US-China Relations at a Crossroad:
What Lies Ahead?

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I. Introduction

With the rise of China and the so-called G-2 era, what will be the future of US-China relations? The question has consumed a lion’s share of scholarly discussions and policy debates in recent years. Inside academia, scholars following realism, which emphasizes the importance of power in international politics, argue that China as an ascending power will inevitably challenge the existing superpower of the United States, thus initiating a “New Cold War” in the end. According to liberalism, by contrast, increasingly complicated and multilayered webs of “economic interdependence” will provide increasing incentives for cooperation, and even when occasional conflicts do occur, they will be resolved more or less peacefully through the intervening role of “international regimes.” At the same time, the topic has been the focus of policy debates in Washington as well. If the rise of China means the arrival of a fierce strategic competitor, a proper US policy would be “containment” to minimize its threat, by forming an alliance with willing regional partners in Asia. By contrast, if remarkable growth of China means great opportunities for mutual prosperity, Washington should continue its “engagement” with Beijing as it had done in the past.

On this subject, South Korea is faced with a serious dilemma. On the one hand, it has long been a close ally of the United States, often evoking expressions such as “blood ties” to emphasize its pro-American stance. On the other hand, its economic ties with China have thickened in the past two decades, making Beijing its largest trade partner. As a result, the rise of China with a potential recast of US-China relations has been the concern of Seoul for some time. From its viewpoint, the desirable scenario is for the current cooperation be-
tween Washington and Beijing to continue in the future so that South Korea can seek its security guarantee from Washington while deepening economic ties with Beijing at the same time. By contrast, if a new cold war begins between the two countries, South Korea will find itself in a nightmarish situation, being pulled in two opposite directions but unable to give up either “blood ties” with Washington or economic ties with Beijing. As a result, it has become an increasingly critical task to make a correct diagnosis of the future of US-China relations and, if possible, prepare for appropriate measures in advance.

As a first step to such a task, this paper aims to build a theory that can explain the past, present, and future of US-China relations. After a brief introduction in the first section, an attempt is made to elaborate a theoretical framework in the second section of the paper, setting up theoretical “bones,” so to speak. Specifically, it is argued that a “structure” of international politics determines a possible “range of relations” among states and a “specific relation” within such a range at a particular time is further decided by “nonstructural factors.” Key concepts in our theory (e.g., structure, relations, nonstructural factors, etc.) are also elaborated in the second section, adding some “flesh” to our theoretical bones. In the third section of the paper, it is then attempted to analyze the past of US-China relations, especially the Cold War era. With the collapse of the Soviet Union in 1991, there has been a fundamental change in international structure with the rise of US unipolarity. In the fourth section, the present of US-China relations under US unipolarity is analyzed. In the fifth section, we diagnose possible changes in international structure in coming decades and analyze the resulting transformation of US-China relations from such a viewpoint. What is to be done if the future of US-China relations is likely to be filled with more conflicts and competition than the present? This question is discussed in the conclusion of the paper, along with policy implications.

II. Building a Theory

Key concepts in our theory include the “structure” of international politics, a possible “range of relations” among states, a “specific relation” (within such a range) that is formed at a particular time, and “nonstructural factors” of international politics. After building a theory that connects these concepts to explain US-China relations, we move on to explain what is meant by those concepts in detail.
1. Theoretical Framework

As shown in Figure 1, our theoretical position is that “structure” determines a possible “range of relations” among actors and within such a range, a “specific relation” at a particular point of time is determined by “nonstructural factors.” For instance, various relations are possible between two individuals, such as family members, friends, lovers, enemies, business partners, strangers, and so on. A structural factor, however, narrows down such possibilities to a certain range of relations. When two unacquainted individuals meet at a school, for instance, the structure of school imposes teacher-student relations upon them. Likewise, when the same two individuals meet in the marketplace, it is the structure of the market that imposes buyer-seller relations upon them. As a result, it is structure that determines a possible range of relations among actors.

![Figure 1: Theoretical Framework](image-url)
Although structure sets a possible range of relations, it cannot fully decide a specific relation found among actors at a particular time. When a school structure imposes teacher-student relations upon two individuals, there still exist many possibilities within such a range of relations. For instance, the teacher and the student may treat each other with a mutual respect, a nonchalant ignorance, a deep hatred, and so on. What narrows down such a wide range of teacher-student relations to a specific relation (a deep hatred, for instance) at a particular point of time? To use the aforementioned example, it is nonstructural factors (such as a lazy student, a strict teacher, their lack of common experiences, etc.) that form a specific relation of a deep hatred within an overall range of teacher-student relations set by a school structure. As a result, whereas structure determines a possible range of relations among actors, a specific relation within such a range is further determined by nonstructural factors. Applying the same logic to US-China relations, the structure of international politics decides a possible range of relations between the two countries, but within this range, a specific relation formed between Washington and Beijing at a certain period is further determined by nonstructural factors of international politics.

Importantly, a specific relation plays a dual role of dependent and independent variables in our theory. As shown in Figure 1, a structural shift in international politics causes a change in a possible range of relations between states, thus bringing a change to the existing specific relation between them in the long term. As a result, a specific relation between China and the United States at particular time is a dependent variable (albeit an indirect and distant one) of a structural change of international politics in the long run.

With respect to nonstructural factors, however, a specific relation plays a dual role of independent and dependent variables at the same time. When a specific relation at a certain time changes due to nonstructural factors (e.g., ideology, values, issues of conflicts, etc.), the former (a specific relation) becomes a dependent variable of the latter (nonstructural factors). By contrast, a specific relation operates as a prism through which Washington (or Beijing) views the other’s ideology, values, and so on. As a result, a specific relation is an important factor (independent variable) that decides the meaning of nonstructural factors, whereas a specific relation itself is a result of a long-term accumulation (dependent variable) of nonstructural factors in our theory.

The fact that a specific relation plays a dual role of dependent and independent variables means that there is a feedback process in our theory. When there is a positive relation between Washington and Beijing at a certain point in time due to nonstructural factors, it can lead to a more positive understanding of the other’s ideology, values, culture, and so on, thus further consolidating the existing relation between them. By contrast, when there is a negative relation at a different time, it can lead to a more negative inter-
pretation of the other’s ideology, values, culture, and so on, thus further deteriorating the already negative relation between them. The operation of a feedback process in our theory is denoted by positive and negative signs in Figure 1.

2. Adding Conceptual Details

Key concepts in our theory such as a structure, relations, nonstructural factors, and so on are used by scholars with different meanings. As a result, it is necessary to clarify what is meant by them in order to avoid unnecessary confusion. In doing so, we also add some “flesh” to the theoretical frameworks, or “bones,” elaborated in the previous section.

1) Structure
According to Kenneth Waltz, an international system is comprised of its main actors (i.e., states) and structure. Unlike classical realism, which emphasized the importance of non-structural factors (e.g., leaders, regime types, ideology, etc.) in international politics, Waltz emphasizes that structure of the international system largely determines how states relate to one another. As a result, his theory is often called structural realism.

Waltz argues that international structure is comprised of three factors: anarchy, a functional likeness, and a distribution of power (Waltz 1979, 81–82). First, unlike domestic politics with a hierarchical order, international politics is characterized by anarchy with no global central government. Second, a hierarchical order in domestic politics makes a functional differentiation (i.e., a division of labor) possible among actors. By contrast, a division of labor among states is limited because of the lack of a world government. Instead, each state is equipped with its army, police, a revenue system, a foreign ministry, and so on. There is a functional sameness, duplication, and redundancy among states as “like units.” Finally, while functionally similar, states show big differences in their capabilities. As a result, the last element of international structure is a distribution of power among states.

