

**CARNEGIE ENDOWMENT  
FOR INTERNATIONAL PEACE  
THE CARNEGIE DEBATES 2006-2007**

**“REFRAMING CHINA POLICY”  
CHINA AS A RESPONSIBLE STAKEHOLDER**

**PARTICIPANTS:**

**BATES GILL  
CSIS FREEMAN CHAIR IN CHINA STUDIES**

**DAN BLUMENTHAL  
RESIDENT FELLOW IN ASIAN STUDIES,  
AMERICAN ENTERPRISE INSTITUTE**

**MODERATOR:**

**MICHAEL SWAINE  
SENIOR ASSOCIATE, CHINA PROGRAM  
CARNEGIE ENDOWMENT**

**MONDAY, JUNE 11, 2007**

*Transcript by:  
Federal News Service  
Washington, D.C.*

JESSICA MATTHEWS: If I may interrupt your conversations and – my name is Jessica Matthews. I'm the president of the Carnegie Endowment for International Peace. It's a great pleasure to welcome you to the seventh of the Carnegie Reframing China Policy Debate Series. It's a great pleasure to have you with us and for me to be here at what I think is one of the most important policy initiatives that we're doing. This series is an effort to bring together the best China experts this country has to offer – the most informed and most articulated, those with the best policy sense – in an attempt to help members and staff sharpen the policy questions and get the facts straight about this most important bilateral relationship that the United States has. We have tried to focus on the questions that are foremost in your minds and that, of course, is why all of these debates are being held on Capitol Hill.

In the previous six sessions, we have dealt with the sustainability of Communist Party rule in China, with the sustainability of the country's very high rate of economic growth, with the significance and consequence of China's military modernization, with the question of human rights, with China's role and objectives in its regional setting in Asia and with China's record as a global trader. If you have missed any of these debates and are interested, you can read them or watch them at [carnegieendowment.org/chinadebates](http://carnegieendowment.org/chinadebates). I recommend them highly. They have been enormously informative.

After today, we're going to take a break for the summer and in the fall we will return and conclude this series with three additional debates: first, on the question of impact of China's energy needs on world markets and on global warming; second, on China's relationship with Taiwan and U.S. policy; and last, on China's nuclear weapons strategy and its implications for U.S. policy. We feel in this set of 10 debates, we will have pretty well covered the range of the top tier of issues, although, of course, we are exploring all kinds of other questions in other formats.

Today's session deals with an issue that touches upon many of the previous areas and those to come, which is the overarching question of China's role as a responsible stakeholder in the international system, looking particularly at China's role in a variety of the most important international regimes. We have two distinguished debaters who are going to try to tackle this very broad subject, but before I turn to our moderator, I want to express our thanks to Senator Ted Stevens, who has sponsored today's debate as each of them has been sponsored by a member of Congress and for making this wonderful space available to us and, again, to the G.E. Foundation, our corporate sponsor, who has made the whole series possible. We are deeply indebted to both of them.

And now I want to introduce to you Michael Swaine, senior associate and specialist on security-related issues in the Carnegie China Program. Michael will set the

framework for today's discussion and introduce the speakers and he will be your debate moderator. So, Michael, please.

MICHAEL SWAINE: Thank you very much, Jessica. And welcome, thank you all for coming. As Jessica noted, today's debate proposition is focused on China as a responsible stakeholder, is China currently or will China become a responsible stakeholder in the international community? This question really is central to any examination of China's behavior in a wide variety of different global and regional areas including many international regimes, but of greatest importance is China's behavior in what we've identified as seven areas which we'll be touching on in this debate today: counter proliferation, which includes, of course, the issues of North Korea and Iran; Asian security behavior in various Asian security-related institutions like the ASEAN regional forum, the Shanghai Cooperation Organization, and others; energy security; economic development and assistance within and beyond Asia; peacekeeping and enforcement; the maintenance of an open, rules-based trading system; and human rights-related issues, including, of course, the issue of Darfur in the Sudan.

Now, all of these issues really are central to the prosperity, stability, and indeed the perceived fairness of the international system and to U.S. and Western interest therein. In all of these areas, China is playing an increasingly important role and one that demands U.S. attention and U.S. engagement. The issues involved, of course, are, what does it mean to be a responsible stakeholder in these sorts of critical areas? Is China behaving or moving towards this type of responsible stakeholder performance in these areas? And, of course, what should the U.S. do to encourage or develop greater Chinese involvement and participation as what is defined as a responsible stakeholder, both between China and the United States, and in China's larger role with other countries.

