to the personal experiences of today’s leaders, many of whom grew up and got their political starts during the Cold War.

Focusing on conflict and war breeds mistrust and makes it less likely for the U.S. and China to cooperate on important issues. Media,

academics, advisers, and even government officials, have taken to interpreting the actions of the opposing government as aimed at diminishing their own power as part of a zero-sum conflict for global dominance. These attitudes and assumptions have, in turn, begun to form the basis of actual official statements and policy decisions, further reinforcing the conflict, mistrust, and distance between the U.S. and China.\textsuperscript{62}

The danger of the Cold War was the potential for it to erupt into full out military conflict. Today, the stakes of such a conflict are even higher. Globalization and economic integration increase the negative effects and reach of conflict. A new Cold War is something policymakers should be striving to avoid. The U.S.-China relationship is too important and complex for it to be constrained to the limitations of a Cold War framework. By continuing to use this approach, the U.S. and China are maintaining these limitations instead of looking for new foreign policy strategies that are better equipped to deal with the current global climate and prevent military conflict.

\textsuperscript{62} Swaine, “Beyond American Predominance.”
China and the Economic Integration of Europe and Asia

Ambassador Chas W. Freeman, Jr.¹

Adapted from remarks given at the Summer Roundtable of the Pacific Pension Institute in San Francisco, California on July 23, 2015.

In these remarks, I will address the most massive project for infrastructure and logistics management investment the world has yet seen. I am referring to China’s “Silk Road Economic Belt” and the “21st Century Maritime Silk Road,” the “one belt, one road” project. This aims to bring into being a new economic order on the Eurasian landmass. Everything from the Atlantic to the Pacific is to be connected through hyper-efficient infrastructure and new institutional linkages.

Internationally, most attention has focused on Beijing’s ambition to build 81,000 kilometers (about 50,000 miles) of high-speed railways connecting itself to everywhere else in Asia and Europe. One trunk route is to go through Southeast Asia to Singapore. A second will cross the Karakorum Mountains and branch into two lines: one reaching Pakistani ports on the Arabian Sea; the other crossing Iran to Turkey, the Mediterranean, the Black Sea, and Southeastern Europe, with a branch connection to the Arabian Peninsula. A third trunk will go through Kazakhstan and Russia to Western Europe. China’s plan is to enable train travel from London to Beijing in a mere two days as early as 2025.

But the “one belt, one road” project is very much not limited to railroad construction. It aims at massive development of economic corridors traversing the entire Eurasian landmass and all its major peninsular extensions. It also has a large maritime dimension. China is in the process of becoming the world’s preeminent economy. The purpose of the “one belt, one road” project is to promote its economic

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integration with what has been called the “world island” – the conjoined continents of Asia and Europe. This is an area with a population of 4.4 billion and a current economic output of $21 trillion.

As one example of what China has in mind, consider the economic corridor that is to link Kashgar, in Xinjiang, China, with the port of Gwadar, in Balochistan, Pakistan, which is 1,800 km (or 1,100 miles) away on the Arabian Sea, just outside the Strait of Hormuz. In terms of China’s overall program, this is a bit of a sideshow. Still, the next fifteen years will see at least $46 billion allocated to the development of the China Pakistan Economic Corridor. Of this, $34 billion will go into new power plants, with the goal of almost immediately (that is three years from now) generating an additional 10,400 megawatts of electricity for power-hungry Pakistan. The rest will be devoted to building roads, railroads, power transmission lines, fiber optic cables, and oil and gas pipelines. Pakistan estimates that this influx of Chinese investment will stimulate a 15 percent increase in its GDP by 2030.

In addition to its impressive physical dimensions, the “one belt, one road” project seeks to build institutional linkages and break down barriers to cooperation between China and the various economic communities that populate the “world island.” These communities include ASEAN, the Russian-led Eurasian Economic Union, the Shanghai Cooperation Organization, the EU, the South Asian Association for Regional Cooperation (SAARC), and the Organization of Islamic Cooperation. A key building block in this effort is the so-called “regional comprehensive economic partnership” or RCEP. This will create a free trade area (FTA) embracing China, ASEAN, Australia, India, Japan, south Korea, and New Zealand. The target for concluding RCEP is the end of this year. In January, China agreed on an FTA with South Korea. China’s Ministry of Commerce then announced its intention to use the China-Korea FTA as a model for additional FTAs with 65 countries along the Silk Road economic corridors.

China has set a goal of $2.5 trillion in trade with Silk Road countries by 2025. In support of this, China seeks to inspire mergers,  

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2 RCEP negotiations are still taking place. The 12th round was held April 22-29, 2016.
acquisitions, and green-field investments to create what might be called “multinational companies with Chinese characteristics,” some with headquarters in Europe or elsewhere outside of China. The current surge of Chinese merger and acquisition activity in the EU – much of it involving the German Mittelstand – reflects this objective. As the “one belt, one road” concept is implemented, the EU and China should draw ever closer commercially. The same, for other reasons, is true of China and Russia, and of China and Iran.

Meanwhile, China is overhauling its economic structure. The old model, based on integration of trade with global markets but with limited financial linkages, has reached the end of its useful life. Chinese growth is weaning itself from the dependence on domestic fixed asset investment and instead transitioning to reliance on the expansion of services and domestic consumption.

Services overtook manufacturing and construction as economic activities in China in 2013. They now contribute almost half of Chinese GDP, up from less than one-third ten years ago. Chinese consumption overtook investment as the main driver of growth in 2011. While it remains relatively low as a percentage of China’s GDP, continuing rapid urbanization and the concomitant growth of China’s middle class promise to correct this. In 2014, 55 percent of Chinese lived in cities, up from less than 20 percent in 1980. According to the Organization for Economic Cooperation and Development (OECD), China is on its way to a 69 percent urban population by 2030. City dwellers are heavy consumers. This is the digital age. China is already the world’s largest digital marketplace.

As the Chinese economy evolves, we are beginning to see massive growth in China’s cross-border capital flows. Chinese investment abroad exceeded $100 billion for the first time in 2014. A lot more money is on the way. The majority of it will go into investments under the “one belt, one road” program. China’s emerging global financial role will be decisively shaped by its experience with Eurasian economic integration.

The “one belt, one road” initiative is partly a short-term measure to
China and the Economic Integration of Europe and Asia

alleviate the current overcapacity in China’s cement, steel and aluminum industries by conjuring up export markets for them. It will let Chinese manufacturing and construction companies continue for a while to do the sort of work abroad that is winding down at home. The initiative is also a way of developing Xinjiang and other parts of western China by making them key connectors to Central Asia, Russia, Europe, and the Middle East. But, in the longer term, “one belt, one road” is a strategy to use Chinese resources to tie Europe and Asia more closely and efficiently to each other and to China. The added efficiencies of its planned railroads, highways, pipelines, power grids, fiber optic cables, and air and sea ports respond to real market requirements and opportunities. Its institutional linkages will facilitate the investment necessary to realize these efficiencies.

The “one belt, one road” project has barely registered in official Washington. It is not taken seriously by many within the Beltway. Nor, as I vividly recall, was Deng Xiaoping’s 1978 announcement of his vision of “reform and opening.” Now, as then, there are many China specialists who dismiss China’s aspirations as unlikely to produce much. There are many skeptics within China itself. But China’s leaders are betting that the “one belt, one road” project can bring about a second major advance in their country’s long march toward wealth and power. They believe their vision has the potential to be as transformative as Deng’s “reform and opening” has been over the past 37 years.

These are early days in the development of a program conceived to span three or more decades. But slighting China’s latest effort to boost its wealth and power or its potential strategic implications is very likely a big mistake. While Washington works itself into a lather over Chinese pave-overs of reefs in the South China Sea, Beijing is focused on much bigger things. Chinese spokespersons are careful to describe their country’s Silk Road initiatives in purely economic terms. Still, if these initiatives work at all, they will have enormous geopolitical impact.

3 Chinese leader Deng Xiaoping’s reform and opening up policy spurred China’s rapid economic growth and participation in the global economic system.
Beijing has indicated a willingness to commit as much as $1.4 trillion to its “one belt, one road” strategy. To put this in perspective, this is more than ten times Washington’s historic commitment to the Marshall Plan, which totaled $120 billion in today’s dollars. China has already deployed at least that amount of new money to its vision of Eurasian economic integration.

Forty billion dollars has gone into the Central Asia-focused Silk Road Fund. An initial tranche of $50 billion has been committed to a new Asian Infrastructure Investment Bank (AIIB). Five billion dollars has gone into a new “Marine Silk Road Bank.” Forty-six billion dollars has been allocated to the China-Pakistan Economic Corridor. An opening contribution of $10 billion – some of which will go to Silk Road projects – has gone into the BRICS-led New Development Bank. The China Development Bank says it will finance up to $1 trillion in “one belt, one road” projects. Various elements of CITIC have just announced commitments to fund 300 projects from Singapore to Turkmenistan totaling $113 billion.

Meanwhile, China continues to leverage its membership in the Asian Development Bank (ADB), the World Bank, and other U.S., Japanese, and European-dominated institutions to the cause of improving Eurasian infrastructure. Japan has also announced its own $110 billion infrastructure investment fund for Asia. The justification for this Japanese fund is geopolitical rivalry with China. However, the Japanese initiative seems likely to support rather than undermine the Chinese objective of strengthening pan-Eurasian economic ties.

China seems confident that its economic size and dynamism will make it a major beneficiary of any removal of barriers to trade and investment or improvement in the communications efficiency in the Indo-Pacific. The East Asian economy is already in many respects Sino-centric. China’s expectation is that as its ties to Europe, Russia, and the Middle East mature, Eurasia will become ever more Sino-centric as well.

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4 The Marshall Plan, or the European Recovery Program, was a post-WWII aid package from the U.S. to Western Europe.
Next year, China will launch five years of collaborative strategic planning with foreign partners regarding projects to be carried out under its “one belt, one road” concept. Implementation is expected to begin in earnest in 2021, the 100th anniversary of the Chinese Communist Party. It will culminate in 2049, the 100th anniversary of the People’s Republic of China. The scale of what China is attempting is unprecedented, but the grand vision, long planning horizon, optimism, and tie to important anniversaries are typical of contemporary Chinese political culture.

For the past two decades, China has devoted about nine percent of its GDP to the enhancement of domestic infrastructure. It has learned a lot about how to build things that boost transportation and communications efficiency. China built its first expressway in 1988. By 2011, it had the world’s most extensive expressway system. China’s first high-speed train went into service in 2007. By the end of last year, its high-speed rail network, with over 16,000 km (about 10,000 miles) of track, was already longer than all high-speed rail systems outside of China combined. China has installed about one million kilometers (about 620,000 miles) of fiber optic cable. It now has the world’s largest broadband network. Almost half of the expansion in the world’s high-voltage electrical transmission lines is now taking place in China. Having produced amazing economic development in China itself, Chinese capital, energy, and infrastructure-building expertise are now focused on Central Asia, Russia, Europe, and the Middle East.

To this end, China is creating new international institutions that both supplement and compete with existing U.S.-sponsored funds and banks. It is promoting the Chinese yuan as a medium of trade settlement and public borrowing throughout Eurasia. These innovations are taking place as the obsolescence of existing exchange and development institutions has become increasingly obvious. The IMF and World Bank were born in 1944 at Bretton Woods. Seventy-one years ago, the United States led the capitalist world. It produced half of the global GDP and held 70 percent of the world’s gold reserves. America does not occupy a similar commanding position now. More to the point, the United States has recently shown neither the will nor
the political capacity to muster the means to adapt the Bretton Woods institutions to this century’s economic realities and development requirements. In this context, China’s initiatives amount to a tectonic shift in the global monetary system.

China’s organizational initiatives incorporate, complement, and build upon numerous existing institutions. They are additive and do not supplant them. They are explicitly inclusive rather than conditional or limited to countries that meet Chinese-imposed criteria for lending. China’s financial commitments are for the most part credit availabilities, not specific project finance commitments. The availability of credit does not guarantee the availability of financially attractive projects, however desirable they may be in terms of their overall impact on China’s economy and its relations with the other societies in Europe and Asia. Hence the importance of the international consultations and strategic planning efforts that are about to get underway.

China has a record of making extravagant offers of credits abroad that are then underutilized. This justifies a certain measure of skepticism about the numbers China has attached to its aspirations. Not all of the money China is making available will find projects. Still, given China’s emphasis on collaborative planning with foreign partners, a good deal of it seems certain to be used to actually build things. A majority of Chinese private sector and state-owned enterprises in the construction, mining, and telecommunications sectors have already built utilization of “one belt, one road” credits into their business plans. Every province and megalopolis in China is developing specific plans to support “one belt, one road” projects. A large part of the work on these projects – as much as 70 percent if past practice is a useful guide, but far from all of the work – will be done by Chinese companies.

China’s economic planners want to make private enterprises the backbone of the scheme – to leverage their energy, flexibility, and sensitivity to investment efficiency. But the initial emphasis on state-owned enterprises replicates the infrastructure-investment-led approach to development that has run out of steam in China’s
domestic economy. The best that can be said for this is that it gives such companies an opportunity to ease their transition to a new system with new rules and practices. They can continue for a while to do abroad what they will have decreasing opportunities to do at home.

China’s private sector companies are very good at exploiting opportunities for investment fueled by credits from the Chinese state. For the program to succeed over the long term, however, the planning process that is getting under way will have to begin to develop new models for Chinese investment that empower private enterprise along the Silk Road as well as in China itself. Perhaps the key to accomplishing this is partnership with foreign companies and lenders with greater experience in risk-based lending and turning a profit outside home markets. As the late Deng Xiaoping would have put it, China and its foreign partners will have to find their way across the many rivers between the Atlantic and Pacific by feeling their way with their feet as they ford them. Some projects envisaged for the “one belt, one road” program will be financially attractive, or made so. Others may be more problematic. The market will decide.

This raises a key question. Many of the countries that lie between China and Europe have troubled political and economic environments. What return on investment can China and its partners reasonably expect from “one belt, one road” projects?

In the short term, on the macro level, even under conservative assumptions, investment in Asian and European infrastructure looks like a good bet. Chinese state-owned enterprises have more money for infrastructure build-out than they can profitably deploy in China, where returns on such projects are very low at present. Investing in roads, railways, fiber optic cable, and power generation and distribution assets outside China could enable the productive use of China’s industrial overcapacity, stabilizing employment and the Chinese economy.

One study estimates, for example, that a relatively modest five percent growth rate in such assets from their current base could create 137 million tons of demand for Chinese steel. This would reduce
oversupply in the Chinese steel industry from 22 percent to 8 percent. It would expand access to markets and natural resources to China’s West, while linking both to the Chinese economy. It would also offer a new outlet for the investment of China’s huge foreign exchange reserves, which have been concentrated in U.S. Treasury bonds and other instruments with very low yields.

As another example, consider the benefits of shorter, land-based telecommunications routes that connect the two ends of the “world island.” China is connected to Europe at present by 39,000 km (about 24,000 miles) of mostly underwater cable following legacy telephone links. Digital packets transmitted from Western Europe to Shanghai or Tokyo must either cross Europe, the Middle East, the Indian Ocean and the South China Sea, or transit the Atlantic, the United States, and then the Pacific Ocean. Too many cables pass through heavily trafficked choke points like the Strait of Malacca or the Suez Canal. Accidents in these choke points cause several hundred disruptions of the global undersea system each year.

Trans-Eurasian networks will be more stable. They will not just improve connectivity for landlocked countries along the “one belt, one road” routes, but also speed up data exchanges between Europe and Asia. Investors are willing to spend hundreds of millions of dollars to gain a few milliseconds in highly profitable “high frequency trading” – the automated buying and selling of financial instruments by computers. By some estimates, a one millisecond advantage could be worth up to $100 million a year to a single hedge fund company. Shorter routes are the key to speed – and profit. And routes under Chinese, Russian, and European control will arguably be more secure from exploitation by the much-feared U.S. National Security Agency.

The devil is always in the details, but if China’s vision is realized in any significant respect, in time all roads in Eurasia will lead to Beijing. China will become the center of economic gravity of a vast, loosely integrated region that already has 55 percent of world GNP, 70 percent of the global population, and 75 percent of known energy reserves. The “one belt, one road” program includes no military component, but it clearly has the potential to up-end the world’s
geopolitics as well as its economics. It is an entirely non-coercive, market-directed means by which to aggregate all of Europe and Asia’s wealth and power to China’s own as China becomes the world’s largest economy. If it works, it will place China in an ever more central position of influence on the Eurasian landmass and the world. It will, in short, make China the most important single national actor on the entire Eurasian landmass.

But the implications of the “one belt, one road” project are not in any way limited to geopolitics. A post-Bretton Woods global financial order is being born. It will be shaped in large measure by what happens under China’s Silk Road initiatives and in the institutions China is organizing to support them. Nations and financial institutions that collaborate in these initiatives will be in a position to shape them and the reformed international financial system they constitute. Those who stand aside from these initiatives will not. The American and Japanese decision to boycott the Asian Infrastructure Investment Bank and related Chinese initiatives is a major forfeiture of strategic influence. As such, it is a blunder of epic proportions. The United States is in denial about the nature and direction of change in the global political economy. Washington has lost intellectual command and practical control of geopolitics in the Indo-Pacific region.

Americans like to apply military deterrence to threats and coercive solutions to problems. China’s return to wealth and power certainly has military implications that must be addressed, but China’s main impact on world affairs has been, and will continue to be, politico-economic. The challenges posed by a more prosperous and internationally engaged China have no military solution. The world’s future is far more likely to be determined by the peaceful economic integration of China with the rest of Eurasia than by the U.S. “pivot to Asia.” In this context, the military aspects of the “pivot” are irrelevant. And the conceit that rules for trade and investment in the Indo-Pacific can be set by arrangements that exclude China, like the Trans-Pacific Partnership (TPP), is preposterous. China is the biggest trading

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5 The TPP is a trade agreement between 12 Pacific Rim countries that does not include China. The agreement was signed in February 2016 but is not currently in force. The agreement has yet to be ratified by the U.S. Congress.
partner and greatest potential source of future foreign investment of every country in the TPP.

In many ways, the U.S. and Japanese responses to China's increasing role in global economic affairs remind me of the dysfunctional reactions of an entrepreneur as the private equity boys reorganize the company he founded, change its management, do transformative mergers and acquisitions, and deprive him of all pretense of control over his company as they take it public. Waving a gun in the air may make the man feel good, but it is beside the point. And it will not earn him the support of the new stakeholders. To continue to lead, one must engage and contribute, not deny the reality of change or boycott, bluster, and block needed reforms. As the great conservative, Edmund Burke, declared: "the heart of diplomacy is to grant graciously what you no longer have the power to withhold." Doing this is how one repositions oneself to future advantage.

China is now near the heart of the global capitalist economy. Despite many internal problems, it is currently outplaying all rivals, including the United States and Japan. It has a vision of reform and opening of itself to its neighbors to the west that is potentially transformative on many levels. If China realizes its vision, it will fully deserve the name by which it calls itself – 中国, the country at the center of the world's affairs. We cannot hope to prevent this through military maneuvers and exclusionary trade arrangements even if it were in our interest to do so, which it is not.

