Will China Become a “Responsible Stakeholder”?
The Six Party Talks, Taiwan Arms Sales, and Sino-Japanese Relations

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China’s security policy has enjoyed some significant success in late summer and early fall 2005. Relations with the United States have improved, particularly on issues related to North Korea. The mainland’s generally relaxed approach toward Taiwan in recent months also apparently has paid dividends for Beijing by helping to solidify existing domestic resistance on the island to the purchase of weapons systems on offer from the United States since April 2001. At the time of this writing, in mid-October 2005, Beijing, however, still has dangerously tense relations with Japan over disputed maritime claims that carry implications for energy resource exploitation and control of sea lines of communication. These disputes, especially in the context of tensions over Japan’s treatment of its wartime history, threaten to destabilize great power relations in the region and undercut China’s efforts to promote itself as a power whose rise will only bring peace to East Asia.

Beijing’s relations with the United States have improved markedly since the first few months of 2005. The warming process outlined in the last edition of the China Leadership Monitor accelerated in August and September, largely because of Sino-American cooperation on the North Korea issue and the resulting agreement on a six-party joint statement, reached on September 19 at the close of the fourth round of talks. Beijing once again hosted the talks, and the Chinese delegation was proactive in authoring draft statements floated during the meeting and in mediating North Korean and American differences. Media reports suggest that Beijing’s role as mediator produced some friction with the U.S. delegation. If these reports are accurate, China may have offered the final draft to the United States as a fait accompli and threatened to blame Washington for breakdown in the talks if it refused to accept the draft. Even if true, this should not be surprising nor particularly worrisome. Such is the nature of mediation during tense negotiations. China’s leadership in hammering out a mutually acceptable joint statement has earned mostly praise in Washington. This improvement in diplomatic relations creates a favorable setting for the high-level U.S. government entourages that will visit Beijing in October, including one led by Secretary of Defense Donald Rumsfeld.

The six-party joint statement is obviously only one step in the right direction. The North Korean issue is very far from settled, as was demonstrated dramatically by
Pyongyang’s rather strange and rigid interpretation of the statement only one day after it was reached. If Beijing and Washington continue to cooperate on the many difficult issues related to interpreting and implementing a denuclearization agreement, however, this should have a very positive effect on Sino-American relations. If, however, Sino-American cooperation on North Korea were to break down, this could have a very deleterious effect on Sino-American relations, particularly because various political forces within the United States still have the U.S.-China economic and diplomatic relationship in their cross-hairs.3

Regarding Taiwan, Beijing’s demonstrated confidence about near-term trends in cross-Strait relations and its accommodation of opposition parties in Taiwan that oppose independence for the island have carried benefits for the PRC. China’s stance has deepened rifts within Taiwan regarding the island’s security. Such polarization in Taiwan might lead to unpredictable political outcomes and prove dangerous to cross-Strait stability over the longer run. But in the near term, rifts on the island seem only to have strengthened the hand of Taiwanese who support policies more in line with Beijing’s interests. For example, certain well-placed members of the pan-Blue camp (the KMT and PFP, both of whom oppose Taiwan independence) have successfully obstructed Taiwan’s purchase of arms from the United States by blocking legislative consideration of special arms acquisition budgets. They have also opposed the inclusion of elements of that special arms acquisition budget in the regular defense budget.4 This gridlock has two potential payoffs for Beijing: Taiwan acquires fewer advanced weapons, making it more vulnerable to future mainland coercion, and Taiwan’s refusal to acquire such weapons strains the U.S-Taiwan security relationship, Taiwan’s most important defensive asset.

China’s relations with Japan remain very tense. This is despite extensive economic relations and the continuation of certain high-level governmental exchanges, such as the “Strategic Dialogue” involving PRC Vice Foreign Minister Dai Bingguo and Japan’s Vice Foreign Minister Shotaro Yachi.5 Wartime history and maritime sovereignty disputes are the main issues of contention. The latter has sparked not only diplomatic protests but also, in at least one instance, the dispatch of PLA warships to disputed waters. At the time of this writing in mid-October, news was just breaking regarding Prime Minister Koizumi’s decision to visit the controversial Yasukuni Shrine. The shrine commemorates Japan’s war dead, including some Class A war criminals. Koizumi’s decision will probably preclude significant warming in Sino-Japanese relations for months to come.