Now, of course, we don't have the time to go through these seven areas in any great systematic detail. We're really going to be speaking about the general issue of China as a responsible stakeholder and bringing in these different areas as they are relevant as illustrations of behavior in one sort or another. And, as Jessica said, to have this discussion today, we really have two excellent specialists.

On my far left is Bates Gill who has held the Center for Strategic and International Studies' Freeman Chair in China Studies since 2002. Prior to that, Bates served as a senior fellow in foreign policy studies and inaugural director of the Center for Northeast Asian Policy Studies at the Brookings Institution. His research has focused very much on areas relating to this question that we're debating today: Northeast Asian political, security, socioeconomic issues, especially with regard to China and U.S.-China relations. Bates recently coauthored, along with Fred Bergsten and Nick Lardy at IIE and his colleague at CSIS Derek Mitchell, "China: The Balance Sheet," which gave a very good overview and assessment of China's behavior in a variety of areas and has recently authored himself a book called "Rising Star: China's New Security Diplomacy." Unfortunately for all of us, though, Bates will be leaving in October to become the Director of the Stockholm International Peace Research Institute, but we hope and assume he will maintain close contacts with us here in Washington.

Now, the other discussant and debater today is Dan Blumenthal. Dan joined the American Enterprise Institute in November of 2004 as a resident fellow in Asian studies. He currently serves as vice-chairman of the U.S.-China Economic and Security Commission which he joined in 2005, and as a member of the Academic Advisory Board for the Congressional U.S.-China Working Group. Previously to this, Dan was senior director for China, Taiwan, and Mongolia affairs in the Office of the Secretary of Defense for international security affairs during the first George W. Bush Administration. He is currently working on a book that will examine divides within the China policy-making community.

Now, as with the earlier debates that we've had, our primary intent here with having Bates and Dan address this issue is not so much to have a contentious back and forth from extreme positions. It's really to have two individuals who are regarded as serious and responsible specialists on this subject to discuss the issue in some detail, to probe both where they agree and where they don't agree and why. And here, there is significant agreement in some areas, but there's also some, I would say, significant disagreement between Dan and Bates in looking at these questions.

Now, before we begin, let me just say a brief word about format. I've asked Bates and Dan to each begin with about a five-minute opening statement that will provide their basic overall take on the issue, their underlying assumptions, et cetera. Then we'll sit down and I'll moderate, as we've done in the past, a series of questions that I will pose to both of them asking them to explain in greater detail points that they make in their opening statement about the definition of responsible stakeholder, China's track record and what U.S. policy might be. And in response to those different questions, Bates and Dan will take four or five minutes each.

So we expect to cover about 35 to 40 minutes through this segment and after that, we will address questions from the audience. And as we've done in the past, please write your questions down on cards located on the tables and pass them to ushers and they will send them up to the front here. We'll have about 30 minutes or so for question and answer. So without any further delay, let's begin. Bates, your opening statement, please.

MR. GILL: Okay good. Thank you. Good afternoon everyone and thank you very much to Jessica and to Michael, to Dan, for this opportunity to talk to you about this very, very important subject. For me, the long term trend is very clear that China is *becoming* a more responsible stakeholder in world affairs, increasingly willing and able to cooperate in the delivery of international public goods, such as economic stability and growth, nonproliferation, peacekeeping, and regional security, to name a few. That said, I'll be among the first to say that there remain many areas in which China must do more to promote itself along the path of becoming a responsible stakeholder. And you can be sure that we'll discuss those issues in greater detail.

The responsible stakeholder concept communicates to Beijing a broad set of expectations of where and how we expect China can become a more responsible power.

The concept argues that China and the United States will have a better relationship when Beijing defines its own national interests, not in narrow self-interested ways, but more broadly, so as to nurture and sustain the global system from which it has gained so many benefits. And, in doing so, China would take actions which are increasingly convergent with international norms, international institutions, regional expectations and, yes, U.S. interests as well.