Throughout history, there has always been anarchy in international politics and functional likeness among states. In other words, they are “constants.” By contrast, there has always been a rise and fall of great powers over time. As a result, the only “variable” in international structure is a changing distribution of power among states. In particular, there are three types of international structure: a unipolarity with one superpower (e.g., the United States since the end of the Cold War), a bipolar structure with two great powers (e.g., the United States vs. the Soviet Union during the Cold War), and a multipolarity with three or more great powers (e.g., early twentieth century). With the rise and fall of great powers, international structure changes among the three types of distribution of power over time.
(2) Relations

Although relations among states are complicated, two issue areas stand out for their importance: security and economy. Regarding their relative importance, two dominant schools of thought in international relations (i.e., realism and liberalism) show different perspectives. According to the liberal school, such as “economic interdependence theory,” deep economic ties can significantly enhance cooperation among states, thus dampening potential conflicts in other areas, including security (Rosecrance 1979; Polachaek 1980; Keohane and Nye 1977). When there are dense networks of trade among states, they share a common goal of not disturbing mutually beneficial trade, providing more incentives to maintain peace. In this respect, there is a recent theoretical development that trade among capitalist states in particular promotes peace and cooperation. As a result, the argument goes, there is a “capitalist peace” (Mousseau 2009; Maoz 2009; Gartzke 2007).

By contrast, realism emphasizes the harsh reality of international politics. In an anarchic system lacking a world government to maintain peace and order, the highest priority of any state is its survival. Under such circumstances, cooperation is possible only when it does not endanger the security of states. If a security concern is heightened for some reason, however, a high level of economic interdependence cannot remove or dampen security competition among states. As the breakout of World War I in spite of an exceptionally high level of trade among major powers in the early twenty-first century illustrates, security is the highest priority of the state in international politics (Barbieri and Levy 1999). As a result, it is a myth—a dangerous myth, in fact—to believe that dense trade networks or a capitalist peace can override security concerns of states in international politics.

In this paper, we accept the realist position that “high politics” of security overrides “low politics” of economic interests. From such a viewpoint, it is possible to categorize several types of relations between Washington and Beijing. First, there are three types of security relations between the United States and China: hostile, neutral, and cooperative. In particular, when there is a cooperative security relation between the two countries, it is highly likely that they will develop a formal or practical alliance against a third major power as their common enemy. Second, there are two different types of economic relations between Washington and Beijing: interdependent vs. non-interdependent. In the case of economic interdependence, US-China relations can be further categorized into two subgroups (cooperative and noncooperative). As a result, there are three types of economic relations: non-interdependence, cooperative interdependence, and noncooperative interdependence.
(3) From Structure to Relations
Now that structure and relations are elaborated, how does a structural change in international politics (i.e., unipolarity, bipolarity, and multipolarity) incur a change in high politics of security relations (e.g., hostile, neutral, and cooperative) between Washington and Beijing?

① US Unipolarity
When there is only one superpower (the United States) in international politics, its hegemonic structure narrows down security relations between Washington and Beijing to neutrality. First, China has a strong incentive to avoid intense hostility with the strongest power in the system. Second, a unipolar structure excludes the possibility of China forming a security alliance with the United States against a third major power as a common enemy. Finally, “bandwagoning” is a strategy of the weak—uncommon for great powers such as China to adopt. As a result, when there is US unipolarity in international politics, neutrality is highly likely between Washington and Beijing in security areas with a limited level of cooperation and conflict.

② Balanced Bipolarity: United States ≈ China
When there is a roughly equal distribution of power between the United States and China, they will target each other as the main enemy, just as the United States and the Soviet Union did during the Cold War. A roughly balanced bipolar structure will narrowly define US-China relations to hostility with intense struggle, competition, and conflict.

③ Unbalanced Bipolarity: United States > China
When China grows to become one pillar of a bipolar structure while significantly falling behind the United States in its power level, Beijing will avoid an intense hostility toward Washington, trying to secure a neutral relation with Washington. The conflict-prone nature of a bipolar structure, however, will make US-China relations inherently uneasy and uncooperative. As a result, an unbalanced bipolar structure will somewhat broadly define security relations between China and the United States as either neutral or hostile.

④ Bipolarity with America and a Third Country
When a bipolar structure is formed between the United States and a third country instead of China (e.g., the Cold War), a variety of security relations becomes possible between Washington and Beijing. For instance, consider the Cold War case. First, China could have maintained neutrality between the United States and the Soviet Union. Second, Beijing also formed an alliance with the Soviet Union against America in the initial phase of the Cold War, thus forming hostile security relations with Washington. Finally, China cooperated
with the United States in the later phase of the Cold War, targeting Moscow as their common enemy. As a result, a bipolar structure without China as one of its two pillars will most broadly define security relations between the United States and China, making all three types of hostility, neutrality, and cooperation possible. Since international structure cannot narrow down “a range of relations” in such a scenario, it is nonstructural factors that become critical in determining US-China relations.

5) Multipolarity (America and China on Top)
When there is a multipolar structure with America and China significantly more powerful than other great powers, US-China relations will be highly conflictual. In a complex alliance politics of a multipolar structure, Washington and Beijing as the two most powerful countries in the system will treat each other as the leader of their rival alliance. As a result, such a multipolar structure will drive US-China relations to hostility.

6) Multipolarity (America and a Third Power on Top)
If the growth of China slows down significantly and another major power emerges as one of the top two countries in a multipolar structure (e.g., multipolarity with America and India on top), there is a wide variety of possibilities in security relations of Washington and Beijing. First, China can form a security alliance with Washington, targeting India as their common enemy. Second, China can choose India instead as its security partner, by forming an anti-American alliance. Finally, China may also attempt neutrality in US-India competition. As a result, a multipolar structure in such a scenario will most broadly define US-China relations with all three types of security relations: cooperation, neutrality, and hostility.

4) Types of Specific Relations
Since there are three types of security relations (hostile, neutral, and cooperative) and three types of economic relations (non-interdependence, cooperative interdependence, and noncooperative interdependence), it is possible to elaborate nine categories of “a specific relation” between Washington and Beijing at a certain point in time (Table 1).

There are two assumptions in Table 1. First, we have accepted a realist assumption that high politics of security override low politics of economic interests. Under this assumption, the scenario is impossible that the United States and China maintain close economic cooperation while targeting each other as main security threats. An intense security conflict makes it impossible to initiate, maintain, or develop a high level of economic cooperation. As a result, Type 7 in Table 1 is an unrealistic scenario. Likewise, when a close military alliance is formed between Washington and Beijing, it will substantially dampen potential conflicts in
economic issues, making trade wars or tariff wars highly unlikely between the two countries. As a result, Type 2 also becomes unrealistic under such circumstances.

Second, it is not reasonable to believe that America and China would sever economic ties completely, turning their existing economic relations into mutually exclusive non-interdependence in the age of globalization. As a result, categories of economic non-interdependence (Types 3, 6, 9) become irrelevant to the future of US-China relations. Rather, they are useful categories to explain past US-China relations during the Cold War.

Table 1: Types of US-Chinese Relations

- **Assumption 1**: High politics of security overrides low politics of other issues in international politics.
- **Assumption 2**: As globalization continues, economic interdependence between the United States and China will increase in the future. As a result, an economic “divorce” (Types 3, 6, 9), which had existed between the two countries during the Cold War, is impossible in the future.

As shown in Table 1, the structure of the international system determines a possible range of relations among states, and within such a range, a specific relation at a particular time is further decided by nonstructural factors. For instance, an international structure of US unipolarity will narrow down a possible range of relations between Washington and Beijing to neutrality (Types 4, 5, 6). Under such circumstances, which of the three possible types
eventually emerges will be further determined by nonstructural factors. If there is a structural transformation over time so that a balanced bipolarity replaces a US unipolar structure, however, the new structure will narrow down a possible range of US-China relations to hostility (Types 7, 8, 9). Under the new range of relations, which type in particular will emerge as a new reality of US-China relations will be further decided by nonstructural factors that the two countries face at that particular point in time.