U.S.-PRC Cooperation on North Korea: China Becomes a Full Stakeholder in the Six-Party Talks

In an important speech to the National Committee on U.S.-China Relations on September 21, Deputy Secretary of State Robert Zoellick rejected a Cold War containment policy toward China. Zoellick emphasized that the United States looked forward to a day in which China was truly strong and stable, but also willing to play a proactive and positive role in the world with that power. He expressed hope that a rising China would become a
“responsible stakeholder” in the international system, helping to solve common security and economic problems and reducing regional and global tensions. While praising China for its role in the six-party talks, Zoellick listed several notable exceptions to the constructive uses of Chinese power. These cases included support for Sudan at the U.N., the fast-paced military build-up across from Taiwan (which raises doubts in the United States about China’s commitment to a peaceful foreign policy over the long run), and the increasingly tense relations between Beijing and Tokyo.6

At the outset of the North Korean nuclear crisis in late 2002 and early 2003, the United States was pushing for China to play a concrete and constructive role in cajoling North Korea to abide by its previous commitments to forego nuclear weapons programs. In particular, Washington wanted Beijing to put forward its own vision of how the North Korean nuclear issue could be resolved. Such a proactive stance would assist the United States and North Korea’s other neighbors in creating a framework that might actually produce the non-nuclear Korean peninsula that everyone (save Pyongyang) claimed to seek.7 In part for reasons related to the on-going leadership transition between Jiang Zemin and Hu Jintao at the time, Beijing demurred, playing its cards much more cautiously.8 To the PRC’s credit, Beijing did take the novel step of hosting the initial trilateral talks between China, North Korea, and the United States. These would eventually expand into the six-party talks on North Korean denuclearization in August 2003. In the process, Beijing became increasingly invested in the six-party talks. But until recently, Beijing was not nearly as active in the process of negotiations as Washington wanted it to be.

In the past few months, Beijing has taken a much more active role in the six-party talks. Given the history discussed above, it is therefore not surprising that Bush Administration officials have expressed appreciation for the PRC negotiating team’s role in drafting the statement that was agreed upon at the end of the September round of talks, and for pushing North Korea to sign on to the statement.9 Apparently after 11th-hour haggling between the Chinese, North Korean, and U.S. delegations, a mutually acceptable statement was drafted. The document called for the dismantling of North Korean nuclear weapons and weapons-related programs in exchange for security guarantees and energy assistance toward the North, and the promise of future consideration of both diplomatic recognition by the United States and the transfer of peaceful nuclear technologies.

One sign of Beijing’s effectiveness in the six-party talks is that some U.S. critics have shifted from worrying that Beijing is doing too little to solve the North Korean nuclear problem to worrying that China is taking the lead, thereby gaining diplomatic prestige at the expense of the United States. For example, Charles Krauthammer recently opined in the Washington Post that if Beijing could shepherd the six-party talks to success, China might accelerate its rise as the major rival of the United States in the region.10 In his speech cited above, Deputy Secretary Zoellick, who is highly influential on Asia policy, explicitly rejects such zero-sum thinking in Sino-American relations.11 While some outside the U.S. government might worry about China’s proactive role in the
six-party process, top Administration officials have been quite positive to date about Beijing’s recent efforts to push the six-party process forward.

Although we cannot be completely certain that news reports about the secret negotiations are fully accurate, it certainly seems plausible that the U.S. delegation, headed by Assistant Secretary of State Christopher Hill, and the Chinese Delegation, headed by PRC Vice-Foreign Minister Wu Dawei, played hardball with each other in the final weekend leading up to the agreement on the joint statement. One news report claims that in the last 24 hours before the fifth and final draft statement was signed, Beijing threatened Washington by stating it would draft no new joint statements and that failure to accept this last version would lead to a breakdown in the talks. Beijing would then publicly report that the United States refused to sign on to such a statement. In Congressional testimony after returning from the successful negotiations, Ambassador Hill suggested that the U.S. side was neither taken by surprise nor particularly upset by the Chinese position. He implied that the United States had taken tough positions in discussions with the Chinese as well. Reading between the lines of these reports, it seems plausible to conclude that the United States had successfully convinced the PRC delegation to water down all discussions of both transfer of Light Water Reactors (LWRs) and diplomatic recognition of Pyongyang to a degree acceptable to Washington. If true, this would help explain why the United States seemed willing to accept the final draft but had apparently rejected earlier versions.