Now, how is China doing? Looking back over the past 15 years and, in my view, looking ahead to the next 10 or 15, again, the trend is very clear that China is becoming increasingly a responsible stakeholder. Indeed, for me, the most striking aspect of Chinese global security and economic policy over the past 20 years is its *acceptance* of international norms within a system built largely by the United States, not its resistance to them. On nonproliferation, the scope, frequency and technical content of China's WMD-related exports have narrowed and declined while Beijing has taken a more active role in resolving the nuclear threats posed by North Korea and Iran, even joining, for example, the U.S.-led Proliferation Security Initiative.

On Asian security, recent years have witnessed an active increase in Chinese participation in and creation of a wide range of multilateral and bilateral security dialogues and confidence building measures, all aimed to stabilize, not disrupt, Asian security. On energy security, Beijing has increasingly come to recognize the foolhardiness of a mercantilist approach and, in a place where Dan and I, I think, agree, increasingly depends almost entirely today on the international marketplace for the comparatively small percentage of its total energy needs which it imports. If anything, we should be focusing on China's impact on global climate change as an issue of even greater importance about its future as a responsible stakeholder.

On economic development and assistance, China is moving from a net recipient to a net donor country and continues to expand its development and humanitarian assistance around the world. On international peacekeeping, China has significantly ramped up its participation in such missions from about 50 persons in the late 1990s to now more than 1,800 police, troops, and observers in 11 or 12 missions all over the world. China currently ranks 12<sup>th</sup> internationally in terms of contributions to U.N. peacekeeping, far ahead of most of the world's major powers, including countries like Russia, the United Kingdom, and the United States.

On the international trading system, China's overall embrace of globalization, its openness to trade, its remarkable economic success, has impacted the global economy in numerous positive ways. Just for the United States alone, by some estimates, because of China's low cost, high quality exports and the rapidly expanding American exports to China, the United States is on balance about \$70 billion richer each year as a result of trade with China.

On human rights questions, Beijing's hoped-for acceptance as a responsible great power falters most. While Beijing has taken some positive steps consistent with global norms, it still lags too far behind. And it will be difficult for Beijing to be accepted as a

responsible stakeholder or for outside observers to believe that egregious policies at home are not reflected abroad, as long as political and civil freedoms are severely restricted in China. Nevertheless, I think we can see some positive signs. For example, in the past year, China helped broker agreement by the regime in Khartoum for the Annan Plan. Chinese President Hu Jintao in Sudan in January earlier this year publicly and in a very high-profile way called on Bashir to act in accordance with the will of the international community. China's also agreed to be a principal donor of peacekeepers in support of a more robust United Nations-African Union force in Darfur.

Overall, for me, these encouraging trends are positive and show that China is *becoming* a more responsible stakeholder in world affairs. But there are, of course, many, many activities which do not fit this pattern and which are going to require continued close scrutiny by all of us. But at the end of the day, it is clearly in the interests of the United States to deepen and sustain these positive trends while moderating and hopefully changing the negative trends in a more positive direction.

Briefly, this means that we should first forge broader international support to shape Chinese policies in a more positive direction. We should make an even more convincing case to China that its commitment to becoming a more responsible stakeholder is not only in U.S. interest but is equally or even more so in China's interest. And lastly, we need to do far more here in Washington and across the United States to devote greater time and resources within our policy making processes to research, understand, and recognize what has worked in the past, what has not, and what is likely to work in the future to draw China closer to assuming even more the role of a responsible stakeholder for the years ahead. Thank you very much. (Applause.)

DAN BLUMENTHAL: Thank you very much to Jessica and to Michael and to Bates. I think this is a fantastic series you put together and I've been a recipient and a consumer, so I'm happy to contribute. I think I'll first start with the definition of responsible stakeholder and in that regard I'm going to take what Robert Zoellick coined as a term because I believe it was quite a sophisticated – he started it, he gets responsibility and it was quite a sophisticated and nuanced attempt to put forward to China what a peaceful path, peaceful development might look like. In fact, he's quite explicit that it was a response to China's own speeches and own public diplomacy and private diplomacy explaining to the world that its rise is going to be more peaceful than others.