III. Explaining the Past (1948–1991)

During the Cold War (1945–1991), there was a bipolar structure between the United States and the Soviet Union. On the one hand, it narrowed down US-USSR relations to “hostility.” On the other hand, it provided a variety of possibilities in US-China relations. A balanced bipolarity without China as one of its two pillars most broadly defined US-China relations. As a result, there were (1) hostility (1948–1972) when Beijing aligned itself with Moscow against Washington; (2) limited cooperation in security areas from 1972 to 1978 when China switched to the American side during the deepening Sino-Soviet conflict; and (3) dual cooperation in both security and economic areas (1978–1991).

1. 1948–1972: Security Competition (Type 9)

The balanced bipolar structure of the Cold War drove US-USSR relations to hostility. At the same time, it opened a wide range of possible relations between Beijing and Washington. First, Beijing could have formed a security alliance with Moscow against Washington as their common enemy. Second, it was possible for China to align with the United States against the Soviet Union. Finally, China could have also maintained neutrality in intense competition between Washington and Moscow. As a result, a balanced bipolar structure without China as one of the two pillars most broadly defined US-China relations.

Under such circumstance, it was nonstructural factors, an antagonistic ideology in particular, that drove US-China relations to an intense hostility at the beginning of the Cold War. Drunken with a revolutionary fever after the victorious establishment of the People’s Republic of China (PRC) in 1949, Maoist China regarded America as a capitalist hegemon of imperialism, forming a security alliance with Moscow based on a communist ideology. Since there was no economic tie, however, the hostility between Washington
and Beijing at that time revolved around a security realm (Type 9).

Based on his belief that a peaceful coexistence was impossible between capitalism and communism, Mao Zedong insisted that China should form an anti-American alliance with Moscow based on their shared ideology. Defining America as the capitalist hegemon that pursued a constant “extortion, […] oppression and plunder,” Beijing was willing to play the role of “an eager junior partner to the Soviet Union” (Kotkin 2009, 130–138; Hsu 2000, 661). In particular, Beijing found itself in “a life-and-death trial of strength [against the US] in the Korean battlefield” when it sent “voluntary armies” to crush “the invasion of American imperialists” (People’s Daily, January 19, 2001). In response, Washington adopted a containment policy that targeted China as its main security threat in Asia. As a result, it signed a series of security alliances with regional partners such as Japan, South Korea, and Taiwan (Fairbank 1983, 282; Gaddis 1987, 92). As a “military encirclement” and an “economic blockade” against China intensified, US-China relations deteriorated rapidly during the initial phase of the Cold War (Cohen 2010, 177–194).

2. 1972–1978: Security Cooperation (Type 3)

The initial friendship in Sino-Soviet relations soon deteriorated due to various nonstructural factors, such as increasing ideological conflicts over “true” communism, territorial disputes along their border, and the Chinese concern over the Brezhnev doctrine. Under such circumstances, Washington and Beijing pursued a rapprochement with “ping-pong diplomacy.” Because China had a central planning system with its economy closed to the outside world, however, cooperation between Washington and Beijing was limited to security relations without economic interdependence (Type 3).

There were several origins of the Sino-Soviet conflict. First, the shared ideology of communism, which had formed the basis of the Sino-Soviet alliance against America, soon became a bone of contention. After Stalin’s death, Khrushchev elaborated a theory of “peaceful coexistence”; that it was not only possible but also necessary to coexist with the United States to avoid mutual destruction. In response, Mao Zedong delivered an electric speech titled “East Wind Subdues West Wind,” in which he criticized “revisionist” errors of Khrushchev. When Moscow denounced “leftist adventurism” and “dogmatism” of Mao Zedong in response, Beijing criticized Khrushchev’s idea as a “betrayal” of communism, officially announcing an ideological break from Moscow. Second, the Sino-Soviet conflict deteriorated even further when armed conflicts broke out along the Ussuri River. When Moscow closed off the trans-Siberian lanes for “military exercises” shortly thereafter, it was even rumored that a large-scale military conflict was on the horizon.
Finally, the sense of insecurity in Beijing was further heightened when the Soviet government announced the Brezhnev doctrine to legitimize the invasion of Czechoslovakia. In a nutshell, Moscow declared its right to intervene in domestic affairs of other communist countries that “deviated” from the Soviet line. From the viewpoint of Beijing, the Brezhnev doctrine could be a convenient “excuse” for Moscow to legitimize its potential military operation against China. For the Maoist regime in a deep hostility with Washington, the intensifying Sino-Soviet conflict brought into reality the worst nightmare of “two-front” conflicts (Hsu 2000, 725–726).

Under such circumstances, Washington approached Beijing with a realpolitik perspective, overcoming ideological differences (Scalapino 1974, 356). Unlike his predecessors who employed ideologically laden terms such as “red China,” President Richard Nixon signaled a new approach by using the official title of PRC in his inaugural address. On August 14, 1969, President Nixon then announced that America would not allow any country (i.e., the Soviet Union) to threaten the security of China (Kissinger 1979, 183). The sudden “spring” in US-China relations soon blossomed into the so-called ping-pong diplomacy, culminating in the official visit of President Nixon to Beijing in 1972.

In particular, it was agreed during Nixon’s visit that Washington and Beijing would cooperate to prevent the rise of a third country (the Soviet Union) as the hegemonic power in the Pacific-Asia region (China-US Joint Communiqué February 28, 1972). In this way, the two countries overcame their past enmity and entered a “de facto strategic alliance” against the Soviet Union as their common security threat (Kotkin 2009, 130–138). For the next seven years, Maoist China went through the Cultural Revolution that engulfed the whole country. Under an increasingly ideological fever at that time, China in the last years of Mao Zedong was unwilling to open its economy to the outside world (Cohen 2010, 144). As a result, the US-China relation during this period was focused on security areas, whereby the two countries treated each other as partners in security cooperation (Type 3).

3. 1978–1991: Dual Cooperation (Type 1)

The bipolar structure of the Cold War narrowly defined US-USSR relations as hostile but provided a wide range of possibilities in US-China relations. Under such circumstances, it was a nonstructural factor like an opposite ideology that narrowed down US-China relations to hostility at first. As time went on, however, it was another nonstructural factor (the Sino-Soviet conflict) that made reconciliation possible between Washington and Beijing. With the rise of Deng Xiaoping and his market-friendly reform, US-China relations entered a new era in which the two countries pursued a dual cooperation in economy as well
as security (Type 1). In other words, it was another nonstructural factor (the reformist ideology of Deng) that expanded the existing security cooperation further into economic areas.

The fact that the importance of ideology, which had been predominant in the beginning of the Cold War, significantly declined by the 1970s was well illustrated by changing official rhetoric in Beijing and Washington. In the 1950s, Beijing employed a variety of harsh terms to denounce America as “warlike imperialists,” “imperial warmongers,” and “hegemonic capitalists” ruthlessly pursuing “deceit, competition, mutual exclusion or extortion.” In return, Washington retaliated with its harsh rhetoric, calling China “a Slavonic Manchukuo” with a “communist conspiracy” that should be contained through “a military encirclement” (Hsu 2000, 720–725). In the 1970s and 1980s, however, Washington and Beijing refrained from ideologically loaded rhetoric and relied on pragmatic terms instead, calling for a “partnership” based on a new “friendship.” In particular, the Chinese government under Deng Xiaoping discarded the ideological fever of Maoism and took a pragmatic approach to market-friendly reform, opening its economy to the West. As a result, there was dual cooperation in US-China relations over security and economy during the final phase of the Cold War.