What we can do is find ways to leverage China's rising prosperity to boost our own. To do this, we need to ramp up our competitiveness and deal with the world as it is, not as it used to be. China has its act mostly together. We need to get our act together too.
China’s Silk Railroad Vision in Central Asia
Issues and Challenges

Junxiao P. Liang

China’s Promise to Central Asia

In September 2013, Chinese president Xi Jinping announced the “Silk Road Economic Belt” (SREB) initiative during his visit to Kazakhstan. At the core of this grand strategy, China promises “to improve traffic connectivity so as to open the strategic regional thoroughfare from the Pacific Ocean to the Baltic Sea,” a key condition for the ultimate economic integration of the entire Eurasian continent.

For over two decades, China has been very diligent when managing its relations with Central Asia, largely due to Russia’s entrenched influence in the region. Nonetheless, from energy to security to trade, the two sides have a wide range of fields for cooperation and the relations between China and Central Asia have been quite stable over time. Official data shows that the total volume of trade between China and all five Central Asian countries grew 100 times between 1992 and 2012. Since there is a high degree of complementarity in trade between China and Central Asia, both sides have benefited enormously from these increased trade relations. By now, China is not only the biggest importer of Central Asia’s natural gas, but also the number one commodity exporter to Central Asia.

But the situation is changing, as the rising tensions at China’s eastern frontiers and the U.S. “Pivot to Asia” policy has propelled Beijing to seek support from its neighbors in Central Asia – just like the old Chinese saying, “a near neighbor is better than a distant relative.” In the wake of China’s growing influence over regional affairs, the Obama administration launched the “Pivot to Asia” policy in 2011 as a tactic to secure U.S. economic interests in the Asia Pacific region and enhance the relationship between the U.S. and its allies. While

2 Ibid.
relations between China and its maritime neighbors have soured as Beijing hardened its claims over the disputed waters in the South China Sea, the “Pivot” is seen by many as a crucial move to reassure allies of the U.S. commitment to their interests in regional security.

The Pivot shows that the influence of the U.S. in the region is far from diminishing, giving Beijing a strong incentive to seek alliances with countries that either have no immediate conflict of interest or are traditionally not an ally with the U.S. Although Mongolia, Thailand, and Central Asia are qualified given this criterion, Central Asia is the only candidate Beijing could rely on. Both sides are able to maintain stable relations over time due to their common interests against religious extremism and the absence of border disputes. Since four out of five Central Asian countries (all except Kyrgyzstan) are ruled by political strongmen, it is also easier for Beijing to influence Central Asian leaders. Furthermore, the Central Asian countries are seeking alliances with new powers as Moscow is losing its grip on these countries.

Given Central Asia's immense geopolitical importance, the SREB initiative serves as a mechanism to secure China's interests in that region. Yet, the backward transportation system in Central Asia has become a huge bottleneck limiting the scope of cooperation between China and Central Asia. Today, Central Asian countries are still surviving on the “infrastructure legacy” inherited from the former Soviet Union. During the 1990s, railways in Central Asia experienced significant decay due to insufficient funding and poor maintenance, undermining the entire network’s ability to transport the rapidly growing volume of freight and passenger rail traffic. The inefficient network boosted the cost of transportation in Central Asian countries, making them less competitive in global trade.

On the other hand, China has spent tens of millions of dollars building the world’s finest infrastructure network over the past two decades. In 1995, China had only 1,603 kilometers of expressway nationwide,
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about two percent of that of the U.S.\(^3\) By 2013, it had the world’s largest expressway system with a total mileage of 111,950 kilometers. But the real miracle is China’s high-speed railway; China has built the world’s largest high-speed railroad network from scratch within ten years. With a total length of 16,000 kilometers, the high-speed railroad network now connects all major cities in the eastern provinces.

These achievements at home gave Beijing an incentive to sell their technology to other developing countries where they believe China’s success can be reproduced. In the next few years, China will lead railway construction in countries along the historic Silk Road, including all five Central Asian ‘stans,’ Iran, and Turkey. According to Chinese state media, there is even a plan to build a high-speed rail line that begins in Urumqi, the capital of China’s Xinjiang province, travels through the four Central Asian countries, and ends in Iran’s capital Tehran.\(^4\)

This paper attempts to discuss the potential challenges facing the proposed railroad construction in Central Asia. The first part is a review of the current state of the Central Asian railway network, its history, and some existing issues. The second part will focus on China’s investment overseas, with evidence found from China’s past experiences in Africa. The paper ends with a discussion of potential issues policymakers and investors should address.

**Current State of Railroad Infrastructure in Central Asia**

*Overview of Current Railway System*

Railroads serve as the linchpin that supports the entire trade system in Central Asia. In Kazakhstan, 60 percent of all freight transportation is carried by rail, and the share goes up to 90 percent in Tajikistan and


Uzbekistan.⁵ Some of the goods commonly transported by rail include petroleum products, cotton, metals, automobiles, and daily-use commodities.

By 2014, Central Asia had about 22,664 kilometers of railway, making it the 14th largest rail network in the world if the region is considered together. However, each country’s share of the rail lines is highly uneven. While 63 percent of the entire region’s railway is owned by Kazakhstan, only five percent is owned by Kyrgyzstan and Tajikistan combined (Figure 1). This pattern is heavily influenced by the geographic conditions of these countries. The massive flat steppe of Kazakhstan facilitated the expansive network of main rail lines, whereas building railways is an extremely expensive and difficult construction in elevated countries like Kyrgyzstan and Tajikistan.

<table>
<thead>
<tr>
<th>Country</th>
<th>Total Length of Rail Lines (km)</th>
<th>Share of Rail Lines in the Entire Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kazakhstan</td>
<td>14,319</td>
<td>63%</td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>417</td>
<td>2%</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>621</td>
<td>3%</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>4,192</td>
<td>18%</td>
</tr>
<tr>
<td>Turkmenistan</td>
<td>3,115</td>
<td>14%</td>
</tr>
</tbody>
</table>

Figure 1. Railway Length of Central Asian Countries⁶

Although the railway system is the most used method of transit in Central Asia, its significance is limited to domestic traffic and intra-regional transit. In terms of incoming rail traffic, 46 percent comes from Russia, the region’s largest trade partner, while 33 percent ends in Uzbekistan, the region’s most populated country.⁷ Besides Russia, only two neighboring countries have railway access to the Central Asian network: China (with Kazakhstan at Dotsyk/Alashankou) and Iran (with Turkmenistan at Serakhs).

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⁷ Ibid.
The Soviet Legacy

For Central Asian countries, the railroad is one of the Soviet legacies still in use every day. From the late 1930s to 1970s, Central Asia underwent massive industrialization under Moscow's planning and command. With the goal of consolidating the Union, Soviet planners adopted a strategy that divided the various stages of industrial production - manufacturing, processing, and consumption - among different republics so that no single republic had the ability to complete the process of production on its own. The introduction of heavy industry into Central Asia certainly enhanced the region's backward economy, but in the long run, it increased the level of economic interdependence between Central Asian republics and other regions within the Soviet Union. For example, crude oil produced in Kazakhstan was refined in Uzbekistan and consumed in Russia. As a result, Central Asian republics were only able to trade “almost exclusively with other Soviet republics, in particular Russia.”

During the Soviet period, the railroad was not only the primary mode of transportation between Moscow and its oblasts (equivalent to states), but also a tool used by Soviet leadership to strengthen control over remote regions. This idea is reflected on the railroad map of Central Asia (Figure 2), where main lines started from each republic's capital, ran through more than one republic, and then all ended at one terminus – Moscow. The borders between republics were entirely neglected during the planning.

At the time it was completed, this network enabled Moscow to tighten its grip on economies in remote regions and dissuade non-Slavic republics from leaving the Union. However, when these autonomous republics became their own sovereign states, the rail lines became a source of disputes.

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9 Ibid.
10 Kulipanova, “International transport in Central Asia.”
Figure 2. Railway Network in Central Asia (with Moscow at the upper left-hand corner)\textsuperscript{11}

Figure 3. Enlarged Map of Railroads in Central Asia\textsuperscript{12}


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For instance, the entire railway system of Tajikistan, which consists of three isolated lines, had an intersection in Uzbekistan. An individual has to cross the border twice in order to travel from Dushanbe, the capital of Tajikistan, to Khudzhand, the country’s second largest city (Figure 3). The dependence of Tajikistan on Uzbekistan’s railway becomes a loophole for Uzbek customs to charge expensive fees for through traffic. These “interdependency patterns caused by the interconnectedness of transport networks”\(^\text{13}\) could have become a mechanism for regional integration, but in reality, they became trade barriers under the influence of localism and corruption.

Existing Problems

Despite its dominant role in regional traffic, traveling by train in Central Asia is an extremely time-consuming and expensive method of transportation. This inefficiency is due to a number of causes, such as technical difficulties derived from the system itself and institutional problems.

Due to lack of proper maintenance, the rail infrastructure in Central Asia has made little improvement since the 1980s. After the collapse of the Soviet Union, maintenance of rail infrastructure was transferred from the Soviet Ministry of Railway to each newly established republic. Soon, a decade long economic recession swept some Central Asian countries, whose governments responded by reducing the expenditures on railway infrastructure. Even if sufficient funding is provided, making the repairs could be troublesome as no single nation could finish the process on its own. Originally designed in a way meant to tie the republics together, the maintenance of the rolling stock is a shared responsibility of the republics.\(^\text{14}\) For example, if an electric locomotive from Kyrgyzstan is due for inspection, it needs to be sent to Uzbekistan because the Kyrgyz workshop is only able to inspect diesel locomotives.

As a result, locomotives from the 1980s, or even the 1950s, with excessive wear are still being used in some Central Asian countries,

\(^{13}\) Kulipanova, “International transport in Central Asia.”

\(^{14}\) Otsuka, “Central Asia’s Rail Network and the Eurasian Land Bridge.”
especially in the two poorest countries in the region - Kyrgyzstan and Tajikistan. A study found that while less than 50 percent of rolling stock in Kyrgyzstan and Tajikistan meet the service requirements, the share of qualified equipment is 70 percent in Kazakhstan and 80 percent in Uzbekistan.\textsuperscript{15} The outdated rolling stock has substantially downgraded the capacity of the entire freight system. Today, the average speed of railroad transportation is as low as 20 kilometers per hour.\textsuperscript{16}

Break-of-gauge is another example of roadblocks that restrict further regional integration. Although China and Iran are Central Asia's top trade partners, the freight transported through these two ports of entry accounts for only a small portion of the overall freight volume. This paradox is mainly caused by a technical issue called \textit{break-of-gauge}. While China and Iran build their railways on what is called standard gauge (1,435 mm), Russia and Central Asian countries use a broader gauge (1,520 mm). This means that trains coming from China or Iran are required to stop at the border and spend at least four hours changing rail car wheels (technically known as \textit{bogies}).

Break-of-gauge brings about additional time and costs that diminish the advantages of rail transit compared to container transportation. Today, 98 to 99 percent of goods traded between the European Union and the Asian Pacific region are transported by container ships, while overland transport through Central Asia and Russia accounts for only one to two percent.\textsuperscript{17}

In addition to technical issues, institutional factors, such as cumbersome bureaucracies and deep-rooted corruption, deepen the inefficiency of rail transportation in Central Asia. Data from a 2014 World Bank survey\textsuperscript{18} shows that in Central Asian countries (excluding Turkmenistan, whose government declined to disclose data on this

\textsuperscript{15} Kulipanova, “International transport in Central Asia.”
\textsuperscript{16} Otsuka, “Central Asia’s Rail Network and the Eurasian Land Bridge.”
\textsuperscript{17} Nick Megoran, Gael Raballand, and Jerome Bouyjou, “Performance, representation and the economics of border control in Uzbekistan,” \textit{Geopolitics} 10, no. 4 (2005): 712-740.
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topic), the average time required for import is 79 days and 74 days for export, which is significantly slower than the world average (24.5 and 21.5 days respectively). The average number of documents needed for customs clearing was 12 for import and 10 for export, compared to the world average at 6 and 7. Almost half of the total transport time was spent dealing with informal trade barriers, such as paying bribes to custom officials and traffic police.  

Many Central Asian countries use customs as a tollbooth to charge excessive fees, either formally or informally, on foreign freight trains crossing their territories. Uzbekistan, the intersection of the entire Central Asian railway network, is notorious for doing this. Research shows that 40 percent of the total transportation costs from Tajikistan to Russia is paid at Uzbek borders. Political issues at home, such as a corrupt judicial system, create loopholes for law enforcement agents to openly solicit bribes. For example, a Kazakh law requires that the total amount of goods transported not exceed three quarters of the maximum load, although compliance to this law causes significant economic loss. In practice, only customs officers and traffic police have the final say on whether the carrier violates the law, making bribery a necessity for passing the inspection, even if the vehicle is not overloaded.

China’s Infrastructure Investment Overseas

Building Railways in Africa

China’s obsession with state-led macroeconomic planning derived much from its own success. China is one of the most successful examples of the so-called “developmental state,” a model that embraces government intervention in economic development and positive relations between infrastructure spending and economic growth, which was a key lesson learned from the “East Asian miracle.” During the early 1990s, many former Soviet countries carried out

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19 Cooley, Great games, local rules, p. 155.
20 Megoran, Raballand, Bouyjou, “Performance, representation and the economics of border control in Uzbekistan.”
huge waves of privatization is an effort to achieve economic growth. However, the Chinese leadership, heavily influenced by Keynesian economics, believed modernized infrastructure was the right fix to poverty elimination. This idea was even written as a slogan which said “To Become Rich, Build Roads First” (Yaozhifu, Xianxiulu).

With this in mind, China is now rising as the top financier of infrastructure projects in developing countries. Over the past two decades, China has invested tens of billions of U.S. dollars to finance large-scale construction projects in Sub-Saharan Africa. These financial commitments have been used to build new facilities, such as hydropower stations, cable lines, and, most importantly, railways.

A 2008 World Bank report said Chinese finance has been used to rehabilitate more than 1,350 kilometers of existing railway lines and to build more than 1,600 kilometers of new railroad, with the entire railroad network in Africa at about 50,000 kilometers. From Algeria to Angola, China Railway Construction Corporation Limited (CRCC) and its subsidiaries are building first-class railroads that connect major cities and ports on the African continent. In August 2014, the CRCC completed the rebuilding of Angola's Benguela Railway, the west section of the proposed transcontinental railway (Figure 4). The middle section is still under construction, and upon its completion, the transcontinental railway will link the landlocked regions at the heart of the African continent with the world. For example, copper produced in Zambia and southeastern Congo will be shipped directly to sea ports in Angola and Tanzania.

State-led Construction

Despite its overwhelming presence on the African continent, Chinese capital did not enter the African market until the early 2000s. The rapid economic growth that lasted for twenty years turned China from a recipient of foreign direct investment (FDI) to a sender. With the expectation of opening overseas markets for Chinese capital, the Chinese government launched the ‘Go Out’ strategy as an effort to encourage local companies to invest overseas. Between 1994 and 2014, China's estimated outward FDI jumped from 2 billion to 103 billion U.S. dollars, representing a 50 times increase (Figure 5).

In 2014, China’s inward FDI increased just 3.7 percent, while its outward FDI increased over 14.9 percent.25 A study from World Resource Institute (WRI) suggests that China’s outward FDI is likely to surpass inward FDI in the next two years as the gap between inward

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25 Ibid.
and outward FDI is narrowed. While China is still a newcomer in the field of international development, it has grown as a competitive actor within a short period of time and has quickly expanded its market share in developing countries.

Unlike the case in other major economies, state-owned enterprises (SOEs) are vital actors in China’s overseas investment. SOEs, such as PetroChina and the Industrial and Commercial Bank of China, accounted for 55.2 percent of China's overall non-financial FDI in 2013. However, in 2014, the share dropped to 48.9 percent, while FDI from privately-held companies like Huawei and Alibaba is rapidly growing. In terms of financial investment, two state-owned ‘policy banks’ – China Development Bank and Export-Import Bank of China – are important lenders who provide loans to clients from developing countries as well as Chinese companies participating in the ‘Go Out’ strategy.

Along with energy and finance, infrastructure is a crucial sector that attracts a large portion of China's FDI, particularly from SOEs. A 2015 WRI study found that the construction industry attracted 16 percent of total outward FDI into Africa. Other evidence shows that Chinese construction companies were incredibly successful in expanding their presence in many African countries during the past five to ten years. Almost all major Chinese construction companies with considerable investments overseas are SOEs, including China Communications Construction, China Railway Engineering Corporation, and PowerChina. By 2006, Chinese construction companies had gained about 30 to 40 percent of the market in countries like Zambia and Tanzania.

Conclusion

From the Asian Infrastructure Investment Bank to the Silk Road Fund, China has been making substantial moves to lay the foundation for future projects, indicating that the SREB initiative is not just a hollow promise. However, upgrading the current railroad network in Central Asia requires years of construction and massive flows of capital, not to mention the lengthy negotiations between governments. As of yet, we are unable to evaluate the feasibility of the China-led railroad construction since Beijing has not published any detailed plans for connectivity projects in that region. Based on evidence regarding the current state of the railroad network in Central Asia and the analysis of previous Chinese investments abroad, obstacles to future projects will likely be caused by three challenges: conflict of interest between relevant countries, sustainability of upgraded railroads, and investment risks.

Conflict of Interest

It is clear that certain countries will benefit more than others from the SREB initiative. If a country sees itself benefiting less from the initiative, it will either have little incentive to cooperate with others or demand for compensations as an exchange for contribution. For example, the statements below reflect Kyrgyz president Almazbek Atambaev’s hesitance regarding railroad construction:

Despite apparent benefits as a transit country...[Kyrgyzstan’s] president, Almazbek Atambaev, keeps changing his mind on the project. In 2012, Atambaev called this railroad “the single most important infrastructure project,” which he strongly desired “to see implemented.” However, by late 2013, he reversed his position and dismissed the project as being of “little use for Kyrgyzstan itself and [solely benefitting] neighboring countries”.31

President Atambaev’s concern is reasonable since his country has little interest in railroad investment. Kyrgyzstan has no direct railroad access to China, and its trade with China mainly relies on road traffic. If a rail line were to be built to connect the two countries, the project would be extremely expensive, as the proposed line requires long-distance tunnels and bridges to pass through the snow-capped Tian Shan Mountains. Besides financial difficulties, Kyrgyzstan has a low degree of trade complementarity with China. The amount of goods Kyrgyzstan imports from China overwhelms exports to China. Unfortunately, this situation is a matter of trade structure and is unlikely to be changed with improved connectivity. While China has a trade deficit of 33.4 billion U.S. dollars with the entire region, most of China’s imports come from resource-rich Kazakhstan and Turkmenistan (Figure 6). The only Central Asian country that has rail port of entry with China, Kazakhstan, would certainly be the biggest winner in the game, explaining why Kazakhstan has been the most active supporter of the SREB initiative since its inception. If the SREB initiative fails to overcome these concerns and establish an effective mechanism for government coordination, the overall course of the rail projects will certainly be delayed.

