



View Point

The Reality of Sino-US Relationship

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Four months ago, President Obama, a Nobel Peace Laureate had refused to meet Dalai Lama, another Nobel Peace Laureate. However, time has changed. On 18 February 2010, President Obama welcomed Dalai Lama in the White House, despite China's resolute opposition. Earlier, Peng Guangqian (the Deputy Secretary-General of China Council for National Security Policy Studies) had commented "Obama is returning from fantasy to reality" which explains the current perception of Sino-US relations precisely, but partly. Notwithstanding that, high level visits by US Secretary of State, Hillary Clinton (February 2009) and President Obama (November 2009) to Beijing showcased the strong desire in the US to broaden and deepen relations while playing down differences on traditional issues signifying US initiative to rise above *realpolitik* and engage in 'strategic adjustment' as part of President Obama's grand foreign policy design. It is now hoped that like his predecessors Bill Clinton and George W. Bush, Obama would build bridges with China through adjustments without compromising on core interests of US.

It is also important to understand why China's reactions to some of the recent events related to Taiwan, Tibet and trade are assertive. China's Foreign Ministry's spokesperson reacted sharply against President Obama's promise to the US Congress to talk tough on the issue of re-evaluation of Yuan which US considers as the primary reason for existing trade deficit. The strongest Chinese official reaction however came after the Obama administration informed the US congress about its plan to sell arms to Taiwan valued at US \$ 6.4 billion. The US seems to be surprised by 'stronger than

expected response' from China and this led to a debate in the Chinese and US media about the challenges posed by each other.

This is the first time that Chinese officials have announced their intention to impose sanctions on US companies engaged in selling arms to Taiwan. China suspended military exchange with US and also warned of serious repercussion on China-US relations.

After a week of growing tension between the two sides, senior Chinese military officers on 7 February 2010 added more spice by suggesting that China should sell some US treasury bills and bonds to punish US. Further, China should boost defense spending and adjust PLA deployments. Zhu Chenghu, Major General, China's Defence University in Beijing is quoted as saying "this gives us no choice but to increase defense spending and adjust military deployment".

Is China feeling strong? It appears so. It's economic muscle and several other factors have contributed to China's rising strength. First, the economic success has acted as a catalyst for China's military modernization and a desire to play a pro-active role in global politics. In 2009, the US-China trade deficit was pegged at US \$ 226 billion. Further, China has US \$ 2.4 trillion foreign exchange reserve and it has invested more than US \$ 789 billion in US treasury bills and bonds which is approximately 7 percent of US treasury debt. China is the third largest economy and has recorded an impressive economic growth rate of over 9 percent in last 30 years. Second, while the US is engaged in wars in Afghanistan and Iraq and is entangled in Iran and North Korea nuclear imbroglio, it needs China's support to mitigate these challenges. The issue of sanctions on Iran is a case in point.

Apparently, China feels strong and is in a position to talk tough with US. The issue of Taiwan which has re-emerged as a critical fault line in Sino-US relations has exposed the brittle nature of consensus in both countries about comprehensive engagement and strategic partnership. Tibet is yet another issue responsible for souring the bilateral relationship. However, it is fair to argue that China would not like to strain its relationship with the US any longer due to strategic, economic and domestic compulsions.

First, China's strained relationship with US will give a golden chance for the realists in US administration who think that China is a threat to US interests and US needs to adopt a containment policy vis-à-vis China. In fact, China is involved in sending a clear message through diplomacy that China's rise will be peaceful, and also because China has been a victim of big powers for a century before 1949. In 2005, Robert Zoellick, the then Deputy Secretary of State had urged China to be a responsible stakeholder which was seen as a positive development in China. It is quite evident that China will not do anything adventurous to destroy its image as peaceful rising power especially when it aspires to build 'comprehensive national power'.

Second, China depends on the US for technology, market and financial infrastructure. A harmonious relation with the US has been a priority for China in the post-Mao period because it wants to focus on its development while maintaining a peaceful environment which has been cited as critical for Chinese Communist Party (CCP) rule and legitimacy.

Third, domestic issues too are of critical importance to China. China's economic growth in last three decades has also created economic and social problems for its people. Inequality within China is very high; as per UNDP figures China's 'Gini coefficient' (a measure of inequality) is even higher than India. The 'rural crisis' in China is quite evident and is acknowledged by the Chinese leadership too. Widespread corruption has been endorsed; a recent survey conducted by *the People's Daily* has suggested that more than 90 percent of people think the neo-rich in China have benefited immensely by networking with government officials. As a result China has witnessed an increasing number of mass protests.

China's 'strike hard' and 'assimilationist policy' in minority regions especially Xinjiang and Tibet has not been quite successful. Professors Ma Rong of the Department of Sociology, Beijing University has suggested that China should look at India as a model for ethnic accommodation. Therefore, it is not unrealistic that Professor Chen Dongxiao, Vice President of Shanghai Institute of International Studies, who believes that Taiwan, Tibet and Xinjiang may be the weak points of China which can be used by the US to bring pressure on China.

In essence, China and US view the evolving world in different perspectives and are driven by their respective values, traditions and systems. Keeping in mind the considerations of national interest, both countries might seek to preserve their bilateral relationship to prevent any further damage. There are already some visible signs of accommodation as Beijing had approved *USS Nimitz* (an American aircraft carrier) to visit Hong Kong on 18 February 2010.

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