One can also assume that Beijing put heavy pressure on North Korea to accept the final draft as well. However, there is less news coverage of this, probably because the North Korean and Chinese entourages are less forthcoming than the Americans in both on- and off-the-record interviews with the press. The final draft states that North Korea should return to all of its previous agreements to forgo nuclear weapons programs. In addition to providing security guarantees and energy assistance, participating members of the talks, such as the United States and Japan, agreed to consider the transfer of LWRs and the establishment of diplomatic relations at an appropriate time in the future. Neither LWRs nor the establishment of diplomatic relations were guaranteed up front, as Pyongyang certainly would have preferred.

Less than 24 hours after the rather celebratory end of the talks, pronouncements by the North Korean government seemed to call into question the entire round of discussions. Pyongyang seemed to interpret the statement entirely differently than the United States and other members of the six-party talks. It insisted that North Korea would never give up its nuclear programs until the United States transferred light water reactors to the pariah state. Since the joint statement was somewhat vaguely worded on the appropriate time to consider LWR transfers, it appeared to some that the Chinese draft had only papered over remaining differences between the United States and North Korea.
Such a pessimistic conclusion is unwarranted. In fact, even with the nearly immediate provocations from Pyongyang that followed, the joint statement may prove the Bush Administration’s finest hour to date regarding the North Korea problem. In the run-up to the 2004 Presidential elections, the six-party talks were in limbo because of North Korean stonewalling. The Bush Administration was roundly criticized for, among other things, refusing to negotiate directly with North Korea as the latter demanded at the time. The Bush Administration insisted that the six-party framework was preferable to bilateral negotiations. The President himself emphasized the important role that China had to play in that process in his debate with Senator Kerry, who advocated bilateral negotiations with Pyongyang. Recent events have arguably vindicated the Administration’s position in this debate. Active Chinese participation has apparently been essential to gain universal accession to the September 19 joint statement. Greater flexibility in negotiations on the part of the United States, and softer public rhetoric after Secretary Rice assumed office in the State Department and prior to the fourth round of the six-party talks (see CLM 14 and 15) also likely contributed to recent progress, but it is still hard to imagine how such an agreement could have been reached without active Chinese participation. So, the six-party framework appears to be an essential component of the recent success.

What is arguably more important about the advantages of the six-party process is that North Korea stands to suffer much more if it scraps previous commitments reached through a multilateral rather than a bilateral negotiation process. If North Korea insists that the meaning of the September 19 joint statement is that the United States and others need to transfer LWRs before Pyongyang commits to denuclearization (a bizarre interpretation of the document by any measure), this time it will be squirming out of an agreement made not only with the United States, but with all of its neighbors as well. Press reports reveal that before approving the signing of the final joint statement, Secretary Rice clarified with the other four members of the six-party talks what the statement meant regarding the LWRs. She gained their agreement not to transfer any related technologies until after North Korea was in good standing with its denuclearization agreements. Since the other four countries were consulted and since their delegations were present in Beijing as well, this means that North Korea’s “he-said, she-said” tactics have no market audience in the region.