In addition to trade structure, conflicts may also come from diverse political interests. Unlike many other Asian countries, Central Asian countries have a largely positive attitude toward China’s rise, which, from their perspective, could bring more trade opportunities and counter Russia’s overwhelming influence in the region. However, as China’s influence enlarges in these countries, this intimate comradery may deteriorate. As one scholar suggests, while Central Asian elites have all agreed that it is in their interest to strengthen ties with China, “in reality they are still unwilling to be dependent upon any new ‘big brother.’” How to manage the balance of power is a question Chinese leaders should consider, as most Central Asian leaders still prefer to see China as a trade partner rather than a power.

Sustainability

Some of the conditions that contributed to China’s economic success are absent in Central Asian countries, such as a strong central government, large amount of investment from the government, and

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34 Gong, Song, Liu, “A study on trade pattern of China with Russia and Central Asia.”
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consistency in economic policies. While countries in the region are still suffering from deep-rooted clientelism and corruption, it is difficult to ensure the transparency and efficiency of projects. Also, even though less developed countries like Tajikistan are able to afford the high cost of construction, they still lack the capability to operate a modernized railroad network.

In countries with limited capacity to lead large-scale projects, how to effectively mobilize resources is a challenging question. Since it is more difficult to operate than to build a rail line, it is necessary to solve the problem of how to increase the efficiency and transparency of the governments in Central Asian countries. However, this is a question that could exasperate many local political elites because any kind of reform will certainly affect their interests.

**Investment Risks**

China was maintaining high-speed economic growth of seven percent when it first unveiled the ‘Belt and Road’ initiative; a year later, the Chinese economy started to slow down, and this declining trend does not seem likely to end soon. The situation is even worse in resource-rich Central Asian countries, where exports were hit hard by record low oil prices. While many have forecasted that 2016 will be a sluggish year for the global economy, it is unclear whether Central Asian countries will give the green light to Chinese investments as they promised.

As mentioned above, many infrastructure projects in less developed countries are carried out by Chinese SOEs. But the nature of SOEs as instruments of the government’s economic policy has created some inevitable challenges to Chinese companies as they enter foreign markets. The development of Chinese SOEs is often aligned with government strategies rather than market demand. For example, many construction projects built by Chinese companies, such as the massive stadium in Ethiopia and modern hydroelectric plants in Zambia, were initially announced as in-kind aid promised to recipient countries. As a result, profit earning is not a top concern for the government-backed SOEs, who have frequently underestimated or
even neglected the risks of investment in destination countries. Because of this, many Chinese companies have been willing to operate on profit margins of as low as 10 percent, only half the rate accepted by competitors. It is true that Chinese companies have greatly benefited from low profit margins, which facilitated their entry into the African market but at the same time reduced their financial gains.

In terms of their participation in the SREB initiative, Chinese SOEs may reconsider their relations with the government and demand greater autonomy in decision-making, despite potential opposition from the government. In recent years, China’s foreign policy has been heavily influenced by two major factors: “domestic development strategy and the need for resources.” While the government still sees SOEs as tools to leverage China’s political interests in the international arena, executives of SOEs are worrying about a practical issue - the net revenue from their overseas investments. As the government and companies have distinct interests, tensions will certainly arise. Given these uncertain conditions, the success of infrastructure projects will depend on the coordination between Chinese government, Central Asian leaders, and participating companies.

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35 Toktomushev, “The Silk Road Economic Belt’s Impacts on Central Asia.”
Why Anti-Chinese Rhetoric Is Bad Politics
A Survey of the 2016 Presidential Candidates' Remarks on China

Rachel E. Peniston

Anti-China rhetoric has emerged as a major theme in the 2016 presidential campaign. Both Republican and Democratic candidates commonly reference China, and frequently cast the PRC (People's Republic of China) as an enemy of the U.S. in major speeches and statements. This trend is not new; during previous election years, candidates have also invoked China in order to showcase their projected strength as president and their ability to “stand up to Beijing.” The 2016 presidential campaign, though, has been increasingly defined by polemical anti-China rhetoric, more so than previous election years, likely a result of China’s increased assertiveness in global affairs.

Vilifying China is an extremely useful tool for candidates, allowing them to construct an enemy narrative in which China manifests as a scapegoat for America’s economic troubles and a threat to America’s global hegemony. Moreover, it serves as ammunition candidates can use to criticize their opponents: they simply argue that the opponent’s personality and/or past policy decisions indicate he or she is too weak to protect American interests from an increasingly powerful Beijing. Some of the language used to describe China’s place in the international arena and American insistence that China abide by established rules and norms even harkens back to the Cold War era mentality of “containing” China. This explains the pervasiveness of anti-China rhetoric in the presidential campaign, but raises the question of why it matters in the first place. What is so inherently problematic about utilizing the PRC as a punching bag in U.S. campaign discourse?

Through a survey of speeches and statements made by both Republican and Democratic presidential hopefuls, this author shows that anti-China rhetoric in the 2016 U.S. presidential campaign has manifested in three main areas of criticism of the PRC: economic-related concerns, security issues, and condemnation of China’s human
rights record. The paper is divided into sections according to these three key areas of criticism in order to illustrate the rationale for utilizing anti-China rhetoric: politicians choose to paint China as America’s enemy precisely because the PRC presents itself as an economic competitor and potential military adversary, as well as ideological opponent. This trifecta makes the PRC a perfect candidate for the American enemy narrative.

By providing a critical analysis of candidates’ specific statements on China related economic, security, and human rights issues, this author will demonstrate that vilifying China may have short-term benefits but ultimately has very dire implications for U.S. foreign and domestic politics. Ultimately, China bashing damages the Sino-U.S. relationship, erodes the credibility of the Executive Office, and can even alienate Asian American voters on the domestic front.

**Methodology and Scope**

This article examines both Democratic and Republican candidates in the 2016 presidential campaign, including some candidates who have since dropped out of the race. Using their statements, speeches, websites, and proposed policies concerning China, this author analyzes language, not actual China policies. With a few notable exceptions,¹ the candidates have not had a chance to develop or enforce any cohesive China policy since most are either not representatives of the U.S. government or currently serve in government positions that do not involve shaping U.S. foreign policy. Therefore, this article will treat candidates’ proposed policies as rhetoric, since they have not been enacted and would likely evolve should that candidate be elected. In previous election years, candidates have been very vocal in condemning China during their campaign, but have exercised restraint when it comes to conducting diplomatic relations with China after assuming office. There is a huge gap between campaign oration and implemented China policies, and

¹ In her role as Secretary of State, Hillary Clinton participated in the Obama administration’s “Pivot to Asia” and made some important policy decisions concerning China. Marco Rubio has also participated in some limited China policy-making in his role as the co-chairman of the Congressional Executive Commission on China. These policies will be analyzed and distinguished from rhetoric as appropriate.
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for that reason, this paper focuses primarily on rhetoric, its uses, and its implications.

Due to the limited material offered within the campaign framework, this article cannot offer a comprehensive examination of each candidate’s stance on China, nor will it endorse any particular candidate or party. Evaluating the best candidate for U.S.-China relations would rely on establishing some underlying agreement on how the U.S. should engage productively with China - a topic on which policy-makers and scholars have offered myriad perspectives without consensus, rendering it far beyond the scope of this paper.

Since there were more Republicans than Democrats who initially entered the presidential race, this article will attempt to proportionally represent each party by scrutinizing more Republicans than Democrats. This author will select for analysis candidates who hold subjectively interesting, unique, or opinionated perspectives on China; namely Donald Trump (R), Ted Cruz (R), Jeb Bush (R), Marco Rubio (R), Bernie Sanders (D), and Hillary Clinton (D). Although Jeb Bush, Marco Rubio, and Ted Cruz have suspended their campaigns, the paper will still analyze some of their statements concerning China, as their remarks represent an interesting component of anti-China rhetoric used during the course of the campaign season. Since this paper is analyzing rhetoric, which exists as a historical record regardless of the outcome of the election, former candidates’ remarks made during the course of the campaign are still relevant. Furthermore, due to the intertwined and evolving nature of political campaigns, former candidates’ remarks still exert influence on current candidates, frame debates, and shape public opinion.

**Historical Context**

There are two important factors that underpin the topic of anti-China rhetoric in U.S. presidential campaigns that will be used as a basis for future analysis and to provide historical context. Firstly, the argument that anti-China rhetoric is damaging because it erodes the integrity of the Executive Office rests on the assumption that the victorious candidate will inevitably behave in a hypocritical manner - by
condemning China during the campaign but developing more conciliatory policies towards China after assuming office. Recent U.S. presidential campaigns provide evidence that this phenomenon occurs time and again. For instance, former Republican presidential candidate George W. Bush spoke with CNN news anchor Larry King in 2000, arguing that although previous presidents have referred to the Sino-U.S. relationship as a “strategic partnership,” he would instead redefine China’s status as a “competitor.” When Bush took office, however, he sought China’s collaboration in the global war on terror, soundly reconfirming the Sino-U.S. partnership. Furthermore, as mutual gestures of goodwill, then-Chinese President Hu Jintao visited the United States in 2006, and in 2008, then-President Bush attended the Beijing Olympics opening ceremony.

President Obama also participated in China bashing during his 2008 presidential run, offering this acerbic rebuke at a speech in North Carolina:

> When we are talking to China, we should be tougher negotiators. We’ve got to have labor standards and environmental standards and safety standards so our children aren’t chewing on toys with lead paint on them. And if they’re manipulating their currency or they are not respecting our intellectual property, or other countries are threatening union workers with arrest, or in some cases death, then we’ve got to stand up for not only our workers, but workers all around the world.

During his presidency, however, Obama refrained from labeling China a currency manipulator. In fact, he explained his preferred method of engagement with China in a meeting in Ohio in 2012:

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2 This topic will be further explored in the section entitled “Historical Context”
4 Ibid.
5 Ibid.
What we have found is that when we push them very hard but we don’t go out of our way to embarrass them, we get results. There’s a strong nationalist sentiment inside of China, and they’ve got their own economic pressures, so we’re not interested in triggering an all-out trade war that would damage both economies.\(^8\)

President Obama recognized the inherently interlinked nature of the Sino-U.S. relationship, especially in the realm of international trade, and ultimately decided to soften his tone and messaging on China. This is part of a larger historical trend of candidates using anti-China rhetoric in the campaign phase and then transitioning to more diplomatic dialogue and policies with the PRC when elected. It is reasonable to assume that whoever wins the general election in 2016 will inherit a comparable geopolitical landscape and similarly delicate Sino-U.S. trade relationship, and will, like previous presidents, also face major constraints on his or her ability to be “tough on China.” This author relies on this assumption to argue that such inconsistent messaging on China erodes the candidate’s ability to cooperate with China in times of need and damages the credibility of the White House as a whole.

The second necessary piece of historical context is an understanding of the concept of “saving face” and its relative value in Chinese culture. Confucian doctrine historically downplays the role of the individual and instead emphasizes social harmony as a main theme in ancient Chinese society. Those values continue to inform and govern interpersonal relationship in contemporary China. On a personal level, the emphasis on maintaining harmony manifests in non-confrontational interactions that differ greatly from Western social norms. Chinese people avoid openly criticizing each other, becoming angry in public, turning down invitations with an outright refusal, interrupting someone, or openly revealing someone’s lack of knowledge or ability. All of these situations are examples of “losing face” (対面子), and are considered deeply humilitating in Chinese culture.

\(^8\) Lucas, “Obama Stance Softens.”
The fear of losing face also governs the PRC’s interactions with foreign countries. Scholar Kenneth Lieberthal, senior fellow in Foreign Policy and Global Economy and Development at Brookings, explains the origins of the phenomenon: during the First Opium War (1839-1842), the English won trading concessions that allowed Western forces to penetrate the previously isolated and self-sufficient Chinese market.\(^9\) The English established “extraterritoriality,” a principle that allowed them to live in designated “concession areas” and protected them from the Chinese judiciary.\(^10\) The Chinese perceived this legal framework as a foreign imposition, a disruption in the established normative Chinese order, and a national embarrassment. Lieberthal further argues that the decisive Japanese victory of the Sino-Japanese War (1894-1895) was a major source of shame for China, and another key piece in China’s humiliation narrative.\(^11\)

These events were the catalyst for the ensuing “Century of Humiliation” (百年国耻), the hundred years of Western and Japanese intervention and imperialism in China from 1839-1949. William Callahan, Professor of International Relations and China Scholar at the London School of Economics, also addresses the theme of the Century of Humiliation and the role it plays in contemporary policy-making, asserting that China commemorates its first experience interacting with foreign powers in a “national humiliation discourse.”\(^12\) He insists that “humiliation has thus joined guilt, victimhood, and apology as a topic of analytical interest in international studies.”\(^13\) Chinese nationalism, Callahan argues, not only celebrates the glory of two millennia of Chinese civilization, but also commemorates the Century of Humiliation as both a material and symbolic weakness. He explains that China was one of the most advanced civilizations in the world which then fell to its knees in the mid 1800’s as the “Sick Man of Asia.”\(^14\)

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10. Ibid.
11. Ibid, 23.
Writ large, the theme of humiliation and the concern for “saving face” has a profound effect on both Chinese history and contemporary geopolitics. The cultural preference for non-confrontational discourse compounded by the humiliation endured at the hands of foreign powers causes Beijing to be acutely sensitive to any perceived slights. This context is necessary to understand exactly why any insults directed at the PRC are interpreted as a “loss of face” and severely damage the Sino-U.S. relationship.

**Criticism 1: China as an Economic Threat**

China is consistently invoked in campaign discourse as an economic competitor to the U.S. Candidates attempt to label China as the main threat to U.S. economic interests and suggest the U.S. needs to be “tough on China” to get the PRC to comply with established international norms of commerce and trade. This paper will analyze a few selected examples from statements made by Donald Trump and Bernie Sanders on China’s economic rise, since these two candidates have particularly interesting outlooks on the U.S. economy and its relationship to the PRC.

Donald Trump is arguably the biggest personality in the 2016 presidential race. He is also one of the most vocal critics of China and, as a businessman, it is logical that much of his ire is directed at Chinese economic policy. The top item on Donald Trump’s plan to “Reform the U.S.-China Trade Relationship to Make America Great Again” is to “bring China to the bargaining table by immediately declaring it a currency manipulator.” Other candidates and previous presidents, President Obama included, have stopped short of officially labeling China a currency manipulator. Although there is evidence that China has significantly undervalued its currency in the past in order to fuel the PRC’s export driven economy, China has allowed the yuan to fluctuate more normally and closer to a floating rate in

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16 Crutsinger, “China Currency.”
recent months. Furthermore, the International Monetary Fund (IMF) recently accepted the yuan as a Special Reserve Currency, signaling international recognition that China has begun to allow its currency value to be determined by market forces instead of government interventions.

All these factors indicate an overall shift from the PRC’s heavy-handed involvement in the Chinese economy to a market-driven approach to determining currency values. Trump’s claim, though true at one time, is now outdated. Suggesting the U.S. should label China a currency manipulator is deliberately inflammatory and insulting to Beijing, because it implies that China has achieved favorable economic conditions through dishonest means. Such public condemnation of PRC fiscal policy causes China to “lose face,” and severely damages the Sino-U.S. relationship. Most likely, Trump’s intention is to demonstrate to his constituents that he is prepared to distinguish himself from other politicians by taking a firm stance against China. Were he to win the 2016 election, however, he would probably be advised that this policy is both unnecessary and harmful to the U.S. relationship with China, as China and the U.S. are trading partners and the U.S. relies heavily on Chinese imports.

Moreover, the PRC owns a large portion of U.S. debt, which China could hypothetically sell off and thereby manipulate the value of the dollar, rending Trump’s accusation a self-fulfilling prophecy. Although this is an example of the worst case scenario and is unlikely to happen, it illustrates the potential challenges Trump’s rhetoric poses for the Sino-American relationship. Either way, taking such a vehement stance on Chinese currency policy during the campaign and then immediately shifting policies upon assuming the presidency would not only erode the credibility of that candidate, but also undermine the integrity of the Executive Office as a whole, because inevitably, any candidate taking such a stance would be forced to recant his or her position upon assuming office.

In stark contrast to Trump, Bernie Sanders has focused much of his campaign rhetoric, along with most of his policy-making during his long career as a senator representing Vermont, on reforming domestic economic policy and creating more favorable conditions for middle class Americans. Throughout the course of his campaign, he is occasionally confronted with foreign policy issues, and outlines his China policy on his website:

I want to see the people in China live in a democratic society with a higher standard of living. I want to see that, but I don’t think that has to take place at the expense of the American worker. I don’t think decent-paying jobs in this country have got to be lost as companies shut down here and move to China. I want to see the Chinese people do as well, but I do not want to see the collapse of the American middle class take place, and I will fight against that as hard as I can.\(^{20}\)

Here, Sanders transitions from the China issue and frames his economic policy by outlining its implications for the American middle class. His language is deliberately non-inflammatory, as he asserts that he wants to see “the Chinese people do well.” Instead of pitting China against the U.S., Sanders takes precautions to maintain his existing narrative that the most urgent threat facing the United States is domestic; specifically, income inequality and the ever-increasing gap between the rich and poor. Sanders strategically positions himself as an advocate and protector of the middle class. Perhaps he is aware that it is counterproductive to vilify the PRC and risk alienating Chinese-American voters in the process. Most likely, he is emphasizing his own narrative in order to appeal to his constituents and would be forced to design a more sophisticated China policy if elected. Conversely, he asserts that he will “fight against” losing American jobs to China. Sanders is well-known for sticking to his principals and one might assume that were he to win the presidency, he could create a very tough China policy as a byproduct of his efforts to reform the U.S. economy.\(^{21}\)

Strikingly, Sanders’ rhetoric is devoid of


the China bashing language so commonly utilized by candidates, demonstrating just how inflammatory Trump’s rhetoric is in juxtaposition.

**Criticism 2: China as a Security Threat**

Candidates also frequently express conviction that China is a security threat to the United States. Many academics and scholars analyze China’s military buildup and capacity, and point to the island building in the South China Sea as evidence of the PRC’s increased military assertiveness. Since the American public’s knowledge of these security issues is limited, most candidates do not address them and instead discuss headlines that are more familiar to the general public, such as last summer’s cyberattack on the files from the Office of Personnel Management (OPM).

Ted Cruz, in particular, employs contentious anti-China rhetoric when condemning the cyberattack. In a statement at a town hall meeting in Oskaloosa, Iowa, Cruz opined:

> It appears China was behind massive cyber warfare, hacking into our government systems, hacking into our private systems...We need to respond firmly, for example, with a reciprocal response, taking down the Internet firewall, taking down the Great Wall of China on the Internet and opening their people to the net, opening them to freedom.\(^{22}\)

Here, Cruz asserts openly that China was behind the attack, something the Obama administration has alluded to but never officially attributed to the Chinese government. Cruz also insists that the U.S. should respond with a “reciprocal” cyber attack against China and remove the Great Firewall, a term referring to the legislations and actions the Chinese government has undertaken in order to regulate and censor the internet in China. This type of language is extremely combative and incendiary, as any call for a nation’s government to

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pursue a cyberattack against another country could be considered an act of cyberwar.\textsuperscript{23} In an attempt to appeal to American values of freedom and democracy, Cruz constructs the narrative that Chinese people do not enjoy liberty in the PRC and that he, as president, could deliver it to them by demolishing the Great Firewall. Cruz’s plan is preposterously unfeasible, a fact of which Cruz is undoubtedly well-aware: the U.S. President does not have the power to either remove the firewall or intervene in the PRC’s domestic internet policy. Given the nuances and constraints in the Sino-U.S. relationship, any American president would have limited ability to even encourage Chinese leaders to reform the policy themselves. Cruz’s incendiary rhetoric in this statement insults Beijing and makes it even less likely that the PRC would consider reforming internet policy.