IV. Interpreting the Present (1991–Now)

The collapse of the Soviet Union brought a fundamental change in international structure. Unlike the balanced bipolarity of the Cold War that provided a variety of possible relations (hostility, neutrality, and cooperation) between Washington and Beijing, the rising US unipolarity has narrowly defined US-China relations as neutral with a limited level of cooperation and conflict. In fact, one of the most interesting characteristics of US-China relations in the post–Cold War era has been a dual pattern of cooperation and conflict at the same time. On the one hand, the two countries struggled over several thorny issues, such as the Tiananmen incident in 1989, the American sales of F-16 aircraft to Taiwan in 1992, the Taiwanese leader Lee Teng-hui’s visit to Cornell University in 1995, the ill-fated attempt to link human rights with most-favored-nation (MFN) status by the Clinton administration, the American bombing of the Chinese embassy in Belgrade in 1999, the American spy plane crash with a Chinese fighter jet over the South China Sea in 2001, the Chinese opposition to the Iraq War in 2003, and so on. On the other hand, after initially bumpy relations with China, the Clinton administration confirmed an “engagement and
“enlargement” strategy to continue “a constructive strategic partnership” with Beijing. Although it treated China as “a strategic competitor” at first, the Bush administration also adjusted its policy to continue a “strategic partnership” with Beijing (Goldstein 2004, 143–159). “A pattern of dualism” with limited cooperation with occasional conflicts has been the most distinctive pattern of US-China relations in the post–Cold War era. With the disappearance of the Soviet Union as their common enemy, Beijing and Washington have found each other in “same bed, different dreams” (Lampton 2001, 5–63).

1. New Structure: US Unipolarity

With the collapse of the Soviet Union, there was a fundamental shift in the structure of international politics. Regarding the emerging structure after the Soviet collapse, there were heated debates among scholars. Many believed that the end of the Cold War would lead to the US unipolarity for a while. By contrast, Waltz maintained that a seeming unipolarity was a temporary transition to an emerging multipolar structure with several great powers such as the United States, China, Russia, Japan, and Germany (or the European Union [EU] if it becomes a sovereign entity) (Waltz 1993). Although its longevity is open to question, there is a general consensus that the US unipolarity has existed in the post–Cold War era, at least from 1991, when the Soviet Union collapsed, to 2008, when America was hit by a major economic crisis (Ikenberry 2002; Wohlforth 1999; Huntington 1993; Krauthammer 1990/1991).

2. New Relations: Economy-Oriented Strategic Partnership (Type 4)

Unlike the balanced bipolar structure of the Cold War, which had provided a wide range of possible relations between Washington and Beijing, the new structure of American unipolarity defines US-China relations more narrowly. On the one hand, there is a strong incentive for Beijing to avoid an intense hostility with the United States, the sole superpower on earth. On the other hand, due to the nature of a unipolar structure with an American supremacy, it is impossible for Beijing to form a security alliance with America against a third great power as their common enemy. As a result, the most likely outcome in US-China relations under a unipolar structure is neutrality with limited cooperation and conflicts. In particular, since the mutual need for a security alliance against a common enemy has disappeared since the collapse of the Soviet Union, the relative importance of economic issues has increased during this period. As a result, there has been an economy-oriented strategic partnership (Type 4) between Washington and Beijing.
with a dual pattern of cooperation and conflict.


When the collapse of the Soviet Union eliminated a mutual need for security alliance, US-China relations deteriorated rapidly due to several nonstructural factors. First, the collapse of communism in the late 1980s and early 1990s was “a sobering experience” for the Chinese leadership. Ideologically isolated, Beijing declared, “Just as only socialism could save China in the past, only China can save socialism now” (Hsu 2000, 944–945). Second, US-China relations reached a lowest point after the bloody Tiananmen massacre. While Beijing defended its decision based on sovereignty and noninterference in domestic affairs, Washington emphasized the principle of democracy and human rights in order to criticize Beijing in harsh terms. Third, America sold 150 F-16 fighters to Taiwan in 1992 despite a strong objection from China. In return, Beijing retaliated with its missile sales to Pakistan. Fourth, when the Clinton administration allowed the “private” visit of Lee Teng-hui to Cornell University in 1995, Beijing became extremely vocal, arguing that the United States violated the sacred principle of “one China,” which had been respected since the 1972 summit. To criticize Washington, Beijing even used the expression “flagrantly (hanran),” a term that had been used only seven times in Chinese diplomatic history (People’s Daily, January 19, 2001). According to Beijing, US-China relations “plummeted to their lowest point” (Ministry of Foreign Affairs of the People’s Republic of China, 2000). Although Secretary of State James Baker emphasized that the United States did not have a hostile intention to Beijing, the Chinese leadership was suspicious of an increasingly “anti-China” trend.

With a significantly reduced need for security cooperation after the Soviet collapse, economy should have been the realm where cooperation was possible in US-China relations. In the beginning of the Clinton administration, however, the opposite happened. During the presidential campaign in 1992, Bill Clinton criticized the George H. W. Bush administration for “ignoring” human right issues and pledged an aggressive policy against “tyrants from Baghdad to Beijing” (Hsu 2000, 965). After his inauguration, President Clinton linked the renewal of Chinese MFN status with human right issues, with strong support from the Congress. Nancy Pelosi, congresswoman from California, even criticized Beijing, saying “They may not love human rights, but they love money” (New York Times, May 13, 1991).

The linkage strategy, however, faced intense opposition, especially from American business groups. When Secretary of State Warren Christopher visited Beijing in 1994, he
was bombarded with complaints from more than two hundred American business leaders who chided the “misguided” policy of linkage (Lampton 2001, 39–45). Under intense criticism from Beijing on the one hand and American corporations on the other hand, President Clinton made a policy shift in 1995, by de-linking trade from human rights. A few months later, Clinton and Jiang Zemin in the 1995 New York summit agreed to “increase trust, reduce trouble, develop cooperation and repudiate confrontation” (People’s Daily, January 19, 2001). In the 1997 Washington summit, they also agreed to continue “a constructive strategic partnership” in the twenty-first century (China-U.S. Joint Statement, October 29, 1997). In this way, the Clinton administration returned to the “enlargement and engagement” policy, identifying China as a partner of “a constructive strategic partnership” (Ministry of Foreign Affairs of the People’s Republic of China, November 15, 2000).


Initially, the George W. Bush administration, with a pro-Taiwanese orientation, displayed a notably less solicitous stance toward China, regarding it as a “strategic competitor” (Huang 2010; Economy 2004, 96–109). In this process, the conservative ideology of “neo-cons” (another nonstructural factor) such as Donald Rumsfeld, Richard Armitage, and Paul Wolfowitz played an important role. Even before he became secretary of defense, Rumsfeld had warned that China would be a great challenge to the United States in the twenty-first century (Rumsfeld 1998). The Bush administration then introduced a series of anti-China measures, such as strengthening its security alliance with Japan, increasing weapons sales to Taiwan, trying to introduce a missile defense system against an “unspecified” target, and so on. Under such circumstances, the US Defense Department even identified China with “a potential threat in Asia” (Sutter 2010, 146).

The rapid deterioration of US-China relations, however, saw a sudden halt after 9/11. In other words, it was another nonstructural factor (9/11) that subsequently improved US-China relations. After the loss of about 3,000 innocent lives in the terrorist attack, the Bush administration reviewed its security strategy and came up with a new approach, often dubbed “the Bush revolution” (Gordon 2006). According to this approach, the greatest threat to America in the post–Cold War era was no more the rise of major powers such as China but embittered terrorist groups with a deep hatred toward America. In particular, when terrorist groups gained access to weapons of mass destruction, they could pose the gravest danger to the United States. Since terrorist groups were using suicide attacks, the conventional “deterrence” strategy based on unbearable retaliation was no longer effective. Instead, “preemptive” attacks on terrorist groups and their host countries were required. If
necessary, even a unilateral preemption was legitimate (Bush 2002). From such a viewpoint, China was no longer a peer competitor in a conventional struggle of major powers. Rather, it was seen as an important partner in the war against terrorism. As a result, the Bush administration reversed its initial policy, regarding China as “a responsible stakeholder” (Kleine-Ahlbrandt and Small 2008, 38–56). In this way, US-China relations were redefined as a strategic partnership based on shared interests and responsibilities.