And he basically said, the way I read it is, well, if you want to rise peacefully, here's how to do it, unlike some of the other countries in the past where power transitions have caused war. And he said basically there's a system from which you benefited and it's expanding trade and it's expanding its functioning energy market, it's promoting human rights and democracy around the world, it's working to stem proliferation of the weapons of mass destruction, has an open and transparent military affairs and activities and attempts to resolve conflicts through peaceful means. And he basically said that China has benefited from this system over the last 30 or so years and it's time for China to work to help not only accept it and benefit from it, but to, in fact, sustain and

strengthen it. And implicit in that is that today the system is strained. And he laid out some of the places where it is strained and he mentioned in particular North Korean acquisition of nuclear weapons, Iranian attempts to get nuclear weapons, he mentioned the genocide in Sudan and he mentioned some of the other issues that – he mentioned the peaceful resolution of the Taiwan Strait, some of the issues between China and Japan and some of the issues in terms of international economics that Bates mentioned.

And he also made a link between China's political reform domestically and its really attaining the status of a power that is able to sustain and build and strengthen the international system. And others, including National Security Advisor Hadley and Bob Zoellick himself in testimony to the Congress, made this link even more explicit, basically saying two things. One is, if you fail internally, it's going to infect the entire system and if you don't deal with your domestic problems, it's going to affect the entire international system, you're such a great power. And the only way we see that you can do that is by becoming more democratic. And, two, in order to promote some of these norms, especially regarding human rights and so forth, that's something that is going to take internal change and I tend to accept that proposition.

I don't have time to go through all the issue areas we were – I probably just have time to go through two issue areas — that we were asked to describe. I'll briefly talk about North Korea, Iran, and Sudan and I think that those are the areas where today if China and the United States do not work to thwart those threats to the international system from which we both benefit, the threats to the system will be so grave, there won't be much of a system to talk about China behaving responsibly in.

And here, on North Korea, I think China has fallen short. It's signed on to U.N. resolutions, but watered them down first. It is the country with the leverage to get Kim Jong-il to cease and desist. The numbers are well known. Investment in North Korea has actually gone up since the nuclear tests. China supplies 70-90 percent of North Korean fuel aid. It's responsible for close to 60 percent of North Korean trade; trade volume is increasing over the years. And I have in mind here as a responsible stakeholder, you are the country that can do the most, it is your responsibility to take care of this problem, sort of like Australia taking the lead with Indonesia, and China clearly has decided that though it does not want a nuclear North Korea, it has other priorities. And that, to me, is not sustaining the international system. That is, over time, going to threaten the international system.

Iran is a similar story. When it comes to the question of high cost, risky actions to stop these regimes from getting weapons, China chooses its narrow national interests – over sustaining the international system. So in terms of having a broader view of the national interest that we believe a great power should have, providing collective security goods, when the trade off has to be made, when the costs are too high, China will follow its national interest and that's the pattern we've seen exhibited.

Sudan, I'm sure we'll get to in question and answer. What I believe the United States can do first and foremost, I think the United States – China does want to be seen

internationally as a responsible stakeholder and so the pressure and international uproar over actions in Sudan, for example, have caused China to move somewhat. I think the United States really has to elevate the issues that are most important to the sustenance of the international system, like North Korea and Iran to the major issues on the bilateral agenda. Because without solving those two issues, all the other agreements and all the other norms that China has abided by will be meaningless. Thank you. (Applause.)

MR. SWAINE: Great. That's a great start. I'd like to begin by asking you both to flesh out a little bit what you mean by the concept of responsible stakeholder. You've alluded – obviously, you've repeated several times in giving various examples – Dan, you gave something that was pretty close to a definition in your opening remarks; I don't know if you did, Bates, or not. But I'd like to hear from you a summation of what a responsible stakeholder means to you and then, in reaction to that also, or in addition to that, how it relates to the question of domestic political system, because it seems here there's an issue, to what degree does the fact that China does not have a democratic political system affect its ability to be able to serve or respond or behave as a responsible stakeholder.

MR. GILL: Okay, thanks. Let me take it in two parts on the responsible stakeholder issue. First, just conceptually, again to stress as I did in the opening remarks, I think as Americans trying to judge Chinese activities and behavior, the responsible stakeholder concept is extremely useful. What it basically is doing is it's conveying, communicating to the Chinese, our expectations and it's allowing us internally to have a kind of road map or score card, if you will, against which to judge sort of behavioral benchmarks of Chinese activity and against which we can make a better determination whether or not China is or is not moving in the direction we would like it to; in essence, to answer the question that we're having here. And when I take that framework and concept and lay it down on what I see as Chinese behavior, I end up on the pro side of the question because I can see it moving in the direction that we want, where we believe that our expectations lie.