In the past, Cruz has also addressed cross-strait relations, arguing that “with respect to China, we should immediately approve the sale of F-16s to Taiwan that the administration canceled in order appease China.”\textsuperscript{24} Should Cruz win the election, he would probably be advised to temper his support for Taiwan, as it is in U.S. interests to maintain diplomatic and economic ties with the mainland. Grandiose and inflammatory statements like these not only expose the constraints he would face should he win the presidential election, but also potentially erode the credibility of Ted Cruz himself when he is forced to recant in the interest of maintaining a positive Sino-U.S. relationship. In the meantime, though, his remark indicate that he supports Taiwan and views China as an adversary, further insulting the PRC.

Both Cruz and Jeb Bush have called for an increasingly assertive cyber-espionage program to attack China. Bush argued during one of the Republican debates that: “we need to be strong against China. We should use offensive tactics as it relates to cyber security, send a deterrent signal to China.”\textsuperscript{25} According to some analysts, the term “offensive tactics” most likely implies a reciprocal cyber attack against

\textsuperscript{25} Corn, “Did Bush Call for Cyber War?”
Beijing. This provocative statement signifies an aggressive and hawkish China policy in the realm of cybersecurity. There is evidence, however, that the U.S. already conducts cyber attacks against the PRC. Thus, these kinds of statements should not be construed as innovations upon actual China-policy, but rather as aggressive rhetorical techniques for pandering to constituents in the United States. Unfortunately, the unintended consequences of these perfunctory remarks is that they deride and taunt Beijing, potentially wreaking havoc on the delicate Sino-American relationship.

Former candidate Marco Rubio, as a co-chairman of the Congressional Executive Commission on China, is an outspoken critic of the PRC. He frequently relies on the China enemy narrative to set himself apart from President Obama, attesting, “President Obama has continued to appease China’s leaders despite their mounting aggression.” In this remark, Rubio distinguishes himself from the current president in an effort to endear himself to voters who were dissatisfied with the Obama administration’s policies. He implies that President Obama is a weak leader, and in so doing, identifies himself as a tenacious commander in chief who is prepared to “stand up” to China. While addressing Sino-U.S. security issues specifically, Rubio argues, “China has intensified its campaign to push America out of Asia... Instead of inviting China to military exercises, we [the United States] will conduct joint freedom of navigation patrols with our partners in East and Southeast Asia to challenge any attempts to close off international waters or airspace.” Rubin does not acknowledge that the U.S. is already pursuing this strategy under the Obama administration, allowing his statement to maintain an appearance of unprecedented military assertiveness that drastically departs from existing policy. This vein of discourse mischaracterizes existing protocol, and represents a desire shared by many of the candidates to present oneself as both a strong and innovative leader.

26 Corn, “Did Bush Call for Cyber War?”
29 Ibid.
In other statements, Rubio referred to China as a “strategic competitor” and “potential adversary.” He even declared that the leadership of the PRC are “tyrants” and compared them to ISIS. These are some of the most inflammatory remarks made by any candidate; comparing the PRC, a strategic partner of the United States, to an international terrorist organization directly responsible for the gruesome deaths of American citizens among others, is both exorbitant and deliberately provocative. Rubio, like Cruz and Bush, does not take a nuanced approach toward criticizing the PRC in the security realm. Admonishing Beijing and comparing the PRC to ISIS may win American votes in the short term because such statements appeal to American values of freedom and democracy, but can have long term repercussions that severely damage the Sino-U.S. relationship and put the American ability to cooperate with Beijing at great risk. Perhaps most importantly, Rubio’s careless and blunt remarks render his personal ability to constructively negotiate with Beijing extremely unlikely.

**Criticism 3: China’s Human Rights Abuses**

The third commonly used rhetorical technique in discussions of the PRC is to address China’s human rights record and criticize the PRC’s lack of respect for universal human rights values. American's perceptions of China’s human rights record have grown increasingly critical in the two decades since the Tian’anmen Square Massacre of 1989. Of course, China is not the only country that defies human rights conventions, and is far from the most egregious offender. Russia, Saudi Arabia, North Korea, Yemen, Nigeria, and many other states have all received deplorably low rankings for human rights metrics. Yet, the economic and security incentives for criticizing China are so appealing that admonishing the PRC for human rights abuses emerges as a major rhetorical technique in campaign discourse.

Ted Cruz fervently reproaches China not just on security issues, but

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32 Ibid.
also on the topic of human rights. Cruz has been vocal about condemning China’s one-child policy, and continues to chide the policy despite recent reforms that allow families to have two children. In a statement to the U.S. Senate, he said:

I want to talk to you about Feng Jianmei. PRC officials forced Feng Jianmei, who was seven months pregnant with her second daughter, to undergo an abortion. While her husband Deng Jiyuan was at work, five family planning officials abducted Ms. Feng on June 2nd, 2012. When she couldn’t pay the fine of 40,000 renminbi, they restrained her and forcibly aborted her daughter.

Cruz benefits greatly from criticizing Beijing’s population control policies; firstly, he achieves widespread support from many American voters who agree that China has a poor human rights record and like to hear this message reiterated by candidates in order to reaffirm that candidate’s moral integrity. Secondly, Cruz appeals to many far-right voters who are anti-abortion. Cruz could have addressed any number of human rights issues, such as Tibet, Xinjiang, or freedom of speech, but selected this topic since the abortion issue currently appeals to neo-conservatives. In fact, the Feng Jianmei case is a well-documented incident that garnered international outrage and increased scrutiny on China’s population control policies. Nothing about Cruz’s statement is factually incorrect. That being said, however, castigating China on this issue, especially after Beijing began to relax the one-child policy and transition to a two-child policy in 2015, reads as deliberately incendiary to the PRC. A truly diplomatic leader would applaud the PRC’s efforts to reform the policy in small steps instead of continuing to decry the existence of the policy in the first place.

Marco Rubio, like Ted Cruz, attacks China on both security and human rights topics. On his website he outlines his China policy and disparages the Obama administration’s approach to engaging with the

PRC:

The Obama administration has had little to say about the absence of political and religious freedom in China, or about the deteriorating human rights situation that has accompanied Xi Jinping’s rise....When I am president, Beijing will not receive a free pass on human rights. I will instruct all U.S. officials meeting with their Chinese counterparts to list political prisoners by name and press for their unconditional release. I will impose visa bans and asset freezes on Chinese officials who violate human rights. I will do all I can to empower Chinese citizens to breach what has been called the Great Firewall of China, and gain access to news and information online about their country and the world.36

Rubio, as co-chairman of the Congressional Executive Commission on China, an organization that monitors China’s human rights violations, is highly familiar with those offenses. That organization has little impact on shaping actual China policy, though, and should Rubio win the election, he would most likely discover that holding China accountable for human rights violations is extremely difficult given the subtleties and constraints of the Sino-U.S. relationship. Rubio cleverly phrases his remark as a critique of both China’s human rights record and President Obama’s lack of action in holding the PRC accountable for protecting human rights. This strategically garners additional support amongst Rubio’s constituents who already dislike Obama, while being intentionally snide to Beijing.

Like Cruz, Rubio also implies that, if elected, he would be able to assist Chinese netizens in subverting Beijing’s censors and accessing the internet more freely. As established in the discussion of Ted Cruz’s statement on the same topic, this proposal is unfeasible. Additionally, this type of statement relies on the popular assumption that the U.S. can “save” China and liberate Chinese people from their oppressive government. But shaming China in an attempt to differentiate himself

from President Obama and the current administration’s China policy is conclusively counterproductive, and may have the unintended consequence of damaging Rubio’s ability to work with the PRC if elected.

Anti-China rhetoric is not exclusively the realm of the GOP; in fact, Democratic candidate Hillary Clinton is particularly harsh on the PRC’s human rights record. During Chinese President Xi Jinping’s address to the United Nations General Assembly while visiting the U.S., Clinton took to twitter: “Xi hosting a meeting on women’s rights at the UN while persecuting feminists? Shameless.” Clinton’s incendiary statement was a direct attack on the Chinese president himself, setting it apart from other candidates’ more general provocative comments on China’s economic or security policies. Clinton, already a widely recognized public figure in China due to her previous position as Secretary of State, probably intended to ally herself with feminist voters in the U.S. But in so doing, she angered and alienated many Chinese netizens. As a result of these comments, The Global Times, a prominent Chinese news publication, called Hillary a “rabble rouser” and accused her of using China as a punching bag in order to win votes. Clearly, this vicious back-and-forth name calling is detrimental to developing a mutually beneficial Sino-U.S. bilateral relationship.

Should Clinton win the election, she would indubitably be faced with constraints on her ability to vocalize these types of impassioned judgments. Clinton, as president, would also face extreme limitations on her ability to create radical changes in U.S. policy toward China in the human rights arena. These types of statements damage her reputation as a diplomat and may hamper her future ability to negotiate effectively with Chinese representatives.

37 Hillary Clinton, “Xi Hosting a Meeting on Women’s Rights at the UN While Persecuting Feminists? Shameless #Freeth20,” Twitter, November 27, 2015, https://twitter.com/HillaryClinton/status/648099640714391552.
40 Ibid.
Refuting the Counter Arguments:

Some academics may insist that the damage caused by anti-China rhetoric is not serious and has minimal impact on either the Sino-U.S. relationship or U.S. domestic policy. The statements in this article, however, paint a clear picture of the negative tone of criticism of China in campaign discourse and the major damage it can inflict on the U.S.-China relationship. When presidential hopefuls consistently criticize the PRC, technically a strategic partner of the U.S. and certainly a necessary trade partner, it strains the vital but delicate Sino-U.S. relationship. Compounded by the historical context of China’s national humiliation at the hands of foreign powers, anti-China rhetoric in U.S. presidential campaigns is especially damaging. This much is evident. But when candidates use China as a punching bag, this behavior can have unforeseen policy implications beyond just the bilateral relationship between the U.S. and the PRC. For example, if a candidate makes hawkish statements and strong calls for action against China during the campaign, and then is inevitably forced to change their tune once assuming office, it destroys the American public’s trust in that politician, damages his or her credibility, affects his or her image in China, and limits his or her ability to negotiate diplomatically with Chinese officials in instances when diplomacy is most needed.

Depending on the language used, overly-harsh criticism of China may spread misinformation about the PRC and even perpetuate dangerous stereotypes about Asians amongst the American public. Any statements that veer into racial territory may even alienate Asian American voters; for instance, Jeb Bush criticized the Asian community over “anchor babies,” referring to a phenomenon where Asian mothers, often Chinese, come to the U.S. to give birth in order to secure U.S. citizenship for their child.41 He later clarified that he was referring specifically to Asians rather than Hispanics in an attempt to appear more politically correct, categorical evidence of the pervasiveness of anti-China rhetoric as a generally accepted practice in American politics. Carly Fiorina, yet another former GOP

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presidential hopeful, discussed the same issue and deemed Chinese maternity tourism a “festering problem.” Donald Trump further exacerbated tensions when he mocked Asian business negotiators with an offensive imitation in broken English. This manner of criticism, not limited to China, is divisive and disparages the Asian American community as a whole.

By vilifying China in particular and marginalizing Asian Americans more widely, politicians have squandered an opportunity to win votes. According to a study released by the Luskin School of Public Affairs at UCLA, the Asian American voting population is expected to double by 2040 from the existing 6 million to a significant 12.2 million. Hawaii, California, New York, Texas, and Northern Virginia are all home to huge Asian American communities who could potentially have a major impact on election results. Asian Americans are one of the fastest growing electorates in American politics and, unlike Black and Hispanic voters who skew Democratic, Asian American votes could swing either way. Both the Democrats and Republicans would be wise to recognize the potential voting power of Asian Americans and work strategically to win their favor. Current practice of utilizing China as a scapegoat, however, has serious implications for both foreign and domestic U.S. politics.

Some economic, security studies, or human rights scholars may argue that China is in fact the most pressing threat to the United States and that presidential candidates are justified in condemning Beijing. They might point out that candidates often reference accurate data regarding China’s economic growth, military buildup, and human rights offenses. Obviously, China has a rapidly growing economy and an increasingly assertive and technologically developed military. Furthermore, human rights offenses committed in the PRC are varied

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These facts are indisputable and the government of the United States is perfectly right to acknowledge these realities, criticize China for infractions, and encourage the PRC to become a responsible stakeholder on the global stage. Nonetheless, the campaign trail is not the appropriate forum for issuing such strong censure against the PRC.

Presidential hopefuls who criticize China are most likely serving their own agenda to win American votes rather than attempting to seriously shape or enact China-related policy. Some of the candidates, such as Ted Cruz, Marco Rubio, or Bernie Sanders, currently hold political office and serve as elected representatives of their states, but no candidate has the authority to represent the people of the United States as a whole until he or she is elected president. Thus, any policy-related language they use is unofficial and must be classified as rhetoric. Many of the 2016 current and former candidates, such as Donald Trump, Ben Carson, Hillary Clinton, and Carly Fiorina, do not currently represent the United States government at any level. Candidates should outline their proposed policies on the campaign trail so voters can make informed decisions, but should also bear in mind that their opinions do not yet reflect or shape official U.S. policy towards China. Such harsh condemnation of the PRC from candidates could potentially erode the candidates’ ability to enforce his or her proposed policies when the time comes. Eventually, the successful candidate will have to exchange his or her harsh critiques for a more sophisticated, strategic, and measured China-policy. Criticizing China in the campaign phase of a candidate’s political career accomplishes very little, and the risks outweigh the short-term benefits.

Conclusion

Unfortunately, anti-China rhetoric in the 2016 U.S. presidential campaign is ultimately both overly alarmist and deliberately inflammatory, and has tangible pernicious effects on the Sino-U.S. relationship and the domestic American political landscape. China-bashing is an extremely useful political tool, employed effectively by

both Democrats and Republicans. The enemy narrative is a strategic way to create fear and rally unification against a perceived adversary. In the U.S., politicians commonly refer to Russia or ISIS as foreign threats, but China presents itself as the perfect scapegoat precisely because it offers perhaps the most appealing combination of economic and security competition, underscored by moralistic human rights concerns. This unique amalgam provides plenty of fodder for U.S. presidential hopefuls, and allows candidates to maintain a moral high ground from which to condemn the PRC. Besides the aforementioned problems with anti-China rhetoric, namely that it strains the Sino-American bilateral relationship and undermines the integrity of the Executive Office, this type of discourse many have negative implications for U.S. domestic politics as well. This paper already established that China bashing can marginalize Asian American constituents. But anti-China discourse can also serve to distract the public from real issues that candidates should be addressing in more substantial and meaningful ways. For instance, instead of discussing healthcare, education, public safety and other topics that directly affect American lives, candidates often invoke the China enemy narrative to divert public attention from their lack of preparation to tackle these vital issues.

The only candidate who offers an alternative to the enemy narrative is Bernie Sanders, who consistently labels internal problems, such as systematic economic inequalities, as the preeminent threats facing America. Sanders’ refusal to lambaste the PRC stands in stark contrast to the derogatory remarks made by other candidates, and his ability to run a successful campaign without China-bashing underscores the excessiveness and futility of his competitors’ remarks.

Perhaps candidates themselves are merely attempting to navigate the complex landscape of the Sino-U.S. relationship, and strike the right balance between statecraft and censure. In an exposed cable to the Australian Prime Minister, Hillary Clinton asked, “How do you deal toughly with your banker?”47 exposing the challenges of maneuvering successfully within the contemporary geopolitical framework.

Nonetheless, the position of being in between a rock and a hard place is no excuse for inflammatory rhetoric accusing Beijing of economic manipulation, military assertiveness, and human rights infractions. Clearly, excessive China rhetoric is both incendiary and destructive.

Candidates would earn the respect of both Americans and Chinese citizens if they were able to acknowledge China’s vital role in the international arena. The United States cannot afford to elect a president who alienates China. Of course, Americans want a president with integrity, morality, and strong leadership qualities, who can stand up to enemies of the U.S. But there is no reason that winning the election should necessitate risking the candidate’s credibility or the Sino-U.S. relationship.
A Harbinger of Neocolonialism?
An Analysis of Xi Jinping’s Speech at FOCAC’s December 2015 Meeting

Juliet M. Tempest

Given the African continent’s past experience with pernicious foreign involvement, both under colonialism and even after countries' independence, it would be prudent to treat foreign nations’ promises there with skepticism. Many are thus questioning China’s intentions behind its interest in Africa, particularly since its landmark pledge of USD 60 billion in assistance. Former colonies are susceptible to neocolonialism: veiled as disinterested market forces, neocolonialism perpetuates imbalanced power relationships through entrenched economic systems characteristic of and usually created during a colonial era. Neocolonialism could be considered even more insidious than its predecessor, being just as debilitating to a local economy, yet all the more difficult to identify or reject. As Stoneman and Suckling advocated for in post-Apartheid South Africa, the marginalized countries of Africa must be “capable of recognising [sic] and meeting the challenge [they] will face from international capital,” whereby would-be neocolonialists could exert undue influence over developing economies.

Chinese influence in Africa might be--or become--neocolonialist. China is certainly striving to dispel any such perception in light of its escalating financial commitment to Africa; instead, China seeks to portray itself as a partner in Africa’s development. Speaking at the December 2015 convocation of the Forum for China-Africa Cooperation (FOCAC), Chinese President Xi Jinping outlined a proposal to elevate the Sino-African relationship to a "comprehensive strategic and cooperative partnership." At least in name, the plan accompanying this announcement cannot be considered

neocolonialist, for consideration of equitable arrangements is antithetical to colonialism. Yet the merit of the plan should not be judged on its title, but on its substance. The content, organized into “10 Cooperation Plans (十大合作计划)” based on “5 Pillars (五大支柱),” will better illuminate any resemblance to a neocolonialist relationship intended by the Chinese.

As such, this paper assesses to what extent President Xi Jinping’s speech at FOCAC’s most recent assembly can be considered a harbinger of China’s neocolonialist aspirations in Africa. The question posed is thus distinct from that of Chinese aid efficacy, a controversial issue with which a host of existing scholarly debate wrestles. The two considerations are related, since ineffective foreign aid could manifest in the same way as a neocolonialist relationship if it forces the recipient country’s dependence on the donor. Nonetheless, such a result is much less likely to transpire as long as the foreign aid donor does not seek it. Investigating the intentions of the donor country is therefore critical to identifying a potential neocolonialist threat. The task at hand is to determine what China’s intentions in Africa are.