5. Obama Administration

The most interesting aspect of President Barack Obama’s China policy is its continuity from the previous administrations (Wilder 2009b, 2). The engagement policy that has been maintained since the Clinton administration was inherited by the Obama administration. In the 2009 summit, Hu Jintao and Obama agreed “to promote understanding, expand common ground, reduce differences and develop solutions to common problems.” Acknowledging that they “have an increasingly broad base of cooperation and share increasingly important common responsibilities,” the two leaders emphasized that it was essential to strengthen “bilateral strategic trust” as “a win-win strategy” (China-U.S. Joint Statement 2009).

The Chinese leadership has also maintained “restraint and moderation” toward the United States (Sutter 2010, 146). Based on its diagnosis that there is “a low probability of large-scale wars among major powers” in the near future, Beijing has set as its highest priority to achieve “its leading objective of national revitalization through continued economic, social, military and political development” (Medeiros 2009, 17). In particular, the Chinese leadership emphasizes two points. First, it would be a critical mistake to challenge the United States at this stage, especially when the latter has the strongest military, the largest market, and the most advanced technology in the world. As a result, the consistent belief in Beijing since Deng Xiaoping has been that Beijing should “bide [its] time” and focus on internal development (Mahbubani 2005, 49–60). Since the need for security cooperation with the United States disappeared after the Soviet collapse, however, the Chinese leadership believes that cooperation with Washington should focus on economic areas. An economy-oriented strategic partnership (Type 4) is the most desirable US-China relation in the near future. Second, Beijing also recognizes that its rapid growth might nurture the fear of a “China threat” among its neighbors. As a result, it tries to counter such a fear with its discourses of “a peaceful rise” (Tellis 2005, 52–53). Unlike Nazi Germany or imperial Japan a century earlier, China will not be an aggressive revisionist power. Instead, according to Hu Jintao, China will continue “a peaceful development” to
make “a harmonious world” (Kotkin 2009, 130–138; Lampton 2007, 115–127). The efforts of the Chinese leadership to focus on domestic development internally and to dissipate concerns of neighbors externally have much resemblance to Bismarckian Germany in the nineteenth century (Goldstein 2003, 232).

V. Predicting the Future

1. New Structure: Emerging Unbalanced Bipolarity

Because a unipolar structure of a global hegemony has been extremely rare or short-lived even when it existed, many scholars predict that the current US unipolar system will not last long (Mearsheimer 2001, 40–42; Waltz 1993). Instead, it will be replaced by a new international structure. In particular, scholars argue that the emerging structure is largely dependent on how fast and how long the so-called China’s rise will continue. As an “economic ascent is not written in the stars,” however, predicting the future growth of China “varies dramatically” among scholars (Pei 2009, 32–36; Gorden et al. 2009, 48).

On the one hand, some scholars argue that there is “little reason to be so pessimistic” that China with an annual growth rate of 10 percent or higher for the past 30 years would significantly slow down in the near future (Keidel 2006, 68–70). Instead, China will soon become a superpower with an unprecedented prosperity and military might. Moreover, China will be different from the Soviet Union, which was “a military giant but an economic Lilliputian,” or Japan, which has been “so far an economic giant but largely a bystander in military” (Lampton 2007, 115–127). Considering that China has always been a superpower except for the last 100 years or so, the rise of China is not an exceptional phenomenon but rather a return to its “normal” status (Mahbubani 2005, 10–11). Since it is relative power that matters in international politics, the recent decline of the United States with its troubled economy only strengthens the confirmed pattern of China’s rise. Simply put, “a page has been turned” (Powell 1991; Grieco 1988; Krasner 1991; Altman 2009, 2–7).

On the other hand, there are others who are more pessimistic. Despite the remarkable growth of China for the past three decades, there is no guarantee that past success will lead to future growth, as the experience of other “fast-growth economies” like Japan, South Korea, and Taiwan has amply illustrated (Pei 2009, 32–36). Rather, various social problems that have been pushed aside by the Chinese leadership are likely to come to the
front with a vengeance in coming decades, thus distracting the attention of Beijing to noneconomic factors (Hale & Hale 2003, 36–53; Economy 2004, 96–109). As a result, the focus of Chinese studies in the future will be on its “slow” growth (Wolf 2005, 50–51). Rosy discourses on the Chinese miracle are a “mirage” without a realistic analysis of harsh realities in contemporary Chinese society (Economy and Segal 2009, 14–23; Wilder 2009a; Prestowitz 2009, 10–11).

Because predicting the future is error prone, we should avoid extreme views of over-pessimism or over-optimism regarding the future of China. In this respect, Uri Dadush and Bennett Stencil (2010) provide a somewhat balanced view with two scenarios: a low-growth projection and a high-growth projection. According to the high-growth projection (HGP), China will achieve a 5.6 percent annual growth rate for the next 50 years, while the United States’ annual growth rate will be about 2.7 percent during the same period. In this case, the Chinese annual growth for 70 years (1980–2050) will be about 7.5 percent, an unprecedented record in history. The GDP of China will then be equal to the United States in 2035, and by 2050, the American economy will be 85 percent of the Chinese counterpart (Dadush & Stencil 2010, 8). As a result, the international structure around 2025 will be a balanced bipolarity with a slight edge for America. By 2050, however, it will be replaced by a balanced bipolarity with a slight Chinese advantage.

According to the low-growth projection (LGP), by contrast, the Chinese annual growth rate will be 4.1 percent from 2010 to 2050, whereas the US growth rate during the same period will be about 2 percent. In this case, the annual Chinese growth rate for 70 years (1980–2050) will be 6.6 percent, still a remarkable feat to achieve. The Chinese economy will then be about 60 percent of the US level around 2025, and by 2050, it will become 71 percent of the US level. Simply put, there is a considerable power gap between the two countries. Since the third-largest economy (Japan) will be only 40 percent of the Chinese economy according to the LGP, however, the international structure in 2025 will be an unbalanced bipolarity with the United States considerably more powerful than China (Dadush & Stencil 2010, 30).

Considering the unpredictable nature of the rise and fall of great powers, a safe strategy is to adopt neither the pessimistic view of the LGP nor the optimistic forecast of the HGP. Instead, it is safer to go down the middle of the LGP and the HGP regarding the future growth of China. In other words, a more realistic approach is to assume a medium-growth projection (MGP) by averaging the aforementioned two scenarios. According to the new scenario of the MGP, the Chinese economy is expected to be near 70 percent of the American GDP by 2025 or so. As a result, it is assumed in this paper that the new structure of international politics around 2025 will be an “unbalanced bipolarity,” which would be a mid-
point to a more “balanced bipolarity” between the United States and China by 2050. Put differently, we expect an unbalanced bipolarity with a US advantage until 2025, but by 2050 or so, there will be a more balanced bipolarity between China and the United States.

2. From Structure to Relations

In the post–Cold War era, the international structure of the American unipolarity has narrowly defined US-China relations as “neutral” with limited cooperation and conflict. By contrast, the emerging structure of an unbalanced bipolarity will more broadly define US-China relations, making both neutrality and hostility possible (see Table 1). On the one hand, the emerging structure with a looser boundary of possible relations (i.e., neutrality and hostility) means that the relative importance of nonstructural factors will increase in US-China relations. On the other hand, the emerging structure also implies that US-China relations are more likely to witness increasing conflicts because not only neutrality but also hostility becomes possible in an unbalanced bipolarity.