Secondly, though, and this gets more to your point, Michael. For me, I think in terms of how a country behaves or how two countries can claim to be jointly responsible stakeholders has a lot to do with convergent interests. That is to say you're able to identify between the two of you that you are expanding common ground on issues of key import to the two sides. In that respect, I think that the question of interest, in my mind, probably matters more than the nature of the regime with which you are working. And I think history, not just American history, but global history, is replete with examples of where countries with very, very different domestic political systems are able to identify a common ground for far longer than just short-term purposes and are able to identify common ground in ways that help them act together as responsible stakeholders within the international system. So I'm not dismissing the importance of the domestic nature of a country. It is a factor. I just probably wouldn't put as much weight into the scale as Dan might.

MR. SWAINE: Well, let me just ask you then, Bates, if you're pointing to the issue of interests as opposed to the structure or the nature of the domestic political system, the immediate question, of course, is what are those interests? And what is the degree to which national interests can be, in fact, influenced by the way in which a government conducts its affairs domestically. Now, if you look down the seven different points that we've been raising here as areas of behavior for responsible stakeholder, do you think that there are variations in how a domestic political process can influence the ability or willingness of China to perform in these seven areas? For example, in the area of human rights, on questions like Darfur in the Sudan, do you see a link there between domestic politics and Chinese behavior, or would you look for outside interests as something that guides Chinese behavior more significantly?

MR. GILL: There's probably some importance to the domestic nature of the Chinese system on some of these issues and I think probably the easiest case to make for that is on the human rights question, where because of their own natures as an unelected government, because of their own concerns about international outcry over their human rights record, and maybe even more importantly, because of their longstanding principle, at least, the principle of noninterference in the international affairs of states, which has something to do with their domestic political situation. There then we see the greatest recalcitrance, the greatest resistance, on the part of the Chinese.

But I think, again, there are other factors at work. I think if we were talking about, for example, the interference in the internal affairs of odious regimes, you could make the case that, again, interests trump that. As, and if, North Korea becomes ever more dangerous to China, as and if that nation continues to undermine Chinese national interests, you will see, as we already have, greater and greater interference in the internal affairs of the North Korean state by China. So maybe the Chinese have not yet come to the conclusion, as they should, that what happens in Sudan does matter to their interests. And I think they are coming around to that at last. But I think, again, it's interest more than it is simply a matter of the political nature of the state we're talking about.

MR. SWAINE: Well, Dan, let me flip this around then and ask you. You do place quite a bit of emphasis on the domestic political system in China as influencing Chinese behavior. Where do you see the limits of that argument? I mean, China has made progress in certain areas, it seems. It has signed on to certain agreements; it has been doing some things it seems that are perhaps not quite the same as they were when they started out, perhaps regarding North Korea, maybe in Sudan. Where would you define the boundary between, say, domestic political process and interests and what are the interests of China in being a responsible stakeholder?

MR. BLUMENTHAL: Well, this gets to some of the fundamental problems with the concept itself because what we're doing is defining China's interests for them and I understand it's a good framework to continue our diplomacy with China, but it doesn't mean that China accepts those interests. I don't believe that interests are objective and immutable. I think that countries define their interests: domestic regimes define their interests very differently. The reason China is acting more responsibly is because there

was domestic reform, Mao is not Deng. And so they're not supporting insurrections. They're not an ideological power any more, trying to spread communism and that has a lot to do with what changed domestically. Deng Xiaoping decided to embrace the international economic system for Chinese internal purposes. I don't see a neat divide between domestic political system and definition on interests. You get a change in regime type or in countries and you get people who define their interests very differently for a variety of reasons.

Again, there's going to be some areas, obviously, where it just doesn't seem to be possible for China to be the kind of responsible stakeholder that Robert Zoellick and others laid out, unless it changes internally. Here, I think, of the obvious ones, caring about human rights or humanitarian issues. I think also some of the transnational issues: the public health issues and SARS and the Avian Flu and so forth, China is not a transparent country. It's more transparent than it was under Mao, but there's still an emphasis on concealing and controlling information. And I think that's going to grow into a larger problem over time.