Of course, most countries’ governments do not disclose their full intentions, particularly if malevolent. This is especially true of China, where the Communist Party governs with authoritarian control and without much transparency into its decision-making processes. Notwithstanding the impossibility of determining the country’s total aspirations, China’s expressed intent can still enhance understanding of the factors motivating its actions. Official rhetoric offers one of the few outlets for capturing this intent. Strauss agrees that the state’s official rhetoric “sets forth a set of legitimating claims about China’s intentions towards international actors, particularly in Africa itself.”

(Her article did not attempt to compare or predict foreign policy rhetoric against subsequent action, nor will this one, as it is well-known that they do not always correspond.) Official rhetoric is nevertheless the best, if not only, source to an outsider for sensing the diplomatic climate. A critical reading of President Xi’s speech at the

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December 2015 FOCAC meeting is therefore important to understanding China's aspirations, as well as how African nations can protect their own autonomy.

**Historical Context**

China's interest in Africa has received significant press coverage as of late, though a history of Chinese aid to the continent predates the recent attention. Visiting 11 African countries between 1963 and 1965, then-Premier Zhou Enlai promised the first Chinese aid package of USD 120 million. Although the money was accompanied by assurances of China's anti-colonialist posture, it was not given without an agenda. After expelling the Nationalist Party from the mainland, the Communist government hoped to ingratiate itself with these African nations in order to garner their support for representation in the United Nations (UN) instead of Taiwan. For the most part, the strategy worked. While the aid did not ensure permanent support for the People's Republic of China (PRC) on the continent, African countries recognizing the PRC increased from five in the early 1960s to 44 by the end of the next decade.5

For the remainder of the Cold War, the battle for influence in Africa between the U.S. and the Soviet Union overshadowed China's own efforts. China's impact on the continent was not nonexistent during that decade, however, as the country also undertook a major infrastructure project on the continent: the TanZam Railway, linking Tanzania and Zambia. (It would become clear later that this was only the first of many, such works.) Yet, as Rich and Recker note, aside from attempts to create solidarity between its own communist revolution and independence for former African colonies, Chinese aid during that time remained low.6 In total, China distributed USD 1.9 billion in aid to 29 African countries over the period 1970-1977.7

While Chinese aid in Africa is thus not a new phenomenon, its unprecedented scale might be. Comparing China's USD 60 billion

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6 Ibid, 64.
7 Ibid.
commitment announced in December 2015 with that of the 1970s in real dollars, the latest package promises over 100 times as much aid over less than half the time. Why the surge in assistance? Altruism is not a convincing motivation behind China’s decision to escalate its financial commitment to Africa. Indeed, the magnitude of the assistance is great enough to suggest undue influence or expectations on recipient African nations. This is arguably the reason fears of China’s neocolonialist aspirations have begun to surface.

Evaluating the Sino-African relationship in the absence of trade makes it seem curiously one-sided. It must therefore be noted that African countries’ trade with China has grown in tandem with their economies, a development enabled through China and others’ economic aid. In 1950, just after the Communist Party’s ascension to power, China’s bilateral trade volume with Africa was recorded at merely USD 12.14 million. That amount had grown to USD 220 billion by 2014, averaging 33.5% annual growth between 2000 and 2008. Although the proportion of Africa’s total trade volume that Chinese imports/exports occupy increased much more (3.8% to 10.4%) than the reciprocal relationship, the percentage of African countries’ trade within China’s total foreign trade reached 4.2% during the same period. Given that China’s whole economy has continued to expand simultaneously, this marginal increase in the fraction of Chinese trade volume that African imports/exports constitutes is significant. That China has benefitted from its engagement in Africa does not mean that the country could not have harbored neocolonialist intentions while stepping up its commitment there, though the mutual benefits accrued do mean that China is not gaining only at African countries’ expense.

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8 Calculated in 2014 dollars based on the World Development Indicators’ GDP deflators from 1977 (6.2) and that year (1.4), since information on 2015 GDP deflator was not yet available at the time of writing. Source: “World Development Indicators,” World Bank, December 2015, www.worldbank.org.


The leap in China-Africa trade was catalyzed by the inauguration of FOCAC in 2000. One Africa specialist considers FOCAC’s creation the dawn of a “golden era”\textsuperscript{12} because of the economic development it precipitated. As a result of the group’s formation, China has removed tariffs on imports from the least-developed African nations; opened trade with 53 African nations; and signed various agreements, including bilateral trade agreements, with a majority of those same countries.\textsuperscript{13} The Forum assembles once every three years, and is considered the “primary institutional vehicle for China’s strategic engagement with [Sub-Saharan Africa] SSA,”\textsuperscript{14} though the fact that FOCAC member states are comprised of 48 African countries\textsuperscript{15} also makes it an important medium for interacting with countries beyond the Sub-Saharan region. President Xi Jinping himself acknowledged the group’s importance at the December 2015 FOCAC meeting, highlighting that China’s bilateral trade with and ex-financial investment in Africa in 2014 were respectively 22 and 66 times their level when the Forum was founded. It is for this reason that we look to President Xi Jinping’s speech at the most recent FOCAC meeting for insight into China’s strategic goals in Africa.

**The 10 Cooperation Plans:** 十大合作计划

The public mostly focused on the coda of President Xi’s speech at the last FOCAC meeting: the pledge of USD 60 billion in aid to African countries over the next three years. The size of this aid package is truly newsworthy, dwarfing the U.S.’s 2013 level of USD 7.75 billion and China’s own at USD 3 billion that same year.\textsuperscript{16} The money will go to free aid and interest-free loans (USD 5 billion), preferential loans and export credit lines (USD 35 billion), development loans for small African businesses and a Sino-African development fund (USD 5


A Harbinger of Neocolonialism?

billion each), and the creation of a Sino-African capacity cooperation fund (USD 10 billion).

In enumerating the aid package, President Xi also provided an ideological framework for its goals. “Five Pillars” serve as the theme underscoring the spirit of the aid package:

- preservation of political equality and mutual trust;
- preservation of “win-win” economics;
- preservation of cultural exchange and mutual learning;
- preservation of mutual assistance in strategic security;
- preservation of united coordination in international affairs.

The emphasis here on “mutual” value and support comes across as an effort to dispel fears of any exploitative aspirations on China’s part. These “Five Pillars” serve as the foundation for the “10 Cooperation Plans” that follow.

Despite the fact that Chinese assistance is traditionally given without conditions, this aid package was designed with some parameters. The “10 Cooperation Plans” circumscribe those parameters and outline the range of Chinese assistance accompanying the aid. The ostensible purpose of these plans is to overcome the “three development bottlenecks” that President Xi listed as plagues on African development: inadequate infrastructure, lack of professional and skilled personnel, and funding shortages. By analyzing these cooperation plans, we can obtain a glimpse of China’s intentions behind doling out such a great sum to its African partners.

**Industrialization**

President Xi Jinping began his December 2015 FOCAC speech by discussing a cooperative plan for Africa’s industrialization. Industrialization underlay China’s staggering economic growth over the past thirty years, and it appears to be sharing the secret to its success. The goal of this plan is to build up production capacity through Chinese business partnerships with and direct investment in Africa. As far as specific steps announced under this first plan, the Chinese government pledged to send government experts and
advisors to Africa and train 200,000 technical professionals locally, in addition to inviting another 40,000 Africans for training in China. These measures, all forms of real investment, sound consistent with an effort to assist African countries with girding their own economies rather than exploit them.

Another important type of real investment is construction, a theme throughout the ten cooperation plans first introduced here with “build[ing] or upgrad[ing] a number of industrial parks.” President Xi’s mention of such a construction project so early on in his speech confirms its importance within the Sino-African partnership. Construction is vital to the Chinese economy; the industry stood at one-quarter of Gross Domestic Product (GDP) in 2012. Yet growth in that sector has stagnated recently, curbing growth in the larger economy along with it. The government has sought new ways of stimulating demand in response. One solution has been to construct so-called “ghost cities,” but the feasibility of that strategy is waning.

Now, new demand is being sourced abroad, with the development of African infrastructure (further discussed below) supplying a much-needed stimulus to the construction industry. That Chinese businesses will clearly reap rewards from this arrangement suggests that the intentions behind this first cooperation plan are not wholly altruistic.

Of course, the antithesis of neocolonialism is not altruism; rather it is arrangements based on mutual and deserved benefit. For Chinese businesses to profit from projects in Africa does not negate the possibility of generating symbiotic benefits for the destination African countries. These benefits can be categorized as short-term and long-term. Sustainable development is best realized when foreign assistance’s short- and long-term benefits are balanced; the former is often a necessary but insufficient condition for sustainable

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17 Xi, “President Xi Speech at FOCAC: Full Text.”
19 This is in contrast to “equal” benefit, since two parties to a transaction might not necessarily have equal endowments, and thus should not expect to reap equal rewards. Nevertheless, both parties should benefit somewhat (mutually) and obtain that which they are owed (deservedly).
development, but the latter is more difficult to arrange. In the case of China-sponsored industrialization in Africa, these projects will create real wealth (wages) in the short-term and future economic potential (knowledge transfers) in the long-term, insofar as they employ African workers. President Xi demonstrated a commitment to spurring this kind of economic potential in organizing the industrialization-related trainings aforementioned.

Development specialists are justified in their skepticism regarding the long-term value China’s involvement will bring to Africa, given Chinese firms’ tendency to hire Chinese workers. The education critical to enhancing future economic potential is not shared when foreign firms forego local hires. Fortunately, some Chinese firms have responded to such criticism by recruiting more local staff. President Xi’s speech at FOCAC called for more of these recent measures.

Modernization of Agriculture

It is most probable that the cooperation plan for modernizing African agriculture is in part designed to serve China’s national interest. Food security remains a critical component of domestic stability, widely acknowledged to be the Chinese government’s primary concern. China’s food supply threatens to grow even less secure, as demand increases along with the population and per capita income, while total arable land decreases due to environmental degradation. Although agriculture and food imports from Africa today account for 2.5 and 1.5 percent of total Chinese imports in their respective categories, many scholars anticipate agricultural imports to rise in the future to meet China’s food needs.

Even if China stands to benefit from participation in Africa’s agriculture industry, this relationship will not necessarily exhibit neocolonialist characteristics. Food products’ export prospects are rarely limited. Without the status of a unique export market, China

would thus be unable to exert undue influence on trade contracts as a monopolistic buyer, the archetypal arrangement for colonial economic relationships. Granted, an agreement could be negotiated as a way to reduce the risk of an African agricultural venture that would privilege Chinese buyers and potentially lock African suppliers into unfavorable terms. Again, the ease with which alternative markets could be identified for these same products reduces the risk of such an eventuality.

African countries can also benefit from Chinese involvement in agriculture. Often positive on China's foreign assistance, Brautigam conducted a study of rural African countries with the greatest investments by Chinese agribusiness. All of the China-funded farms supplied African markets, while only one existing farm and one proposed project would also export its produce.22 Given the continued issue of food security in Africa, the fact that Chinese investment is promoting domestic food production can be seen as a real benefit locally. The introduction of more sophisticated farming techniques in 100 African villages, the dispatching of 30 teams of agricultural experts, and the "10+10 cooperation mechanism" with African agricultural researchers announced in President Xi's speech should contribute further to securing Africa's food supply. Similarly, the RMB 1 billion earmarked for disaster relief provision of foodstuffs promised in President Xi's speech does not resemble an attempt to dominate or control the African supply chain or market—the hallmark of past colonial relationships.

*Improvements in Infrastructure*

Chinese investment in African infrastructure might be the most problematic in terms of its potential to be neocolonialist. Colonialism and neocolonialism in Africa have been characterized by resource extraction by more powerful countries.23 China has hardly ignored the

23 Stoneman and Suckling, “From Apartheid to Neocolonialism?,” 516.
rich endowment of natural resources there; including oil, they constituted 83% of sub-Saharan Africa’s exports to China over 2008-2013. Insufficient infrastructure throughout Africa remains a barrier to resource extraction, and thus more of the former should lead to more of the latter. Moreover, Chinese infrastructure projects themselves could also be considered a novel form of resource extraction, where the “resource” is the raw demand for infrastructure. Just like a natural resource that might otherwise be utilized by local industry, demand for infrastructure is being captured by a foreign entity to spur the sponsoring country’s own economic growth. The significant difference, however, is that infrastructure and its associated advantages will remain within Africa in the future, whereas the economic benefit of extracting a raw material ends with the sales transaction.

As mentioned in the section on the industrialization cooperation plan, better and worse ways exist of managing infrastructure projects in order that no party (the foreign entity especially) benefits disproportionately. Most importantly, this means employing local personnel throughout the construction supply chain. While President Xi Jinping reinforced the notion of mutual benefit in describing this third plan, he did not specify whether the Chinese businesses encouraged to invest in African infrastructure would similarly be encouraged to invest in the African labor force. Maintenance of these many infrastructure projects China intends will be greatly facilitated if locals receive relevant training. If, instead, the locals are not engaged in these projects, and thus lack ownership over the projects and the experience or expertise to maintain them, the newly built “railways, roads, regional aviation, ports, electricity and telecommunications” works could end up falling into disrepair just as fast as the Chinese complete them.

This is unless Chinese firms do not also assume the task of infrastructure maintenance, the opposite of what President Xi implied

25 Bussieres, “Africa and China’s Construction Sector.”
26 Xi, “President Xi Speech at FOCAC: Full Text.”
27 This often happens with charity, serving the local people no more than the many charity ventures undertaken by Western countries in Africa.
in his FOCAC speech. Should China wholly take on the responsibility of maintaining these public works in addition to building them, the effect will be the same as giving a man a fish rather than teaching him to catch his own: African countries will enjoy expanded capacity in the form of richer infrastructure, though gain little in terms of the capacity to build more economic potential in the future. Such an arrangement would not realize the sustainable development that President Xi suggested in his speech, despite removing some of the hindrances to future development, namely the “infrastructure bottleneck.” Even so, Chinese infrastructure projects in Africa would exhibit under-exploitation of local workers as opposed to over-exploitation. While this could affect the ultimate efficacy of Chinese aid, it would not bear the characteristics of a colonial relationship.

**Finance**

Finance may in fact be an area where China would do best to exercise greater control over its African partners. According to this cooperation plan, China seeks to deepen its financial involvement in Africa through expanding Renminbi (RMB) settlement and currency swap options, as well as lending more generally. Although the International Monetary Fund (IMF)’s announcement that the RMB will enter the Special Drawing Right currency basket is a major validation of the Chinese currency’s status and desirability in global trade, there is still much work to be done to promote its convenience.28 In this way, any foray into the financial industry abroad is less an attempt by China to exploit local markets as much as utilize them to validate its own position as a lender. Assistance to Africa’s financial industry can therefore be considered a play by China to reassure the world of its own commitment to the RMB’s status as a global currency.

The RMB does not yet float on the open market, however, and the Chinese Central Bank conducts open market transactions everyday to maintain the currency’s value. Widespread preference for the RMB in trade will create greater demand for the currency and, as a result,

make fixing its value more difficult. In this way, the Chinese government has less to gain than its African counterparts from the intensification of their financial partnership. China should anticipate a fiscal headache as Chinese banks issue new loans to African businesses, who should benefit from greater liquidity at favorable rates.

“Green” Development

Chinese assistance to Africa’s sustainable development will be realized through 100 projects in four areas: clean energy, protection of wild- and plant-life, environmentally-friendly agriculture, and the building of “smart” cities. It is difficult to imagine how the Chinese might twist this particular cooperation plan to accomplish some covert, neocolonialist agenda, because it is similarly difficult to imagine how African countries would suffer harm as a result. The secret to determining China’s intentions behind this cooperation plan lies not in its particular substance but instead in its impact compared to the other nine. Depending on the size of this plan relative to the others, it could serve as a distraction away from the more self-serving aspects of the aid package.

Increasing Trade and Investment Convenience

China’s importance to African trade was made clear when the former became the latter’s largest trade partner in 2009.29 The bilateral trade volume has only grown since then, with some Chinese predictions setting the figure for 2015 at USD 300 billion.30 These numbers might be overly optimistic in light of China’s economic slowdown and its policy of rebalancing growth away from exports. Yet for these very reasons, it is remarkable that China is continuing to dedicate funds to the development of African trade and investment. In the FOCAC speech, President Xi expressed China’s willingness to promote African exports both directly and indirectly, by increasing the scope of China’s African imports and cooperating with African countries in the creation of new free trade agreements as well as improved

29 Christensen, The China Challenge, 19.
30 “China-Africa trade approaches 300 billion.”
enforcement and accreditation processes, which should foster a more robust trade environment. President Xi further referred to “50 aid-for-trade programs,” though the specific nature of these programs remained vague.

Given only its professed commitment to expanding free trade, China cannot be accused of carving out colonialist trade relationships. Its reliance on the extraction of natural resources in Africa does provide justification for leveling this accusation, however; facilitation of “trade and investment convenience” could be equivalent to facilitation of resource extraction. Notwithstanding the continued importance China places on the importation of raw materials from Africa and elsewhere, the mention of expanding the scope of Chinese imports implies that China hopes to diversify the Sino-African trade relationship, rather than perpetuate the same relationship based on resource extraction. Moreover, China’s focus on the import/export relationship with Africa is inconsistent with the widespread consensus inside and outside of China that its most urgent economic goal is spurring domestic demand. As such, China would not be pursuing this cooperation plan entirely at its benefit.

Poverty Reduction

Arguably, all ten cooperation plans are jointly aimed at poverty reduction. We might understand this distinct “poverty reduction” cooperation plan as encompassing projects otherwise deemed too general for any other plan. These projects are: an increase in foreign aid to Africa, implementation of 200 “Happy Life” projects for women and children throughout Africa, and the cancellation of interest-free debt for the poorest African countries.

Without more information on the specifics of the proposed “Happy Life” projects, it is difficult to imagine how they would function as a medium through which China might accomplish some neocolonialist objective. As for the debt cancellation, Stoneman and Suckling

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cautioned against this kind of debt-servicing with “open-ended implications” that could pull African countries into a cycle of patronage. This could ultimately produce a relationship mimicking a colonialist one, to the extent that future loans of this type are granted only on the satisfaction of the lender’s demands. China has adamantly opposed the application of contingencies or conditions to its loans and aid, making the possibility of forcing African countries into such a cycle is unlikely.

This leaves the announcement about an increase in foreign aid. Essentially, the purpose of President Xi’s speech at the December FOCAC meeting was to announce additional Chinese assistance to Africa. It therefore comes across as slightly redundant to mention “an increase in foreign aid,” except that the specific commitment mentioned here probably refers to the unequivocal, financial assistance that is the bane of Western development actors in Africa. The absence of conditions and contingencies on Chinese aid hampers monitoring and evaluation of its distribution. Critics claim that this causes China’s assistance to be less effective, or even counter-productive. Yet, foreign aid need not be based on a neocolonialist agenda to negatively impact the local population. Still, the task of evaluating the effectiveness of Chinese foreign aid to Africa is beyond the scope of this paper. To return to our topic of interest, given that the aim of these projects is to reduce poverty in Africa, rather than confine Africans to a permanent state of indigence, this cooperation plan does not seem to insinuate any neocolonialist intentions from China.

Public Health

Similar to the efforts to improve sustainability for Africa, any plan to improve public health and hygiene seems unimpeachable in the context of potential incursions. According to this plan, China intends to continue sending medical personnel to Africa while also launching a “Brightness Action” campaign and cooperation between 20 African and Chinese hospitals, all endeavors ostensibly to improve public health.