Since a bipolar structure (whether balanced or not) is prone to conflicts between its two superpowers, a high level of cooperation will decrease between Washington and Beijing in coming decades (Waltz 1979, 161–193; Mearsheimer 2001, 338–344). As a lesser power in an unbalanced bipolarity, China will have a strong incentive to avoid intense conflicts with America but there is no guarantee that such efforts will succeed, especially under the grueling competition of a bipolar structure. As a result, the best scenario for Beijing is to maintain the status quo for a while; namely, to maintain neutrality with America over security issues while accepting temporary fluctuations of cooperation and conflict in economic areas. From the viewpoint of Beijing, a status quo in US-China relations with an “economy-oriented strategic partnership” (Type 4) is the best scenario in the near future.

3. Bringing in Nonstructural Factors

Since the emerging structure of an unbalanced bipolarity defines the possible range of US-China relations rather broadly (i.e., neutrality or hostility), a specific relation between the two countries at any particular time will be further determined by nonstructural factors. Obviously, it is impossible to elaborate a complete list of nonstructural factors in state relations. In this section, we discuss some “likely candidates”: namely, nonstructural factors that can play an important role in US-China relations. In particular, we consider ideology, values, and issues of conflicts (e.g., trade deficits, exchange rates, the Taiwan issue, and energy).
(1) Ideology
During the Cold War, the bipolar structure between Washington and Moscow provided a wide range of possibilities in US-China relations (i.e., hostility, neutrality, and cooperation). Despite such a wide range, US-China relations deteriorated rapidly during the initial phase of the Cold War due to ideological differences, as the two countries regarded each other as a “security competitor” (Type 9). In fact, US-China relations reached their nadir during this period, as Maoist China pursued an “anti-imperialist” foreign policy while Washington adopted a containment policy against Beijing.

Since 1972 when they agreed to normalize diplomatic relations, however, Washington and Beijing have consistently pursued a pragmatic approach, regardless of their ideological differences. Even when faced with potentially explosive issues of conflicts, they have tried hard to contain the situation so that conflicts over certain issues would not escalate into a full-scale ideological war. As a result, there is little reason to believe that the United States and China will suddenly reverse their pragmatic approach and initiate an intense hostility purely for ideological reasons. Ideology seems a more effective factor to explain the past of US-China relations, not the future.

(2) Values
There is a general consensus that “dramatically different” value systems exist between Washington and Beijing (Economy and Segal 2009, 14–23; Shambaugh 2001, 50–64). As the rapid deterioration of US-China relations after the Tiananmen incident illustrates, different views over critical values such as human rights and democracy can derail US-China relations in the future. Simply put, different values are important nonstructural factors that could destabilize peace and cooperation in US-China relations.

As Francis Fukuyama points out, a deep trust in human rights, democracy, and a free market forms the foundation of Western civilization. In the modern era, liberal democracy based on a free market system has faced serious challenges, such as royal absolutism, Nazism, fascism, and communism. By the early twentieth century, however, royal absolutism disappeared. In addition, Nazism and fascism were defeated during World War II, disappearing into the dustbin of history. Moreover, communism also failed with the collapse of the Soviet Union by the late 1980s and early 1990s. As a result, there are some scholars such as Fukuyama who argue that it is “the end of history” with no more alternative to liberal democracy as a “universal value” (Fukuyama 1989).

By contrast, there are other scholars who maintain that human rights and democracy are “Western values” that reflect its social, cultural, and historical backgrounds, thus not
suitable to different civilizations (Huang 2010). In particular, China has a long history of its own social and cultural development with a unique set of “Chinese value systems” such as “the Confucian concepts of order, discipline, duty, frugality, avoidance of confrontation, family responsibility, and subordination of self to society” (Hsu 2000, 101; Pei 2000, 92). As a result, it is naïve to believe that China would simply follow the footsteps of the West. On this subject, Samuel Huntington raises an interesting point. According to Huntington, the failure of Nazism, fascism, and communism does not lead to the “end of history” where the final triumph of liberal democracy is celebrated. Rather, the twenty-first century will be full of cultural conflicts among nations belonging to different civilizations with different sets of values, cultures, religions, and so on. In particular, a hegemonic conflict looms large between America as the core state of Western civilization and China as the core state of Sinic civilization, because they will try to transform the existing international system from their viewpoint (Bergsten 2008, 57–69). As a result, US-China relations will constitute the core of the “clash of civilizations” (Huntington 1998, 207–208).

We should neither underestimate nor overestimate the importance of different values in US-China relations. On the one hand, it would be naïve to believe that China would simply copy the Western way of life. The country has too much pride in its cultural heritage. On the other hand, it would be an exaggeration that Beijing and Washington will be locked in deadly conflicts just because of cultural differences. Even during the Cold War, the United States and China were able to cooperate successfully despite extreme differences in ideology, culture, civilization, and so on. Indeed, the ideological or cultural gap between the two countries (i.e., China under “revolutionary” Mao vs. America under “conservative” Nixon) was much wider back then than it is now. As a result, it is not reasonable to believe that US-China relations will turn into extreme hostility just because of cultural differences. Rather, once trouble arises for other reasons, cultural differences can amplify such conflicts. As a result, cultural differences are not the fundamental reason of irreconcilable conflicts in US-China relations. Instead, they will play the role of an “amplifier” through which conflicts originating from other issues (see the next section) will be magnified between the two countries.

(3) Issues of Conflicts
There are several explosive issues that could derail US-China relations in coming decades. If the past is any indicator of what is coming, the most likely candidates include trade deficits, exchange-rate manipulations, the Taiwanese question, and energy competition.
Trade Deficits and Exchange Rates

For the past three decades, Beijing has achieved such remarkable economic success that there is a joke calling the Chinese Communist Party (CCP) the “Chinese Capitalist Party.” It goes without saying that economic ties with the United States have played a significant role in this process. In recent years, however, it has been the economy that is turning into a “bone of contention” in US-China relations (Paulson 2008, 59–77). In the increasingly partisan environment of Washington, a “China bashing” has been one of the rare areas where the Republicans and the Democrats find an easy consensus (Economy 2004, 96–109; Wall Street Journal, December 15, 2007; Huang 2010). As the Currency Exchange Rate Oversight Reform Act in 2007 and other similar examples illustrate, Capitol Hill is firmly united when it comes to “unfair” practices of Beijing (Woo & Geng 2007; Wolf 2008; Sutter 2010, 151; Shambaugh 2001, 50–64). Under such circumstances, there are increasing pressures upon Beijing to address economic concerns of American voters. In particular, if the United States continues to struggle to recover from the current economic downturn, sanctions and other retaliatory measures against Chinese protectionism and exchange rate manipulation will be popular talking points in Washington (Hale & Hale 2008, 57–66). In such a case, US-China relations will be transformed from the current “economy-oriented strategic partnership” (Type 4) to an “economy-oriented competition” (Type 5). Since a congressional election occurs every two years in America, trade deficits and exchange rates will be the most frequent issue of conflict in US-China relations in coming decades.

If US-China relations deteriorate due to increasing economic conflicts, will such a situation be sustainable in the long term? Although trade deficits and exchange rates are the most frequent issue of conflict, they will not push US-China relations to an extreme hostility in the end. First, it is important to recognize that American consumers are not only victims of trade deficits (e.g., job loss due to outsourcing) but also their secret beneficiaries. As the “Wal-Mart phenomenon” implies, the main target of American business groups that have moved manufacturing facilities to China are consumers in the United States. As a result, American consumers have been hidden beneficiaries of trade deficits, consuming cheap “Chinese products” made by American enterprises outsourcing to China. Under such circumstances, if a trade war erupts between the two countries, it is not only Chinese exports but also American consumers that will pay the price of conflicts. As a result, Washington cannot ignore the fact that cheap Chinese products are a crucial, yet hidden, factor that has suppressed inflation in America for the past twenty years (Gilboy 2004, 33–48; Hughes 2005, 94–106; Shaplen & Laney 2007, 82–97).