The six-party process is particularly important as it relates to China. Government officials and commentators alike in China understandably took special pride in the agreement that was reached. Chinese news articles discussed how the PRC’s role in the process was praised around the world. Beijing had played a major leadership role in bringing the joint statement to fruition, and the news media hailed Beijing’s newfound diplomatic confidence and influence. Rather than exhibiting the kind of envy toward China that some U.S. zero-sum thinkers demonstrated in their commentaries, the Bush Administration seemed more than happy to congratulate Beijing for its contributions, thus increasing the PRC’s stake in a successful conclusion to the de-nuclearization process. These congratulations were noted in the PRC news media. This is not just good diplomacy on Washington’s part, it is smart strategy. In questions about potential backpedaling by North Korea on issues related to highly enriched uranium production, State Department spokesman Adam Ereli made a point of stating that he believed such
production was covered in the joint statement as “drafted by the Chinese.” When China feels invested in the process and gains international prestige by its success, North Korea runs greater risks reneging on its obligations with its standard prevarication and flakiness. With its typically unhelpful reinterpretation of the joint statement, Pyongyang hazards not just raining on Beijing’s parade, but sparking Beijing’s ire. In reference to Pyongyang’s odd twist on the timing of LWR transfers, noted Chinese North Korea expert Jin Linbo of the PRC Foreign Ministry’s China Institute of International Studies stated: “It is very stupid for North Korea to ask to change a just-signed deal. It will now be criticized by all parties, not just the United States.” Japanese and South Korean observers also joined Dr. Jin in rejecting the North Korean “interpretation” of the joint statement.

Even if the six-party process fails to produce real traction on the North Korean nuclear question because of Pyongyang’s foot-dragging, the United States will still be in a much better place than it might be if it had tried and failed to gain North Korean compliance with bilateral negotiations. After reaching bilateral deals, North Korea could simply renege and claim that Washington, not Pyongyang, was responsible for the collapse of cooperation. Third parties would be less knowledgeable about and less invested in the negotiations, and would, therefore, have more difficulty adjudicating the two sides’ conflicting claims. Even though a breakdown of multilateral talks would certainly still be a bad outcome, under those circumstances the United States would have an easier time convincing North Korea’s neighbors, including China, that Pyongyang was responsible for the poor results. This might reduce the controversy over other measures that the United States might decide to adopt in response to continued North Korean nuclear weapons development (see CLM 15 for discussion of those options).

Beijing’s Confident Diplomacy and The Row Over Taiwan Arms Sales

As discussed in the earliest editions of CLM, one of the most important factors in Chinese security analysts’ view of the region and the world is their assessment of the relationship between Washington and Taipei at any given time. When that relationship is very close, mainland security analysts worry deeply. This is particularly true when Taiwan’s government seems to be pushing toward juridical independence for the island. When U.S.-Taiwan relations seem strained, particularly when Taiwan independence advocates seem unable to pursue their agenda at home, Beijing’s analysts seem more confident and less worried. Applying this standard, one can only code recent trends in Taiwan and U.S.-Taiwan relations as quite positive from Beijing’s perspective. Since the 2004 Legislative Yuan elections, in which the anti-independence pan-Blue parties maintained a majority of the seats, there seems to have been little chance for pro-independence politicians to pursue their goals through the ongoing constitutional reform process. Moreover, the island seems unable to respond effectively to the growing military challenge posed by PLA modernization. The pace of that modernization has been quite impressive since 1999 and will provide the mainland added leverage over the island in the future. The inability and refusal of Taiwan’s government to purchase several weapons
systems offered to the island in April 2001 by the Bush Administration not only renders the island’s military weaker over the long run, but also damages Taipei’s relations with the United States. All of this means that trends in the cross-Strait balance of power seem to favor the mainland quite heavily. This reduces the likelihood that Taiwan will take actions that would be viewed on the mainland as necessitating the coercive use of force. Mainland observers have viewed with some glee the recent low popularity ratings of President Chen and the lack of public or legislative support for the expensive arms procurement bills he is sponsoring.24