33 Stoneman and Suckling, “From Apartheid to Neocolonialism?,” 517.
health education. The objective of building an African Center for Disease Control and updating hospital labs smacks a bit of the kinds of infrastructure projects that do more for the Chinese construction industry than the local population, though the Africans will surely also enjoy these advancements.

The clause to promote greater accessibility of anti-malarial and other medications could prove more problematic, however. The Chinese government is interested in supporting its own industries, biomedical included. On the one hand, an investment in anti-malarial and other drug producers in Africa could manifest akin to “teach a man to fish,” where the Chinese drug companies help their African counterparts help themselves by transferring best practices on how to manufacture these critical drugs. On the other hand, it would be easy for the Chinese government to enter into special contracts on behalf of State-Owned-Enterprises to ensure a monopoly over the supply of these drugs in target African markets. This would surely be a seedy arrangement. Nevertheless, it probably would not translate into broader control over the country, such as is seen in colonialist or neocolonialist relationships.

**Culture and People**

Not unlike several others, the plan for cooperation between African and Chinese people and culture appears to blend the exchange of soft skills with the construction of buildings and infrastructure to support it. China will provide academic and government scholarships to 2,000 and 30,000 Africans, respectively. Visits by 200 scholars and study trips for 500 young people to China, in addition to training for 1,000 media professionals, will be arranged each year. Meanwhile, the Chinese intend to build five cultural centers in Africa, install satellite dishes in 10,000 African villages, and initiate more direct flight routes with the continent to stimulate tourism.

All of these exchange and training programs encourage the capacity-building that President Xi promised at the December 2015 FOCAC meeting. They facilitate the development of a skilled labor force and thus economic capacity or potential. Yet the lingering emphasis on
local construction projects by Chinese firms could belie the real influence these programs will have on African society. For example, is the purpose of building these five cultural centers to showcase African culture or divert the energies of Chinese construction firms? Insofar as these centers will not go the way of China's ghost cities, becoming empty shells of buildings for lack of staff or occupants, the two purposes might not be mutually exclusive. On the contrary, in addition to helping Chinese construction firms obtain work, the completed centers could promote tourism, an investment that would feed back into the African economy and a stated aim of this cooperation plan. Yet even if these cultural centers amount to nothing more than busywork for the Chinese construction industry, the project will likely not exploit the Africans, though they might accrue little benefit beyond. On balance, the commitment to cooperating on matters related to culture and people does not appear neocolonialist.

Peace and Security

The cooperation plan on Peace and Security appears to be a way of jumpstarting Africa's internal governance. The Chinese government pledged USD 60 million towards the African Standby Force and the African Capacity for the Immediate Response to Crises. China could aim to exercise undue influence over these ground forces if they were effectively hiring them out as militia, though such an idea is nearly indistinguishable from a common conspiracy theory. This is unlikely, moreover, for the fact that both forces are international, African coalitions. China would be hard pressed to convince a group of international military forces to invade one member country, otherwise it would need to convince this same group to attack all member states indiscriminately, a task for which manpower would undoubtedly be insufficient. Rather, what is more likely is that China hopes to reduce its military participation in Africa over time. Such a goal is consistent with efforts to assist African nations in building up their own military capacity, as elaborated in the corresponding section of President Xi's speech. Even the reassurance that China will continue to send UN peacekeeping forces implies that the dispatching of troops is not guaranteed. It does not seem that China wants to manage Africa's peace and security.
Conclusion

Amazingly, the socialist Chinese government understands economics. It seeks new and expanding markets where it can sell its goods to grow its own economy, knows that local market growth stimulates local purchasing power, and thus seeks to help grow foreign economies instrumentally. This logic is consistent with President Xi Jinping’s reiteration of the importance of “capacity-building” throughout his speech at the December 2015 FOCAC meeting. Only if African countries possess greater (economic) capacity can they exhibit greater demand for Chinese goods. Even if the Chinese Communist Party aspires to rebalance economic growth in favor of consumption at home, domestic growth faces an upper limit. China is wise to be hedging its bets on its own economy as a driver of demand with investments in foreign countries in Africa.

Granted, in some cases, these investments amount to an artificial boost in local demand by relocation of Chinese firms’ operations. The myriad, Chinese-funded construction and infrastructure works outlined in nearly every cooperation plan serve as the exemplary case. Undoubtedly, African countries stand to receive near-term benefits from these projects, for they will increase economic capacity in reducing costs for movements along industrial chains. Given the level of involvement by Chinese firms in these African public works, however, only time will tell to what extent these projects will likewise increase future economic potential through local workers’ accrual of experience and knowledge.

Few of the other aspects within the ten cooperation plans could allow for Chinese control of African markets or populations. On the contrary, investments in education, sustainable development, and governance empower African countries to protect their sovereignty over addressing domestic concerns. Even those programs whose beneficence is dubious, like the vague references to the aid-for-trade programs under the “Increasing Trade and Investment Convenience” plan, and could privilege Chinese businesses in African trade, are unlikely to conceal designs of Chinese dominance over the continent.
All that being said, China’s and African countries’ “increasing relations also reflect the natural resource intensity in China’s economic growth and SSA’s natural resources abundance,” as Drummond and Liu note in their 2013 working paper for the IMF. China’s interest in Africa’s resource endowment cannot be neglected. It manifests most clearly in trade of minerals, but could also apply to the development of African nations’ agricultural industry and export markets. Still, on behalf of his country, President Xi emphasizes repeatedly that the Sino-African partnership is built on mutual benefit. In the future, China could very well see additional produce from Africa, but the Brautigam (2015) examples of the China-backed African farms supplying local markets show that African partners would similarly enjoy the fruits of their own labors.

In other words, Chinese intentions in Africa, as seen in reviewing President Xi’s FOCAC remarks, are not altruistic, but neither are they neocolonialist. China takes its own legacy of colonial oppression seriously. The nation’s economic rise following its "century of humiliation" is a source of great pride, and even prompted President Xi to speak tangentially and extemporaneously about China’s success in lifting 700 million people from poverty. This is likely the spirit guiding China’s involvement in Africa: the proliferation of its own efforts to eradicate abject poverty in Africa, and continued efforts to do the same at home. This does not mean China’s designs for Africa are the best laid. Nevertheless, even if the plans delineated do not materialize into the “win-win” cooperation President Jacob Zuma anticipates,34 there is no reason to suspect colonialist aspirations from China based on the explanation of their forthcoming aid programs.

REVIEWS


*Reviewed by Rachel E. Peniston*

Obama took office in 2009, just as China’s rise to global power accelerated. Like every presidential administration since Richard Nixon, the Obama administration has attempted to strike a delicate balance between confrontation and cooperation with China. This is the opinion of U.S.-China Policy Foundation president, Professor Chi Wang, who’s book titled *Obama’s Challenge to China, the Pivot to Asia*, explores the recent developments in Sino-U.S. bilateral relationship under the leadership of President Barack Obama. Throughout his book, Wang analyzes the successes of the Obama administration’s engagement with the PRC and exposes the challenges that could serve as learning opportunities for the next administration to craft an even more sophisticated and effective China policy. By exploring the Obama administration’s “Pivot to Asia,” Wang asserts that President Obama’s foreign policy decisions concerning China have set the stage for a new era in U.S.-China relations.

Wang emphasizes conjectures that economic fluctuations in the past decade have ushered in a new era for engagement. As the U.S. became increasingly vulnerable during the financial crisis, China’s economy continued to maintain a high rate of growth, providing increased opportunities for bilateral interaction and a new status of interdependence with the United States. Throughout his book, Wang examines the methods by which the Obama administration has navigated the increasingly precarious but mutually reliant Sino-U.S. relationship, speculating that both deterrence and reassurance are vital components in maintaining this delicate balance. Wang asserts that the strategy has evolved from positive interactions initially, to an increasingly confrontational stance that has ultimately put the PRC on the defensive. Drawing upon personal interviews with Chinese analysts and scholars as well as Chinese media reports and official
statements from Chinese politicians, Wang also deconstructs the PRC’s response to U.S. China policy.

In Part I of his book, Wang outlines the narrative of U.S. policy in the Asia-Pacific region. Asserting that the historical trends and political landscape are critical tools for interpreting the sources of tension and contemporary foreign policy issues in the Sino-U.S. relationship, Wang provides an overview of the key actors in the Obama administration who have constructed and carried out the official U.S. policy on China, such as Joe Biden, Hillary Clinton, Robert Gates, John Kerry, and Susan Rice. Wang insists that each of these advisors has a personal background that determined their unique approach to the politics of the Asia-Pacific. The administration's overall policy towards China has thus changed noticeably with each addition or loss of certain key individuals.

Part II reviews U.S. interactions with China since Obama took office in 2009, offering a unique perspective on the evolution of the Obama administration’s strategy. Some of the major events include Obama’s first visit to China in November of 2009, the genesis of the “Pivot to Asia” campaign, the case of blind human rights lawyer Chen Guangcheng’s dramatic departure from China and the corresponding negotiations with then-Secretary of State Hillary Clinton, President Xi Jinping’s rise to power, and the controversy surrounding Edwards Snowden’s exposure of the NSA domestic surveillance programs. Wang also covers Obama’s subsequent trips to Asia, the Boilai legal case, Sino-Japanese tensions, and disputes in the South China Sea as evidence of the Obama administration’s ever-evolving relationship with China.

In Part II, Wang provides an in-depth analysis of certain key elements in the Sino-U.S. relationship, including economic relations, military relations, third party relationships, multilateral partnerships, climate change issues, and the international human rights regime. Through the lens of each of these topics, Wang evaluates the Obama administration’s progress in advancing the U.S.-China relationship, especially compared to that of previous administrations. Wang explores specific topics such as the military balance in the South China
Sea, America’s new role in ASEAN, and the 2011 Chinese “crackdown” on dissidents in order to display the multi-faceted array of issues critical to U.S.-China policy.

Wang, a Chinese-American with decades of experience working in the field of U.S.-China relations, offers a unique perspective in *Obama's Challenge to China*. The book culminates with Wang’s insights into the future of the U.S.-China relationship and advice on how to ensure it remains positive. Ultimately, Wang argues that the U.S.-China relationship has evolved to a new status-quo in which the PRC demands to be treated as America's equal; thus rendering the typical theoretical paradigms used to interpret global power structures less pertinent to the newly established dynamic. China, Wang argues, views its ascension in the global hegemonic hierarchy not as a new phenomenon, but as a “national rejuvenation” – a reclaiming of China’s rightful place among the global elite. Whether this new bilateral partnership in which global powers seek to achieve a balance of simultaneous contention and collaboration in the Asia-Pacific region can be sustained remains to be seen, but Wang remains optimistic. Nevertheless, he concludes by offering useful policy suggestions to the U.S. for effectively engaging with the PRC and ensuring a peaceful future. *Obama's Challenge to China* provides a comprehensive and accessible look at the current state of the Sino-U.S. relationship and offers a unique perspective on its evolution and future prospects.
According to his own categorization, Thomas Christensen belongs safely within the camp of “optimists” about the U.S.’s future status in relation to China’s recent rise. Optimists anticipate that the U.S.’s status as a global superpower will not be undermined by the newfound weight of China in economic, diplomatic, or military spheres—at least not necessarily or “anytime soon” (2)—whereas “pessimists” believe China’s rapid ascension to the global stage is precipitating the demise of the U.S. Christensen outlines these two positions, both of which are given credibility by many, distinguished specialists in U.S.-China relations, in the introduction to his new book, *The China Challenge*.

Over the course of the ensuing eight chapters, Christensen argues against the pessimists’ case by highlighting the implicit assumption underpinning their argument: that the U.S.’s and China’s success must sum to zero. This zero-sum mentality harkens back to Cold War-era containment, when the U.S. and Soviet Union were indeed competing for influence. Any gains to the Soviet bloc were viewed as a direct threat to the American alliance. Yet the world has changed since then. As global economic networks have become more interlinked and more entrenched, the potential rewards from containment, let alone conflict, have greatly diminished. So maintains Christensen in demonstrating why the U.S. wins when China does and vice versa.

There is no implication that mutual cooperation between the two national giants is guaranteed, however. Christensen discusses the means with which and hypothetical conditions under which China might engage in a military conflict in the chapter on “Why China Still Poses Strategic Challenges.” China began building up its strategic capacity in 1995 towards the end of Deng Xiaoping’s tenure, and the rate of growth in its defense budget since has even outstripped that of its economy. Notwithstanding the advance of China’s modern military,
the author reinforces to his audience that Chinese military capacity still cannot be considered on par with that of the U.S., given not only the latter's sheer size, but also its unparalleled sophistication. The real risk is the muscle that China could flex in East Asia, where no other country possesses comparable military endowments. Christensen suggests that China could intimidate smaller states in the region, including American allies, even if unlikely to undertake overt aggression against the U.S. Such a possibility was proven within the past couple years when the territorial dispute over the Senkaku/Diaoyu Islands flared up, implicating China and Japan. As a result, China reminded the world that perceived incursions on its territorial sovereignty would prompt the country to exert force. Christensen further instructs that future incursions could be perceived or "real," while China's response could be preemptory or reactionary.

For the most part, though, Christensen explains China's military aspirations not as a portent of later aggression, but as an effort to establish "coercive leverage," or the credible threat of forcible deterrence. The concept of coercive leverage is introduced in the chapter on China's strategic threat, though references to it appear in preceding and subsequent ones, as it is critical to understanding Chinese diplomatic policy. In this way, a strong military can be considered a diplomatic tool for China, to be stored in its arsenal until required. China's accumulation of military capability as coercive leverage can confuse observers, particularly in relation to the mainland's ambivalent relationship with Taiwan. Christensen elegantly captures this problem as one in which any attempt by either side to maintain the status quo, through the fortification of defensive capabilities, could justifiably be interpreted as an attempt to break it. Comprehension of these and similar nuances will allow both the U.S. and China to manage their interactions and prevent escalation.

Arguably more pressing than a theoretical altercation, Christensen identifies mutual cooperation in global governance with China as the "Biggest Challenge of All," detailed in the eponymous chapter. He clearly supports then-Deputy Secretary of State Robert Zoellick's 2005 appeal to China to become a “responsible stakeholder.” In analyzing the phrase's subsequent influence on U.S. diplomacy
towards China, Christensen describes why the obligation to become a “responsible stakeholder” is not a self-evident conclusion within the Chinese government. Despite its economic explosion, China remains a poor nation, having a GDP per capita consistent with that of a developing country. Its core interests are “the continued monopoly on power of the Chinese Communist Party regime; territorial integrity and sovereignty; and an environment conducive to continued economic development” (254). The second core interest can preclude Chinese participation in global governance outright. The author examines several situations when China has been asked to contribute to global governance—the civil war in Bosnia and Kosovo; intervention in Somalia, Mali, Libya, Sudan, and Syria; North Korean and Iranian nuclear non-proliferation efforts; the recent financial crisis; climate change—and more often than not, perceptions of unwelcome interference into another nation’s sovereign territory hindered China’s participation. Even if not always irreconcilable with global governance demands, domestic priorities around these core interests usually monopolize China’s governmental bandwidth.

Christensen mentions these diplomatic impasses because his “goal here is analysis, not moral judgment” (116). He firmly believes that greater coordination between the U.S. and China is possible to the extent that they better understand each other. In the recent past, cooperative efforts at global governance succeeded when the issue was neither framed nor pursued as a regime change, such as during the humanitarian interventions in Somalia. Otherwise, a multilateral attempt to topple an existing government could set a dangerous precedent in the eyes of the Chinese government. China has been accused of some of the same charges (e.g. human rights violations) being leveled against other “corrupt” regimes, and will not accept the hypocrisy of interfering abroad while refusing foreign interference at home. Without issuing a moral verdict, Christensen thus goes beyond analysis of China’s decision not to participate in certain global governance matters to offering constructive advice on how future U.S. governments can engage with China.

In elucidating China’s perspective, Christensen assumes the responsibility that many China hands have borne—to describe China’s
differences without rendering them threatening by virtue of their dissimilarity. For example, he makes the country, and thus its policies, accessible by interspersing personal anecdotes about his own time in China. His portrayal of the bare-bellied Beijinger scalping tickets outside the Asian Cup Soccer Final resonates with the reader, for its vividness and (as this author can attest) accuracy. This parallel, personal narrative allows Christensen not only to provide respites from abstract discussions of diplomacy, but also makes those discussions more salient. The writing, albeit often dense, is consequently never dry.

This empathetic understanding of China seems to underlie Christensen’s thesis more broadly. Indeed, he ends the book with an appeal to the U.S. government “to develop new diplomatic skills of empathy and persuasion” (312). Only then can we recruit China in addressing issues whose solutions require multinational cooperation, like climate change. Christensen shows that the challenge posed by China is thus less one of direct competition with the U.S., as much as one inspiring us to innovate and grow further, especially in developing our Sino-American policy.

In this way, The China Challenge reads like On China-Lite. Christensen probably does not aspire to this kind of comparison, given Henry Kissinger’s overwhelming clout as the former Secretary of State and member of the first, secret envoy to communist China in 1971, but their books’ similar subjects make the comparison an important one for potential readers. While Kissinger’s On China covers Chinese diplomacy since its advent in modern China, Christensen’s book deals only with “rising” China post-economic reform. This limit on the book’s scope means that The China Challenge weighs in at 312 pages to On China’s 530 and that Christensen has space to interject the refreshing anecdotes aforementioned. Such is the experience of this reader, who enjoys learning about U.S.-China relations, though has not yet devoted a lifetime to its study. The average booklover might be less captivated by the minutiae of U.S.-China diplomacy, and the expert might not consider them minute enough, but those interested in hearing an optimist’s perspective on the future of U.S.-China relations will be glad they read The China Challenge.

Reviewed by Molly Bradtke

In the decades since China’s reforms and opening up began in 1979, China's rapid rise has been at the center of contemporary Chinese studies. Its miraculous development has served as a catalyst for everything from social and political movements to environmental crises. In its midst, China has become a global powerhouse. However, China's unprecedented growth has ushered in an era of uncertainty. The Asian giant’s sudden arrival at the number two spot on the list of the world’s largest economies caught everyone by surprise -- none more so than China itself. It occurred before the government or people had time to adjust to how China’s new dynamics would change their lives and relationships.

Evan Osnos has captured this feeling of uncertainty in *Age of Ambition*. In telling the stories of the Chinese people struggling to make a place for themselves in a new era, Osnos provides several different lenses through which the audience might view the enormous transition occurring in China today. He frames the issues in terms of three overarching themes: fortune, truth, and faith. Behind this, there is one question at the core of his exploration -- How can China reconcile the authoritarianism of the Communist Party with an increasingly stronger capitalist economy that encourages individualism and innovation?