Second, many American business groups, such as Wal-Mart, Hallmark, General Motors, Motorola, Procter & Gamble, and so on, have outsourced manufacturing facilities to
benefit from cheap Chinese labor. In this way, American enterprises operating in China have made substantial contributions to the profits of their “mother” groups in America. Under such circumstances, cooperation in US-China relations is one of the critical factors for their economic success (Hale & Hale 2003, 36–53; Wang 2005, 39–48). It is “one of the best-kept secrets in Washington” that the strongest opposition to China bashing comes from American business groups (Quinlan 2002, 116–126). Although politicians would raise angry voices against “unfair” Chinese practices in line with an election cycle, their China bashing is more likely a calculated political move to gain votes instead of a fundamental policy shift, especially when we consider that American business groups make astronomical contributions to political campaigns of the Republicans and the Democrats (Hale & Hale 2008, 57–66; Lampton 2001, 39–45).

Finally, it is important to note that a Chinese trade surplus from “over-saving” and an American trade deficit from “over-spending” are two sides of the same coin (Wilder 2009b; Wolf 2008; Overholt 2007). For the past two decades, China has made it possible for American society to continue overconsumption, by reinvesting its trade surplus in America through a purchase of US bonds. In this way, America has been able to avoid the painful process of “restructuring” that is often imposed by the International Monetary Fund (IMF) on other countries in similar economic situations. Ironically, it is the Chinese trade surplus (and its reinvestment into a US economy) that has made it possible for Americans to continue their overconsumption despite increasing trade deficits (Wolf 2008; Hale & Hale 2008, 57–66; Shaplen & Laney 2007, 82–97). As a result, even if a trade war or an exchange rate war breaks out in the future, it is more likely to be a temporary development instead of a fundamental shift in US-China relations.

If the current crisis of the US economy continues in the future, the symbolic importance of trade deficits and exchange rate manipulations will increase, and thus they will become the most frequent issue of conflicts in US-China relations. As discussed above, however, they are unlikely to turn the existing US-China relations into an extreme and irreversible hostility. Instead, it is likely that a cyclic pattern of increasing discord over trade deficits and exchange rates around an election will be followed by symbolic gestures by Beijing to address American concerns, for example, temporary exchange rate adjustments along with its angry voice against the “unfair” US pressure, leading to the next cycle of increasing conflicts around the election and so on. In this process, Beijing will emphasize that its economic adjustments are made “according to its own schedule” in order to dismiss the notion that it has caved in under US pressure. In such a scenario, US-China relations will exhibit a cyclic pattern of “Type 4 (economy-oriented strategic partnership) → Type 5 (economic competitor) → Type 4 → Type 5 ...” in the long term.
Taiwan

Many scholars point out that the Taiwan question is the most explosive nonstructural factor that could turn US-China relations into an intense and irreversible hostility (Paulson 2008, 59–77; Medeiros and Fravel 2003, 22–35; Medeiros 2009, 14; Hughes 2005, 94–106; Roberts, Manning & Montaperto 2000, 53–63; Shambaugh 2001, 50–64; Lieberthal 2005, 53–63). “Tragically, the United States—the only Western country that played virtually no role in humiliating China in the nineteenth and twentieth centuries—has emerged as the power preserving the last relic of China’s disgrace,” Taiwan (Mahbubani 2005, 49–60).

In particular, the Republicans have been more hawkish on the Taiwan question. For instance, the Bush administration in its early days caused US-China relations to deteriorate when it promised to do “whatever it takes” to defend Taiwan (Swaine 2004, 39–49). If such a policy recurs in the future under another Republican president and Taiwan pursues independence as it did under Chen Shui-bian, US-China relations can break down, especially when Beijing suspects that bold gestures by Taipei are possible only with support from Washington (Wang 2005, 39–48; Abramowitz and Bosworth 2003, 119–131; Huang 2003; Paulson 2008, 59–77; Harding 2007; Shaplen & Laney 2007, 82–97). In such a scenario, US-China relations will take a downward spiral from the current Type 4 (economy-oriented strategic partnership) to the Type 8 (dual conflicts over security and economy).

If US-China relations deteriorate seriously over the Taiwan question, will such a situation be sustainable in the long term? Since the historic 1972 summit, Beijing has been adamant that Taiwan is its “internal affair,” a point that Washington has agreed (China-U.S. Joint Communiqué, February 28, 1972; China-U.S. Joint Communiqué, August 17, 1982). Taiwan is an explosive issue because it directly challenges the “one China policy” of Beijing (Wang 2005, 39–48; Bader and Paal 2008; Hughes 2005, 94–106; Shambaugh 2001, 50–64). In the late nineteenth and early twentieth centuries, China lost its sovereign rule over Hong Kong, Macau, and Taiwan. Beijing has reclaimed Hong Kong and Macau, but Taiwan is “the last remaining symbol of a century of Chinese humiliation” (Medeiros 2009; Swaine 2004, 39–49; Cliff & Shlapak 2007). Under such circumstances, no Chinese leader can afford to be “the one who lost’ Taiwan” (Mahbubani 2005, 49–60; Abramowitz and Bosworth 2003, 119–131; Medeiros and Fravel 2003, 22–35; Lampton 2007, 115–127). If Taiwan indeed achieves independence, it will be such a severe blow that a collapse of the Chinese leadership is likely. Knowing it, Beijing will even “declare war” to prevent such a disastrous situation (Swaine 2004, 39–49; Shaplen & Laney 2007, 82–97). As a result, if a crisis over Taiwan gets out of control, it will be either America or Taiwan that will have a second thought.
First, Washington under such circumstances will prefer to avoid a dangerous conflict with Beijing, considering that “Taiwan matters far more to China than it does to the United States (Shlapak 2010; Swaine 2004, 39–49). Even the Bush administration, which was considered the most pro-Taiwan administration since Eisenhower, made a sudden reversal of policy when Taiwan seriously sought independence under Chen Shui-bian. Indeed, Washington is likely to pursue a rapprochement with Beijing when the crisis over Taiwan gets out of control, by declaring an opposition to the Taiwanese independence (Tsang 2007, 44–45). Second, Taiwan too will have second thoughts under such circumstances. Due to the weight of the Chinese economy, Taiwan will suffer not only politically but also economically if conflicts escalate over the Taiwan strait (Abramowitz and Bosworth 2003, 119–131; Hale & Hale 2003, 36–53; Cliff & Shlapak 2007). As a result, Taiwan will consider whether it is really worth transforming the current de facto independence into de jure independence, even risking the danger of armed conflict (Harding 2007; Swaine 2004, 39–49). As a result, US-China relations over Taiwan will develop a regressive pattern: Type 4 (economy-oriented strategic partnership) → Type 8 (dual competitor over security and economy) → Type 4 again, due to a retreat of the United States, Taiwan, or both.

③ Energy Crisis
Although it was self-sufficient in oil consumption until 1993, the rise of China as a “global factory” made it the second-largest oil consumer in 2003 after the United States. Now, the two countries are responsible for more than 40 percent of global CO2 emissions and criticized as the main culprits of greenhouse effects (Downs and Bader 2006; Ikenberry 2008, 23–37; Wilder 2009b; Gordon et al. 2009). Because it becomes critical to find an alternative energy source when the amount of available fossil fuels is limited, energy is an area in which the interests of Washington and Beijing can converge and diverge at the same time (Wolf 2008).