Taiwan’s refusal to purchase weapons has created palpable tension in U.S.-Taiwan relations. Statements by U.S. defense department officials and influential representatives on Capitol Hill all suggest that Taipei runs the risk of appearing to want a free ride from the U.S. military for its defense, a strategy that will alienate the United States from Taiwan.25 Various experts testifying to the Congressionally mandated U.S. China Security Commission on September 15 also raised flags of caution about the potential damage that legislative gridlock regarding procurement in Taiwan could cause in the U.S.-Taiwan relationship. As this author testified, there are several major problems from a U.S. perspective. First, the official defense budget in Taiwan has fallen since 1998, a period in which PRC defense budgets have more than doubled. This is largely the responsibility of the administrations of Presidents Lee Teng-hui and Chen Shui-bian. The latter has tried to use special budgets, rather than the regular budget, to purchase many elements of the very large arms package offered by President Bush, including diesel-electric submarines, PAC-3 missile defense batteries, P-3 C maritime patrol aircraft, and mine-clearing helicopters. The enormous size of the package offered by the Bush Administration only complicates the Chen Administration’s challenges on this score. The total package offered by the Bush Administration is valued at tens of billions of U.S. dollars, while Taiwan’s annual regular defense budget is well under U.S. $10 billion. Moreover, some of the items offered to Taiwan are no longer procured by defense contractors in the United States.26 Another significant problem is that pan-Blue legislators opposed to the arms purchases are in key positions within Party caucuses and defense committees. Either because they oppose the size and nature of the special budget or simply because they want to stifle all initiatives from the Chen Administration (or some combination of the two), the special arms had been blocked from debate on the floor of the Legislative Yuan. As a result of this political deadlock on the island, many of the original big-ticket items in the 2001 Bush Administration package have not been purchased. While Taiwan did move ahead with the purchase of Kidd-class destroyers, other systems, such as diesel submarines, patrol aircraft, helicopters, and missile defense batteries have been caught in the political crossfire. The opposition had also used a strange and seemingly disingenuous interpretation of the failed 2004 defense referendum to argue that PAC-3 defense batteries cannot lawfully be moved from the special arms bill to the regular defense budget.27

Harsh criticism of the legislative foot-dragging in both Taiwan and the United States have led members of the pan-Blue camp to state that they support the general goal of strengthening the island’s defenses, even if they oppose passing the current arms procurement package being advanced by the Chen Administration.28 It is unclear at this
time exactly which weapons systems they would like to purchase. For its part, the United States seems to be reconsidering the costs and benefits of the very large and controversial 2001 package. (in Washington’s defense, it should be noted that all items on that list had been requested by Taiwan in the past, not foisted upon Taiwan by Washington.). Recently, Admiral Fallon, the commanding officer at Pacific Command, suggested that Taiwan should selectively choose defensive weapons and eschew offensive ones. This statement by Admiral Fallon may be part of a fundamental U.S. reconsideration of the arms package being offered to Taiwan.

It is unclear exactly how Beijing’s own strategy has influenced this outcome on the island and in U.S.-Taiwanese relations, although it is clear that the outcome suits Beijing’s long-term strategy. There is solid circumstantial evidence that Beijing’s generally more relaxed posture toward cross-Strait relations in recent months has affected the calculations of key pan-Blue international security analysts. For example, Tien Hung-mao, former KMT foreign minister and current think-tank director, recently argued that Taipei should reconsider its defense posture because Beijing has adopted an accommodating strategy toward Taiwan and does not seem eager to attack in the near future (he did not specify what defense policy changes he would make, however). To the degree that Beijing’s more relaxed posture toward the island either has affected the thinking of people like Mr. Tien directly, or made pan-Blue elites’ opposition to the Chen Administration’s arms procurement proposals more palatable to Taiwan voters, Beijing’s security policy toward the island has been successful in achieving its goal.

Continuing Struggles in China’s Japan Policy

Where Beijing has clearly made little or no progress is in its security policy is in its relations with Japan. Sino-Japanese relations remain very poor and are clearly a source of concern in Beijing, Tokyo, and Washington. Readers of CLM will be familiar with the ongoing friction between the two countries related to the Japan’s general treatment of the history of the Pacific War, and, more specifically, Prime Minister Koizumi’s commitment to visit each year Japan’s controversial war memorial, the Yasukuni shrine. Adding fuel to this fire, former President Lee Teng-hui, now the leader of the radically pro-independence party, the Taiwan Solidarity Union, has recently publicly supported Prime Minister Koizumi’s visits to the shrine and criticized China’s censure of it. Also, there have been real tensions over disputed maritime claims in the East China Sea and the planned exploitation of energy resources by Japanese and Chinese firms. In early September, the PLA Navy apparently sent several warships to an area near the Chunxiao gas field, which lies under disputed waters, to buttress Chinese claims to the area. Such activities, though limited in scope, are quite provocative and run the risk of escalation in the future. Moreover, the perpetuation of these tensions further poison the domestic environment in Japan and China toward the other side. Finally, Chinese security analysts continue to worry about the implications of a more assertive Japan. Both Sino-Japanese relations and cross-Strait relations could suffer with a strengthened and more balanced U.S.-Japan alliance.
To their credit, Beijing and Tokyo maintain a regular “strategic dialogue” involving the PRC’s Vice Foreign Minister, Dai Bingguo, and Japan’s Vice Foreign Minister, Shotaro Yachi. This dialogue parallels the new “senior dialogue” that began in early August in Beijing between Vice-Minister Dai and U.S. Deputy Secretary of State Robert Zoellick. The third and most recent round of the Sino-Japan dialogue took place in Beijing in mid-October. At the time of this writing, it does not appear likely that anything positive will come out of that round of discussions. Just before the dialogue began, the PRC government apparently obtained advance notice of Prime Minister Koizumi’s visit to the Yasukuni Shrine on October 17.