The book’s first section on “Fortune” introduces the rapid social change that has occurred as a result of the capitalist economic shift. The Chinese people have begun to believe in the ideal of the self-made man, and to aspire to higher social status and greater wealth.
However, blind ambition has threatened to shake up the social order and the control of the Communist Party. Osnos introduces people who have sought to create a space for themselves in the new China, often to the alarm of their government. We learn about the riches and corruption of Macau, the widening gulf between the rich and the poor, and the ruthless pursuit of self-improvement. The following section -- “Truth” -- details the struggle between those citizens who work to expose societal problems in order to facilitate change and the Party censors. Finally, the book ends with an exploration of “Faith.” Despite the attempts of the government to squash belief in anything but the Party, faith, both secular and religious, continues to spread.

The above framework, provided by Osnos, fits *Age of Ambition*’s contents only loosely. A more accurate outline of the book’s contents, however, is impossible to create. People’s experiences serve as the lens through which the book views Chinese society. The stories Osnos tells are ones he encountered while living in China as a journalist from 2005 to 2013. He worked there first as a China correspondent for the *Chicago Tribune*, and then as a staff writer for *The New Yorker*. Some of the sections of his book are reworked versions of previously published articles, including a chapter on the 2011 high-speed train crash in Wenzhou and massive corruption revealed during the ensuing investigation.

Osnos weaves in and out of each person’s story, introducing one character, then jumping over to another, or pausing to add background information on a conflict. Sometimes, the narrative loses a character, only to return to them five or ten years later. Most of these characters are dissidents and activists well known to the West. Osnos devotes large sections of the book to describing the struggles of Chen Guangcheng, the blind human rights lawyer who escaped house arrest; Ai Weiwei, artist and outspoken critic of the Communist Party; and Han Han, superstar blogger and race car driver whose comments
about life in China have drawn widespread support. These stories are certainly gripping, but they leave the reader wondering how representative they are of regular life in the PRC. Osnos seems to have predicted this criticism and addresses it directly in the book. “Even if it was a minority,” he writes, “ignoring the impact of a small group of impassioned people struck me as a misreading of Chinese history, in which small groups had often exerted large forces.”

While dramatic tales of these few dissidents serve as tools for measuring the social and political environment in China, the stories in *Age of Ambition* which strike the truest chord are the ones about the regular, non-famous people. The book traces a young English language fanatic from Guangzhou called Michael and his quest to become the best English teacher he possibly can. There’s also Tang Jie, a graduate student in Shanghai attempting to make a living on nationalism, a movement not always in step with the Party. Osnos mentions countless others who he met on the street or read about in the news and tracked down, regular people caught up in the tide of ambition. These stories are relatable. When these people struggle forward and seem to have their dreams within reach, only to have opportunity crushed by the realities of a capitalist economy or the harsh controls of the Party censors, it is impossible not to sympathize. Their experiences belie the attainability of the “China Dream,” crushed as it is between two competing forces.

Throughout the book, Osnos maintains that the Communist Party is struggling to keep up with the all-pervading changes consuming the entire country. The Party has tried to contain the rise of ambition, he explains, but is failing. His attitude appears to be based largely on the burgeoning internet usage in China and the challenge this poses to government efforts to control information. However, while the internet does provide an obstacle to Party control, Osnos perhaps underestimates the ability of the Party to adapt. In recent years, the
CCP under Xi Jinping has proved willing to adopt reforms that aim to alleviate concerns for its people, such as loosening restrictions in family planning, making the hukou system more flexible, and driving out corruption on a massive scale. The CCP is hoping these reforms will produce enough change for now. It is a risky gamble. Will society be content with freer urban-rural mobility or will it want more freedoms? On the other hand, the lack of public support on the mainland for the 2014 protests in Hong Kong illustrates both the competence of the Party’s censors and the tight control the government still holds over its citizens.

The stories Osnos tells are not new, and the conflicts between government and society are well known, even to a novice in the study of Chinese affairs. However, this does not mean the book has no value to those better versed in China issues – indeed, it offers a refresher on the major issues in Chinese society and a reminder of the complexities and richness of contemporary Chinese life which first drew so many to its study. For those less familiar with contemporary China, Age of Ambition is a perfect introduction. Osnos writes with a quickly apparent journalistic prowess. With clear and easy to follow language, the narrative flows easily.

In the end, Age of Ambition offers no conclusions, nor proposes any method for alleviating the conflict between “aspiration and authoritarianism.” Instead, Osnos has succeeded in presenting the feelings and attitudes of China, in all of their contradictions, and this he does expertly. Most of all, he portrays all the potential there is in China. As these stories reflect, China’s people and government have yet to find the answers they seek, but when they do, whatever is decided, the results will surely be stunning.


_Reviewed by Amanda Conklin_

The U.S. Naval Institute in Annapolis periodically publishes books exploring the regional security environment in the Asia-Pacific. The two books reviewed here relate well to discussions on sustaining President Obama’s Rebalance policy and on China’s recent attempts to revise the status quo of its territorial disputes in the East and South China Seas. The contents of both books complement each other well. Lord and Erickson’s discussion of U.S. basing and forward presence is only part of the equation for handling threats to regional stability and managing the seas of the Asia-Pacific. The other nations of the Asia-Pacific, including U.S. allies and partners, will need to fill the other half of the equation. Cole’s book outlines how they are planning for their future as maritime nations.

In addition, Lord and Erickson’s exploration of U.S. army bases reminds us that well-rounded discussions on military posturing in the Asia-Pacific must consider the ability of an army to go forward where the navy is powerless (or denied access - The Chinese military has been able to develop A2/AD and anti-ship weapons relatively quickly). The region’s struggle with memories of Vietnam and Korea, and the always present specter of Japanese occupation during WWII, reinforce the army’s importance.

However, the most recent points of contention and potential conflict in the Asia-Pacific have been over control of the seas and maritime resources (think South China Sea). Certainly, securing access to
fishery stocks and energy sources is not within the traditional parameters of the army or navy. Thus, Cole’s discussion of maritime strategies includes how nations of the Asia-Pacific are addressing non-traditional security threats. Being a naval power in today’s world is not just about military posturing; it is also about ensuring opportunities for national prosperity by providing security for sea commerce and protecting shipping lanes.

Both texts initially undertake a theoretical explanation of the importance of the navy and maritime strategy to national power. Cole defines command of the sea as a “nation’s ability to use the sea as it wishes while denying that use to its enemy.” According to this definition, the U.S. may currently be the dominant naval power in the Asia-Pacific, but China and India are both building up their anti-access/area denial capabilities and, in China especially, space and cyber weapons technologies. Meanwhile, the U.S. is facing prohibitively high costs, coupled with defense budget cuts, in developing its next generation of offensive weaponry (aircraft carriers, tactical aircraft, etc.). Thus, with the defensive-offensive balance in the region leaning toward a defensive weapons advantage, the U.S. will face increasing difficulty maintaining its dominant position in the waters of the Asia-Pacific.

The bulk of Cole’s book deals with the maritime strategies and plans of what he believes are the region’s four largest naval powers - the United States, China, Japan, and India. (Although Japan’s Imperial Navy was historically a powerful contender in the Pacific, I would dispute this choice in that, while large in numerical capability, Japan’s Maritime Self-Dense Force lacks independent offensive operability and thus could be replaced by Russia or South Korea. However, in a collective regional security arrangement, like Japanese Prime Minister Shinzo Abe is pushing for, Japan’s force could play a bigger role in determining Asia-Pacific’s maritime future). The navies that Cole discusses do not have to work independently of each other. Alliances
in the Asia-Pacific have taken on renewed importance with the U.S. Pivot and the rallying cry of China’s rise, charting new paths for bilateral and multilateral security cooperation between traditional U.S. allies and new partners. The disparity between the capabilities of maritime forces outside of Cole’s top four (and South Korea and Russia) is large. For example, a 50-year old decommissioned US naval cutter is the shining star of the Philippine navy. Many Southeast Asian nations stand to greatly benefit from outside assistance and closer military relations.

Despite the Philippines’ lackluster naval force, it has always been a key player in U.S. military strategy and operations in the region. Thus, it is surprising that Lord and Erickson’s book is missing a discussion on U.S. basing in the Philippines. Yes, Obama had not yet concluded an agreement for U.S. troops to return to the Philippines when the book was published, but the deal had been speculated for a while. U.S. troops have also actively assisted in counter-terrorism efforts in the southern Philippines. Instead, Canes and Lord look to Singapore as the most important strategic site for the U.S. force posture in SE Asia. It will be interesting to see how the new agreement with the Philippines affects Changi’s significance - Perhaps Singapore’s defense minister tried to reassert Singapore’s importance to regional security when offering Changi as a regional crisis coordination center during April’s US-ASEAN defense ministers meeting in Hawaii.

Given the title of Lord and Erickson’s book - *Rebalancing U.S. Forces: Basing and Forward Presence in the Asia-Pacific* - It could benefit from a greater discussion of where U.S. forces are rebalancing from. America’s history of recent and ongoing engagements in the Middle East will shape how forces are positioned and utilized in the Asia-Pacific. The Obama administration and the American public have withdrawn support for an activist role in global security, and the U.S. has unwillingly started new operations in Iraq and Syria. U.S. allies and partners are worried that the follow-through on new U.S. force
posture and defense agreements may not exist or, more likely, may not be enough if conflict arises. Lord and Erickson’s chapter on Chinese missiles reminds readers that how potential adversaries perceive America’s level of commitment is also just as important. They find that, for now, the PLA still views U.S. intervention as “a critical premise, if not a given” (50).

Perhaps a more pronounced delineation of U.S. strategy in the region could reassure U.S. allies of its commitment. Cole argues that despite America’s extensive presence in the Pacific, the U.S. lacks maritime strategy (44). The last strategy that was developed, the 1986 Maritime Strategy, was meant to address the Soviet threat. If America truly wants to renew its commitment to its Asia-Pacific partners, it will need a new maritime strategy in which maritime campaigns and forces play a much larger role than when the U.S. faced a primarily land-based threat from the USSR.

Indeed, China's potential as an adversary to the U.S. has grown with the size and activities of its maritime forces. Thus, more important than the U.S. presence and maritime strategy in the future of the Pacific is the U.S.-China dynamic - “The relationship between China and the United States will remain the key determinant of international peace in Asian waters (210).” And international peace will require a degree of cooperation and mutual respect “novel in the histories of the two nations” (211).

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Both books reviewed are a continuation of titles by the Naval Institute focused on maritime power in the Asia-Pacific. Cole also authored the second edition of “The Great Wall at Sea: China's Navy in the Twenty-First Century” in 2010. Both Lord and Erickson have written several books on U.S. force posture and naval power in the Asia-Pacific. The authors' familiarity with their topical areas is immediately apparent to the reader. The historical sections of each book can become rather
tedious, but both books are insightful and carefully-researched, making them important resource material for anyone interested in the future of the U.S. military in the Asia-Pacific or U.S. alliance planning.

Reviewed by Tian Luan

From September 10 to October 23, 2015, the Confucius Institute at George Mason University partnered with the School of Art to co-curate an extraordinary Chinese exhibition, Ageless Chinese Art: A Virginia Scholar’s Collection of Chinese Calligraphy and Paintings, at the Fine Arts Gallery of George Mason University. The entire collection comes from Dr. Chi Wang who is the co-founder and president of the U.S.-China Policy Foundation, the former head of the Chinese Division of the Library of Congress, and a professor of history at Georgetown University. Over the past six decades, Dr. Wang has been committed to collecting and preserving Chinese artworks from ancient times through the 20th century. Despite presenting only one-fifth of Dr. Wang’s total collection, the exhibit exemplifies typical works from well-known Chinese painters, calligraphers, intellectuals, politicians, and even Chinese royalty. The artwork features diverse forms and techniques, script styles, and schools of Chinese calligraphy. Some works represent a certain period of Chinese artistic values; some mirror Chinese historical background, philosophical and political thoughts; some works merge Chinese landscapes and animals with calligraphic notations. The exhibit demonstrates more than the uniqueness and variety of Chinese calligraphy and paintings, but also the nature of Chinese culture and civilization.

When entering the exhibit, you feel astonished and immediately captured by Xu Beihong’s renowned masterpiece “Running Horse” hung in the middle of the wall. The majority of Chinese people acknowledge Xu Beihong’s prestige due to his ink paintings of horses and birds. However, his contribution to traditional Chinese art also
stems from the integration of Chinese brush and ink techniques with western perspectives and methods of composition that motivated the growth of Chinese modern art.

The exhibit showed a variety of pieces that display the evolution of Chinese characters, from oracles bone around 1200 BC to the simplified characters used today, as well as many examples of Chinese script calligraphy. The origin of Chinese characters aligns with human imagination through imagery and objects to interpret the meaning we aim to express. As time went on, Chinese characters were simplified and evolved into five major script styles: seal script, clerical script, running script, cursive script, and standard script. The exhibit included all of them, creating a diverse feast for audiences’ eyes.

In addition to calligraphy, the exhibit had traditional Chinese paintings grouped to highlight main Chinese themes such as animals, plants, figures, and landscapes. Traditional Chinese painting has developed over 6000 years and features distinctive artistic values and techniques. Excellent Chinese painters in history are too numerous to list. Zhao Mengfu, Zhang Daqian, Qi Baishi, Pan Tianshou, and Xu Beihong are all master painters whose pieces were displayed and appreciated during the exhibition.

The space in the center was utilized to showcase calligraphy by Chinese leaders, including the works by Mao Zedong, Jiang Zhongzheng, and Sun Yat-sen, as well as calligraphy by Imperial Family Members of the Qing Dynasty, such as the Qian Long Emperor, Prince Gong, and Prince Su. Mao Zedong’s calligraphy is as recognizable as his portrait and contribution to the establishment of the People’s Republic of China (PRC). The leaders’ dedication to calligraphy is an illustration of the power of Chinese traditional art and its influence on political life.
The exhibit not only provided insight into the beauty of Chinese calligraphy and painting, but also inspired Chinese artists, especially our young generation, to consistently approach and show respect for Chinese traditional art. Even if society continues to look at Chinese art within a traditional framework, Chinese calligraphy and painting has also been experimented with in various ways since the 20th century, corresponding to the modern arts movement in west. Chinese avant-garde artists sought to abdicate old rules of composition and brushwork to create works akin to modern painting rather than Chinese traditional forms.

It is understandable that every artist desires artistic creativity and liberty. But even with these changes, no one can resist the authority of Chinese calligraphy that has strongly enriched global culture and impacted human’s regular life for thousands of years. In China, we still protect and build the market for calligraphy scrolls produced in the traditional manner. Calligraphy can be seen at historical sites, on store signs, particularly in Chinese ancient towns, and on couplets glued to our home doors to celebrate the Chinese lunar new year. To pass down the heritage and persist in our traditional pursuits from generation to generation, we must make a commitment to conserving the value of Chinese calligraphy and painting as well as expanding calligraphic education nationally and internationally.

Exhibitions like *Ageless Chinese Art* deepen the public understanding of Chinese calligraphy and painting, and furthers its education at home and abroad. As literacy in China has increased since the founding of PRC, the practice of calligraphy is no longer restricted to those with high education. The great majority are amateurs of all ages who find pleasure as well as spiritual and artistic fulfillment in learning Chinese calligraphy. With the growing numbers of Chinese people living and studying in the United States, some universities, Confucius Institutes and Chinese arts and cultural organizations hire
professional calligraphers to teach students who are interested in Chinese “beautiful writing.” Moreover, a range of workshops and practical opportunities are initiated to disseminate the value of Chinese traditional art and satisfy the community’s interest in calligraphy. We are excited to see that calligraphic education remains alive today and has spread worldwide. To continue these efforts, we need more Chinese culture facilitators like Dr. Chi Wang, and the professionals working at Mason’s Confucius Institute and College of Art to organize and publicize cross-cultural programs.

Chinese traditional art and culture has become a bond that helps improve the U.S.-China bilateral relationship. Chinese people have a great zest for American pop music and western art forms as more and more American arts organizations conduct tour performances in China. At the same time, Americans are intensely attracted to Chinese traditional and legendary arts and culture as more Chinese exhibitions and performances are presented in the United States. The exchange of art and culture between the two countries is a powerful tool in finding common ground and mutual affection for the things that unite us and steers us to turn global challenges into collaborative opportunities.

As a Chinese student pursuing a Masters Degree of Arts Management at George Mason University, I feel honored to witness the success of the exhibition, and am indebted to the contribution from Dr. Chi Wang, Mason’s Confucius Institute, and College of Art. I hope that someday I will become an exceptional arts ambassador who is devoted to promoting partnerships among U.S.-China arts organizations and producing diverse programs that reflect important aspects of American and Chinese culture.
APPENDIX

China’s 100 Most Influential People - 2015

Government officials, business leaders, academics, celebrities, and more

This list was chosen by the U.S.-China Policy Foundation staff based on several key factors. Some of the individuals were chosen because the nature of their position gives them the power and ability to influence key policy decisions, such as those serving on the Politburo or heading key government ministries. Many, however, were chosen because their influence and importance over the past year have been evident in the amount of Chinese and international media coverage they received, their participation in key international and domestic summits and meetings, and even their social media presence and following. These individuals are the ones who are watched by the Chinese and global communities, whose opinions are listened to by the leadership and the wider public, and who, as such, have had an impact on Chinese politics and society.

Politburo Standing Committee

The Politburo Standing Committee (PSC) consists of the top leadership of the Chinese Communist Party and is the top decision-making body in China. When President Xi Jinping took over the PSC in 2012, he reduced the number from nine to seven, consolidating the power into even fewer hands. The seven members below are listed in their protocol order by rank.

1. **Xi Jinping** - General Secretary of the Chinese Communist Party, President of the People’s Republic of China, Chairman of the Central Military Commission. Xi Jinping is arguably the most powerful Chinese leader since Deng Xiaoping. Over the past year, he has consolidated power further, exerted increased influence, and met with many world leaders. He has also continued his anti-corruption campaign, initiated further economic reforms, and cracked down on social dissent.
2. **Li Keqiang** - Premier of the State Council of the People's Republic of China (informally known as Prime Minister), Party Secretary of the State Council, Vice Chairman of the National Security Commission. The premier is the highest administrative role in the government of the People's Republic of China (PRC). In this role, Li oversees the State Council and its constituent departments and ministries, helps formulate key policies, and serves a public diplomatic role, attending international meetings and giving speeches and updates about the status of the Chinese economy and policies.

3. **Zhang Dejiang** - Chairman of the Standing Committee of the National People's Congress (NPC). The National People's Congress is the PRC's legislative body. As China's top legislator, Zhang frequently meets with foreign lawmakers and leaders and is involved in both domestic and international policy discussions.

4. **Yu Zhengsheng** - Chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC). The CPPCC is a political advisory body, giving Yu the title of top political advisor.

5. **Liu Yunshan** - Top-ranked Secretary of the Central Secretariat of the Communist Party of China (CPC), President of the CPC Central Party School, leader of the Propaganda and Ideology Leading Group. The Secretariat supervises the CPC organizations and departments and implements the decisions made by the Politburo.

6. **Wang Qishan** - Secretary of the Central Commission for Discipline Inspection (CCDI). Wang is the public head of President Xi Jinping’s anti-corruption campaign and the ongoing effort to purge the Chinese government of corrupt “tigers and flies.”
7. **Zhang Gaoli** - First ranked Vice Premier of the State Council of the People's Republic of China. The State Council is the PRC's main administrative authority.