On the one hand, concerns about a possible depletion of fossil fuels have highlighted an increasing need for major powers such as the United States and China to cooperate in their efforts to find alternative energy sources. During the 2009 summit, Obama and Hu Jintao agreed that cooperation on energy issues is “indispensable” and “essential.” As a result, they promised that the two countries would establish a Renewable Energy Partnership to develop clean, renewable, and alternative energies (i.e., “green energies”), such as wind, solar, biofuels, and so on (China-U.S. Joint Statement, November 17, 2009). Since the Obama administration prioritized development of green energy as a “tie 1 issue,” there are some reasons to believe that the current cooperation between Washington and Beijing will continue for the foreseeable future (Lieberthal 2009; Economy and Segal 2009,
On the other hand, there are reasons to suspect that US-China relations will be increasingly competitive over energy. If a search for green energy stumbles while a horizon of the depletion of fossil fuels shortens, the two giant consumers of energy could enter an intense competition in a “zero-sum game” (Paulson 2008, 59–77; Kaplan 2009, 16–32; Downs & Bader 2007, 52–56). Since both the United States and China have plenty of coal to last for a few hundred years, competition is more likely to be over oil. In fact, some warn that a silent competition over oil has already started, as Beijing is reaching out to various oil-producing countries in Africa and the Middle East. The “new Scramble for Africa” has already started (Downs & Bader 2009; Medeiros 2009; Serge 2008, 38–46; Broadman 2008, 95–109). As China tries to promote a good relationship with an oil-rich “string of depots” such as Sudan, Myanmar, Iran, Venezuela, Angola, Congo, and so on, there is a danger that an intensifying competition over fossil fuel may turn into conflicts over different ideologies and values, especially over human rights and democracy (Kleine-Ahlbrandt & Small 2008, 38–56; Washington Post, June 17, 2008; Economy and Segal 2009, 14–23). In such a scenario, US-China relations can devolve from the current Type 4 (economy-oriented strategic partnership) to Type 8 (dual competitor over economy and security) in the process of intense competition over limited energy resources.

If intense conflicts ensue over fossil fuels, will such a situation be sustainable in the long term? US-China relations in this respect are dependent upon two factors: the horizon of fossil fuel depletion and the prospect of alternative energy development. First, if it turns out that the gloomy prediction of fuel fossil depletion is wide off the mark or massive oil reserves are uncovered, the dangerous situation of the two superpowers locked in a zero-sum game can be averted. Although these two possibilities do not resolve the energy problem fundamentally, they can at least postpone it for a while. Second, if there is a major innovation in green energy research, the relative importance of fossil fuels will significantly decrease and thus US-China relations can avoid intense conflicts, competition, and hostility over energy issues. Depending on the likelihood of the two aforementioned possibilities, US-China relations will have an open-ended pattern, namely, Type 4 (economy-oriented strategic partnership) → Type 8 (dual competitors over economy and security) → Type 4 in the long term.
VI. Conclusion

Although the bipolar structure of the Cold War allowed various possibilities for US-China relations, the two countries were initially locked in an intense hostility due to opposite ideologies (Type 9: security competition). With the ping-pong diplomacy in 1972, however, Washington and Beijing turned to pragmatic thinking in their bilateral relations, forming a de facto alliance against the Soviet Union (Type 3: security cooperation). When Deng Xiaoping launched market-friendly reform in 1978, economic cooperation was added to the existing security-oriented relations. In this way, dual cooperation in economy and security (Type 1) lasted from 1978 to 1991. With the disappearance of the Soviet Union as their common enemy, however, the new structure of the American unipolarity promoted neutrality in US-China relations. As a result, dual cooperation in security and economy is replaced by an economy-oriented strategic partnership (Type 4) in the post–Cold War era.

If China continues remarkable growth for the next few decades, the current US unipolarity will be gradually replaced by a bipolar structure that will intensify hegemonic conflicts between America and China. As a result, the economy-oriented strategic partnership (Type 4) that has existed since the Soviet collapse will be the best scenario in the future of US-China relations. Unfortunately, even such a scenario—which is rather optimistic, considering the conflict-prone nature of the emerging bipolar structure—can deteriorate significantly due to various nonstructural factors, such as trade deficits, exchange-rate manipulations, the Taiwan question, and energy competition.

If US-China relations deteriorate due to an emerging bipolar structure and nonstructural factors in the future, what lies ahead for regional powers such as South Korea will be a path full of difficult choices and dangerous pitfalls. If the emerging international structure around 2025 is an unbalanced bipolarity that is a midpoint to a more balanced bipolarity around 2050, Beijing will announce at some point between 2025 and 2050 that Asia belongs to its sphere of influence, which “outsiders” (i.e., the United States) should not interfere with. In other words, the Monroe doctrine in a Chinese version will be on the horizon once Beijing feels confident enough. When such a moment comes, it will be the official beginning of a new cold war between the United States and China.

From the viewpoint of Korea, the United States will be a safer partner to work with if the “New Cold War” begins at some point. Considering the brutal reality of international politics, in which there is no eternal friend or foe, a major power located far away such as the United States is a safer partner for Korea to align itself with. By contrast, an adjacent superpower such as China can be dangerous even when its benign intention is assumed. For instance, because China and Korea share a border, there is always a danger that they
may stumble over border conflicts. Located oceans apart, by contrast, America does not pose such a danger. It is ridiculous even to imagine a situation in which Washington claims some Korean territory. With China, however, such a possibility is very real, as the history of territorial disputes over Mt. Baekdu illustrates. In addition, Korea and America share important values, such as liberal democracy, a free market system, human rights, and so on. As a result, it will be safer and easier to form an alliance with America in the emerging New Cold War.

From a long-term viewpoint of history, however, a different story emerges. Since it would be extremely difficult for Japan to reconcile with Beijing due to its “original sin” during World War II, Tokyo will try to lengthen the American “stay” in Asia. In this process, Korea will be able to free-ride in the US-Japan alliance against China for a while. In the long run, however, it is necessary to consider that the United States is essentially a “visiting” power, no matter how long it plans to stay in Asia. If its current economic downturn turns into a long-term trend, Washington will have to reconsider its “imperial overstretch” and there will be increasing pressure to return to its isolationist tradition. By contrast, China is a “staying” power in Asia. Just as their ancestors lived with China for thousands of years, Koreans must live with China for hundreds of years to come. Geographically, it is a part of the Northeast Asian community, which China always belongs to and usually dominates. As a result, Korea should carefully consider the eventual price it will have to pay before it decides to opt for a pro-American stance. In other words, the “US option” that is attractive in the short run includes a hidden long-term cost, which should be paid once America decides to leave Asia. Unless one imagines a situation where the United States stays in Asia forever, it is necessary to consider the long-term cost of participating in a pro-US coalition against China.

One of the most important tasks for politicians, scholars, and policy experts in Korea for the next 30 years or so will be to find a right balance between “the US option,” which is safer for a foreseeable future, yet with hidden long-term costs, and “the China option,” which involves no such cost, yet with more risks in the short term. Ideally, the best scenario for Korea is a situation in which the current US-China relations (i.e., an economy-oriented partnership) continue in the future. As shown earlier, it is one possible scenario according to our theory. In such a case, Korea will be able to benefit from deepening economic ties with China while seeking a security guarantee through its military alliance with the United States. Due to the conflict-prone nature of the emerging bipolar structure and various nonstructural factors (i.e., trade deficits, exchange-rate manipulations, Taiwan, energy, etc.), however, a deterioration of US-China relations is not only possible but also likely in coming decades. As a result, a moment will come when Korea should ask...
itself *where* it will stand in the emerging New Cold War. Indeed, Thucydides’ advice from 2,500 years ago will be relevant to Korea in coming decades: “The strong do what they have the power to do and *the weak accept what they have to accept*” (Thucydides 1972, 402, emphasis added). ■
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