Whatever the cause of high-level communication problems between Beijing and Tokyo, it is difficult to argue that Beijing’s refusal to engage in meaningful dialogue with Tokyo is anything but a severe failure of Chinese policy. A constructive bilateral relationship between the two nations is vitally important for both the region and the world. Nothing calls into question the notion that Beijing is becoming a “responsible stakeholder” in great power politics more than Beijing’s emotion-laden responses to Japan. On the other hand, Beijing’s constructive recent efforts on the Korean nuclear issue suggest the possibility of meaningful Sino-American cooperation on important issues of mutual concern, as emphasized by Robert Zoellick’s policy speech. The road to North Korean denuclearization, however, will at best be a long and tortuous one, as was so clearly demonstrated by North Korea’s backtracking after the agreement on a joint statement. For better or worse, Washington and Beijing’s ability to stay roughly on the same page in pursuing their common goals on the Korean peninsula will be a bellwether for the prospects of long-term, positive relations between the United States and the People’s Republic of China. Against a backdrop of rising tensions in China’s relations with Japan, the increasing frustration in the United States about the U.S. trade deficit with China, and China’s policies toward dictatorial regimes in Iran, Uzbekistan, and Sudan, continued Sino-American cooperation on North Korean denuclearization is absolutely essential to stable relationships across the Pacific.

Notes

1 The author would like to thank Michael Glosny for expert research assistance.
4 See “Ma, Soong Agree to Oppose Special Weapons Budget,” China Post, September 8, 2005; and “Lawmakers Debate Vice Defence Chief’s Referendum Logic,” Central News Agency (ROC), September 29, 2005.
7 Author’s off-the-record discussions in Beijing and Washington in early 2003.

9 For examples of the many expressions of appreciation for the Chinese role expressed by Bush Administration Officials, see Press Availability at UN Headquarters Secretary Condoleezza Rice New York City September 19, 2005.; and Assistant Secretary of State Christopher R. Hill’s Statement at the Closing Plenary of the Fourth Round of the Six-Party Talks September 19, 2005, both in U.S. Department of State Press Releases, September 19, 2005.


12 Kahn and Sanger, “U.S.-Korean Deal.”


14 For example, see Bryan Walsh and Elaine Shannon, “How to Keep Talking: The Inside Story of How a Veteran U.S. Diplomat and his Chain-smoking Chinese Counterpart Hammered Out a Deal on North Korea’s Nukes,” *Time Asia*, September 26, 2005.

15 For some coverage along these lines, see Walsh and Shannon, “How to Keep Talking.”


18 For example, see Walsh and Shannon, “How to Keep Talking.”


20 See footnote 9 above.


23 Demick, et al., “North Korea Sets Conditions.”

24 See, for example, Gu Yu, Sun Xianglan, Zhang Weizhong, and Du Tianqi, “Chen Shuibian Shili Zai Weisuo,” “Chen Shuibian’s Power is Shrinking” in *Huanqiu Shibao* (Global Times), September 30, 2005.


The author’s September 15 testimony can be found at http://www.uscc.gov/hearings/2005hearings/written_testimonies/05_09_15wirts/christensen_thomas.htm. The testimony of other participants at the full day of hearings can be found at “Hearing on China’s Military Modernization and Cross-strait Balance,” http://www.uscc.gov.


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