**Additional Politburo Members (listed alphabetically)**

8. **General Fan Changlong** - Vice Chairman of the Central Military Commission (CMC) and general in the People's Liberation Army (PLA). The CMC is China's most powerful military body, commanding the nation's armed forces. While in practice the CMC is one body, nominally there are both State and Communist Party branches, which have identical leadership.


10. **Han Zheng** - CPC Party Chief of Shanghai, China's most populated city and a key financial center.

11. **Hu Chunhua** - CPC Party Chief of Guangdong, a southern Chinese province on the South China Sea coast. Guangdong is China's most populated province and includes the city of Shenzhen, an economic hub and mainland link to Hong Kong.

12. **Li Jianguo** - Vice-Chairman of the National People's Congress (NPC), Chairman of the All-China Federation of Trade Unions.

13. **Liu Qibao** - Secretary of the CPC Central Secretariat, Head of the Publicity Department of the Communist Party of China (CCPPD). The role of this propaganda boss has become increasingly important as the Communist Party works to shape ideology, domestic values, and international perception.

14. **Liu Yandong** - Second ranking Vice Premier of the State Council. Liu is the highest ranking woman in the Chinese government.

15. **Li Yuanchao** - Vice President of the People's Republic of China. The vice president is a largely ceremonial position. Li also plays
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a foreign policy role as the Deputy Leader of the CPC Foreign Affairs Leading Group (FALG).

16. **Li Zhanshu** - Director of the General Office of the Communist Party of China (Central Office), Chief of the General Office of the National Security Commission (CNSC). The CNSC was formed by President Xi to increase coordination between China’s various security oriented agencies to handle potential security threats and to consolidate security control into an entity headed by Xi Jinping. Li is one of President Xi’s key advisors.

17. **Ma Kai** - Fourth ranked Vice Premier of the State Council.

18. **Meng Jianzhu** - Head of the Central Politics and Law Commission of the Communist Party of China, the organization responsible for the CPC’s political and legal affairs. It also oversees law enforcement agencies such as the police force.

19. **Sun Chunlan** - Head of the United Front Work Department (WFWD), former Party Chief of Tianjin. Sun is one of only two women serving on the Politburo. The UFWD is a CPC agency that manages how non-CPC individuals and bodies work with and support Communist Party goals.

20. **Sun Zhengcai** - CPC Party Chief of Chongqing, a major municipality in Southwest China.


22. **Wang Huning** - Director of the Policy Research Office of the CPC Central Committee, a Communist Party organization responsible for creating policy recommendations and drafting important Communist Party documents and reports. Wang frequently accompanies President Xi during his travel and meetings, including Xi’s September 2015 trip to the U.S.

23. **Xu Qiliang** - Vice Chairman of the Central Military Commission and general in the People’s Liberation Army Air Force (PLAAF).
24. **Zhang Chunxian** - CCP Party Chief of the Xinjiang Uyghur Autonomous Region.

25. **Zhao Leji** - Head of the Communist Party Organization Department

**Ministries of the State Council**

The State Council (also known as the Central People’s Government) is the main administrative body of the People’s Republic of China and is headed by Premier Li Keqiang, aided by his four Vice Premiers (see lists above). There are 20 ministries included under the State Council as well as additional key agencies and departments. The State Council forms one of the three main bodies of power in China, along with the Chinese Communist Party (Politburo, Central Committee, etc.) and the People’s Liberation Army (PLA). As this list has already shown, many key leaders hold concurrent positions in more than one of these three power structures.

26. **General Chang Wanquan** - Minister, Ministry of National Defense (MND). The MND does not command the PLA, but instead is a liaison body that interacts with foreign militaries.

27. **Chen Jining** - Minister, Ministry of Environmental Protection (MEP).

28. **Chen Lei** - Minister, Ministry of Water Resources (MWR). While some water related issues (like pollution and sewage) are handled by other ministries, overall water management is handled by the MWR.

29. **Chen Zhenggao** - Minister, Ministry of Housing and Urban-Rural Development (MOHURD).


33. **Han Changfu** - Minister, Ministry of Agriculture (MOA).

34. **Huang Shuxian** - Minister, Ministry of Supervision (MOS). The MOS supervises and oversees the efficiency and efficacy of the various State Council bodies. Many of its internal oversight duties overlap with the Central Commission for Discipline Inspection (CCDI).

35. **Jiang Daming** - Minister, Ministry of Land and Resources (MLR).

36. **Li Liguo** - Minister, Ministry of Civil Affairs (MCA).

37. **Lou Jiwei** - Minister, Ministry of Finance. The Ministry of Finance handles the annual budget, macroeconomic policy, fiscal policy, and economic regulations.

38. **Luo Shugang** - Minister, Ministry of Culture (MOC). The MOC manages museums and monuments, regulates artistic content (music, literature, television, artwork, etc), and promotes Chinese culture.


40. **Wan Gang** - Minister, Ministry of Science and Technology (MOST).

41. **Wang Yi** - Minister, Ministry of Foreign Affairs (MFA). The MFA is responsible for relations between China and other countries. The MFA also staffs China's embassies abroad.
42. Wu Aiying- Minister, Ministry of Justice (MOJ). The MOJ handles legal affairs, the judicial process, legal frameworks, and treaty participation.

43. Yang Chuantang- Minister, Ministry of Transport (MOT)

44. Yin Weimin- Minister, Ministry of Human Resources and Social Security (MOHRSS). The MOHRSS handles personnel and labor policies and matters.

45. Yuan Guiren- Minister, Ministry of Education (MOE). The MOE oversees compulsory, vocational, and tertiary education, standardizes curriculum and materials, and sets requirements.

Additional Officials (listed alphabetically)

46. Bagatur- Chairman of the State Ethnic Affairs Commission (SEAC). The SEAC is a department under the State Council that handles the relationship between the government and China's 56 ethnic minorities.

47. Ambassador Cui Tiankai- Chinese Ambassador to the U.S. Ambassador Cui is the key Chinese diplomat for the important and often tense U.S.-China bilateral relationship. In September 2015 he oversaw President Xi's first official state visit to the U.S.

48. Jin Liqun- President of the Asian Infrastructure Investment Bank (AIIB). The AIIB is a regional development bank proposed by President Xi. The international agreement forming the AIIB entered into force on December 25, 2015.

49. Li Bin- Commissioner of the National Health and Family Planning Commission (NHFPC). In addition to overseeing health services, the NHFPC was responsible for implementing China’s one-child policy. The new two-child policy was announced in October 2015 and took effect in January 2016.
50. **Liu He** - Chief of the CPC Leading Group for Financial and Economic Affairs, Vice Chairman of the National Development and Reform Commission (NDRC). The NDRC is an agency under the State Council that deals with Chinese economic planning. Liu is a leading official in both Communist Party and State Council economic agencies and a key architect of Chinese economic policy.


52. **Nie Chenxi** - President of China Central Television (CCTV). CCTV is an official state-run broadcast media company.

53. **Wang Guangya** - Director of the Hong Kong and Macau Affairs Office. Hong Kong and Macau are both special administrative regions of China.

54. **Xu Shaoshi** - Chairman of the National Development and Reform Commission (NDRC).

55. **Yang Jiechi** - State Councilor in the State Council. Yang previously served as Chinese Ambassador to the U.S. (2001-2005) and is now a major architect of Chinese foreign policy.

56. **Yang Zhenwu** - Editor-in-Chief of People’s Daily, the Chinese government’s official newspaper.

57. **Zhang Zhijun** - Minister of the Taiwan Affairs Office. The Taiwan Affairs Office is an agency under the State Council that creates policies regarding Taiwan and coordinates economic relations and transportation across the Taiwan Strait.

58. **Zhou Wenzhong** - Secretary-General of the Boao Forum for Asia (BFA), Vice President of the China-U.S. People’s Friendship Association, former Chinese Ambassador to the U.S. (2005-2010). The Boao Forum is a high-level economic forum for
business, government, and academic leaders held yearly in China’s Hainan province.

59. Zhou Xiaochuan- Governor of the People’s Bank of China (PBC). The PBC is the government-run Chinese central bank, which regulates financial institutions and controls monetary policy.

People’s Liberation Army (PLA) Officers

President Xi begun implementing some major military reforms in 2015. Many of the reforms are taking effect or still being initiated in 2016. The officers below reflect the new restructuring of the military, including the five regional commands established February 2016. Key Chinese Military Commission leaders, who also serve on the Politburo, are already listed above.

60. Lieutenant General Gao Jin- Commander of the PLA Strategic Support Force (PLASSF). The Strategic Support Force is a new branch of the military introduced in December 2015 as part of China’s military reforms and will serve as an information force.

61. General Han Weiguo- Commander of the PLA Central Theater Command, which includes the Beijing and Tianjin municipalities as well as Hebei, Shanxi, Henan, and Hubei provinces.

62. General Li Zuocheng- Commander of the PLA Ground Force (PLAGF). Li was promoted to full general, the highest rank in the army, in late 2015 while serving as Commander of the Chengdu Military Region. In December he was named the inaugural Commander of the PLAGF, starting in 2016.

63. General Liu Yuejun- Commander of the PLA Eastern Theater Command, which includes Shanghai, the provinces of Anhui, Fujian, Jiangsu, Jiangxi, and Zhejiang, and the East China Sea.
64. **General Ma Xiaotian** - Commander of the PLA Air Force (PLAAF)

65. **General Song Puxuan** - Commander of the PLA Northern Theater Command, which includes Inner Mongolia and Liaoning, Heilongjiang, Jilin, and Shandong provinces.


67. **General Wei Fenghe** - Commander of the PLA Rocket Force (PLARF). The PLARF (known as the Second Artillery Corps before the 2015 military reforms) controls China's strategic and tactical missile arsenal.

68. **Admiral Wu Shengli** - Commander of the PLA Navy (PLAN)

69. **General Zhao Zongqi** - Commander of the PLA Western Theater Command, which includes Chongqing municipality, Gansu, Ningxia, Qinghai, Shaanxi, Tibet, Xinjiang, and Yunnan.

**Business Leaders**

70. **Lei Jun** - CEO and founder of Xiaomi Inc, one of China's leading cell phone producers. Xiaomi’s unique business model and rapid growth make it a noticeable player in the smartphone competition.

71. **Robin Li** - Chairman and CEO of Baidu, a web service company operating the largest search engine in the Chinese-speaking world.

72. **Liu Qiangdong** - CEO of JD.com (Jingdong Mall), China's second most influential e-commerce platform after Alibaba.

73. **Jack Ma** - Founder of Chinese internet giant the Alibaba Group, which includes consumer-to-consumer portal Taobao, online
payment system Alipay, online retail platform Tmall, and more. In late 2015, Alibaba acquired The South China Morning Post, Hong Kong's most influential English language newspaper. Jack Ma is a self-made billionaire and China's 2nd richest person.

74. **Ma Huateng**- CEO and founder of Tencent, one of the largest internet companies in the world. Tencent subsidiaries include popular instant messenger QQ, mobile chat service WeChat, and various media and entertainment services.

75. **Ren Zhengfei**- CEO of Huawei Group, the world's largest telecommunications manufacturer. Huawei is a multinational, employee-owned company.

76. **Dennis Wang**- CEO of Huayi Brothers Media Corp., the largest private film company in China and an influential investor in Hollywood film productions. In 2015, Huayi made a deal with U.S. film company STX Entertainment to produce 18 movies in the next three years.

77. **Wang Jianlin**- Chairman of conglomerate Dalian Wanda Group, China's largest property developer, the world's largest movie theater chain owner, and more. In 2015, Wanda created Wanda Film Holdings for its film related projects, which expanded considerably in January when it acquired Hollywood's Legendary Entertainment. Wang is Asia's richest person.

78. **Wang Wei**- CEO of SF Express, China's leading express delivery company and the first company in the industry to offer drone delivery service. Its drone service expanded to serve seven areas of China in 2015.

**Academics, Authors, and Scientists**

79. **Andrew Sheng**- Distinguished Fellow at the University of Hong Kong's Asia Global Institute, former chairman of the Hong Kong Securities and Futures Commission, adjunct professor at Tsinghua University in Beijing.
80. **Cao Wenxuan** - Author of children’s literature. In early 2016 he became the first Chinese national to win the Hans Christian Andersen Award.

81. **Lin Jianhua** - Current president of Peking University (Beida), China’s top university.

82. **Justin Yifu Lin** - Former Chief Economist and Senior Vice President of the World Bank.

83. **Mo Yan** - Winner of the 2012 Nobel Prize in Literature for his writings influenced by hallucinatory realism.

84. **Qiu Yong** - Current president of Tsinghua University, a top Chinese research university. Tsinghua University will be the home of the new Schwarzman Scholars master’s degree program.

85. **Tu Youyou** - Winner of the 2015 Nobel Prize in Medicine for her malaria treatment research. She is the first Chinese person to win the Nobel in the sciences. It is also noteworthy because her research was completely carried out inside China.

86. **Xu Ningsheng** - President of Fudan University, a top Chinese university located in Shanghai.

**Celebrities**

87. **Angelababy** - Supermodel and actress. She is one of the most followed people on China’s largest social media platform Weibo. She is described by the media as the "Kim Kardashian of China"

88. **Fan Bingbing** - Actress and model. She is one of the richest and most famous Chinese celebrities in recent years. She was the world’s fourth highest paid actress in 2015 (the only non-American on the list) and has a large social media following.
89. **Feng Xiaogang** - Film director and actor famous for comedies showing the everyday life of working and middle class families. In 2015 he won a Golden Horse Award (a Taiwanese Award Ceremony) for Best Actor for his role in the film Mr. Six.

90. **G.E.M.** (Tang Tzi-Kei) - A famous singer who was born in Shanghai and raised in Hong Kong. G.E.M. gained popularity in China after appearing on the televised talent show *I Am A Singer* in 2014. Her world tour, *X.X.X Live*, ended in 2015. It was also announced that she will be voicing Sleeping Beauty in an upcoming Disney animated movie.

91. **Guo Degang** - Comedian and xiangsheng artist (a type of traditional Chinese comedy). He also has a large social media presence and often writes provocative posts about social issues.

92. **Guo Pei** - Fashion designer who has dressed many global celebrities. She gained worldwide recognition when singer Rihanna became the center of attention at the 2015 Met Gala wearing a dress designed by Guo Pei.

93. **Han Han** - Racecar driver, best-selling author, and singer. He is best known for his rebellious writing style, which represents the spirit of the "'80s generation," and his large social media following.

94. **Raman Hui** - Hong Kong director and animator who co-directed *Shrek the Third*. His 2015 Chinese animated feature *Monster Hunt* broke multiple box office records and quickly became China’s highest-grossing film ever (although the record was overtaken by live-action film *The Mermaid* in 2016).

95. **Lang Lang** - Pianist who earned global recognition and has performed at Carnegie Hall and the White House. He also performed with Pharrell Williams and Hans Zimmer at the 2015 Grammy Awards.
96. **Li Na** - Tennis player and nine-time winner of WTA titles, including two Grand Slams. In 2015 she received a Laureus World Sports Exceptional Achievement Award.

97. **Peng Liyuan** - First lady of China, former performing artist, and WHO Goodwill Ambassador for tuberculosis and HIV/AIDS. In September 2015 she delivered a speech on education in English at the United Nations.

98. **Yao Chen** - Actress listed as one of *Time* magazine's top 100 global celebrities in 2014. Yao currently serves as UNHCR's Honorary Patron for China.

99. **Yao Ming** - Retired basketball player who played for Houston Rockets from 2002 to 2011. He is currently known for his charity work and public diplomacy. He serves on the Chinese National People's Congress and is Vice Chairman of the Shanghai Public Diplomacy Association.

100. **Zhang Yimou** - Film director and winner of several international film prizes. His films cover topics of traditional Chinese culture and rural life. Zhang is directing the upcoming American-Chinese film *The Great Wall* which will star Matt Damon and Andy Lau. Filming began in 2015 in Qingdao, China.
Ageless Chinese Art
A Virginia Scholar’s Collection of Chinese Calligraphy and Paintings

A selection of paintings and photos from the exhibit on display from September 10-October 23 at the Fine Arts Gallery, Art & Design Building, George Mason University, Fairfax, Virginia.

Xu Beihong (1895-1953)
Running Horse
Ink and color on paper.
Signed and seals.
74 ¾ in. x 38 ¼ in.
Appendix: A Selection of Ageless Chinese Art Pieces

Some of the paintings on display at the exhibit

Students examining one of the paintings
After attending a lecture on Chinese art, students are given a tour of the exhibit.

Visitors admire the calligraphy on display.
Appendix: A Selection of Ageless Chinese Art Pieces

Chen Lifu (1900-2001)
(Guomindang Party leader from the early 20th century to 1980s)
Principles for Being a Good Chinese Citizen
Hanging scroll, ink on paper
Inscribed and signed, with one seal of the artist (chen li fu yin).
Dedicated to Professor Chi Wang and dated October 4th, 71st year of the Republic of China (1982)

Attributed to Fu Shan (1607-1684)
Calligraphy in Cursive Script
Ink on silk, hanging scroll
Signed Fu Shan with two seals (fu shan) and (qing zhu)
72 ½ in. x 20 ¾ in.
Hua Guofeng (1921-2008)
(Hua Guofeng was Chairman of the Communist Party from 1976-1981)
Calligraphy
Ink on paper, signed with two seals, dated 2004
52 ¼ in. x 25 ½ in.

Sun Wen (1866-1925)
(Commonly known as Sun Yat-Sen)
Calligraphy - Think Carefully
Ink on paper, signed and sealed
26 in. x 12 ½ in.
Wang Fu’an (1880-1960)
Stone Drum Calligraphy
Ink on paper, hanging scroll
Inscribed and signed, with two seals of the artist (cai bo jiang nai shi gu he) and (wang shou qi yin)
67 ¾ in. x 25 ½ in.
泽文：左右流之沔沔杨丹丹人。
之之子子不，犹来朝走马。于我
求君子，之马我马即。同君子之
车，我车即工于。

Attributed To Wang Duo
(1592-1652)
Calligraphy
Ink on paper, hanging scroll
Signed with two seals
92 ¾ in. x 21 ⅞ in.
Feng Zikai (1898-1975)
Figures
Ink and color on paper
Signed with three seals
25 ¾ in. x 14 ⅞ in.

Lin Fengmian (1900-1991)
Egrets
Ink and color on paper
Signed and sealed
19 ⅜ in. x 20 ½ in.
Appendix: A Selection of Ageless Chinese Art Pieces

Pu Ru (1896-1963)
Scholar Under Pine
Ink and color on paper
Dedicated to Mr. Xie Chengbing (1909-2003), a famous collector of Chinese art and friend of Pu Ru

Qi Baishi (1864-1957)
Peaches
Ink and color on paper
For Deng Cangwu, a famous collector from Macau
43 ¼ in. x 19 ⅞ in.
Pan TianShou (1886-1971)
Ink and color on paper, signed with three seals, 1971
Published in Jiangsu People’s Fine Arts Publishing House, 1997
53 ¾ in. x 27 in.

Soong Meiling (1897-2003)
(Madame Chiang Kai-shek)
Landscape
Ink and color on paper
23.8 x 11.8 in