The interesting question will be whether engagement internationally changes China. – The great hope is, and has been, that engagement with the international world and China's stepping out into places where it hasn't been before like Darfur all of a sudden creating an international uproar which it didn't expect, tapping the NGO movements and Congress. Whether that will make internal changes into China. I think that's the great hope of our grand strategy with China. But I don't see China, as a deliberate policy matter, all of a sudden accepting U.S. and EU norms of intervention for humanitarian reasons or particularly liking the fact that the Western governments are trying to set standards of governance and international aid. I don't think China's going to like that very much at all because of their own concerns about intervention.

I think on questions of war and peace, that might be the outer limit of where domestic politics define the national interest. Although, I would argue a changed China might define its interests vis-à-vis Taiwan differently just because the entire structure of its legitimacy may well change. I can't say that for sure. It might be more nationalistic. It might be more militaristic, but you could imagine, based on all kinds of historical examples where a country says, well, we know these people speak Chinese and we know they were once part of us, but we have other things to worry about. We're legitimate for other reasons and does not need the Taiwan issue to bolster our legitimacy. – Because a domestic regime defines a country's interests, I don't really see the very easy split between the interests versus the character of the regime in question.

MR. SWAINE: So you see the domestic political system in China as being certainly a factor and perhaps a major factor in some issue areas that influence the way the Chinese behave. But it's not an absolute wall. I mean, it's not something that will stop the Chinese in every instance from doing certain things, that there are larger interests beyond what are dictated by their domestic political process that could, indeed, get the Chinese to do things that they might not otherwise do because they're not democratic.

MR. BLUMENTHAL: I think so. Again, I think in the question of the hopeful and optimistic version of what's going on in Darfur is that because China sees its interest in keeping stable and good relations with the United States at least for the time being, a benign external environment, not wanting to be put in the category of international outlaw, all those pressures may work on China to do what it wouldn't have done otherwise. So yes, in that sense, that's the case. That's the clearest case that I see.

MR. SWAINE: Okay. I just wanted to have you address this question of scorecard. I think Bates mentioned this word once and I can't remember if Dan did or not. Zoellick came up with this concept of responsible stakeholder and other senior U.S. officials have used it several times since - is it in your mind something that the United States should indeed have as a standard, a frame of reference, that there's sort of a fixed notion of what it means to be a responsible stakeholder that's been defined that is kind of preexisting that the U.S. has, in many ways, defined, and that we're looking to have the Chinese meet that expectation? Because there's also another point of view which argues that this isn't cast in concrete. It's not a fixed concept, that indeed this concept is open to some degree of dialogue, of adjustment, if I dare say, mutual accommodation on the part of both the United States and China to arrive at what it means to be a responsible stakeholder in many, many areas. So in other words, it's not a scorecard by which the U.S. just measures China's progress; it's a concept that both sides are grappling with to try to define for both of their interests, which may indeed require adjusting what that means over time and accommodation on the part of both of them. So I'm interested in finding out where you lean between the one extreme view, if you will, and the other extreme interpretation of what it means to be a responsible stakeholder.

MR. GILL: Thanks, Mike. I just want to also pose one question if I could - Dan could get to it later if we want to - but just for thinking about here in the room. We were just talking about how does China's internal situation express itself externally, in terms of becoming a responsible stakeholder. The opposite question could be asked, too. To what degree, as China becomes a more responsible stakeholder internationally, to what degree does that affect internal dynamics? That'll just be worth discussing.

To respond to your question, well, I think we can't be naïve here. Obviously, Deputy Secretary Zoellick wasn't out there to talk about what is in China's interest to achieve; he was out there to express what it is in our interest to achieve, but at the same time, making a convincing case that it is also in China's to do so. And certainly at a very bottom line measurement, they'll surely get along better with us if they're able to see their interests in that way and to move in those positive directions.

So yes, in defining it, obviously it has a lot to do with what American interests are. But I also believe - or maybe Zoellick and others have not expressed this as clearly as this, but it's my view, at least, that a part of this process has to be some accommodation, some negotiation, and some consultation. I mean, if our definition of being a responsible stakeholder was to do 100 percent everything that we wanted other countries to do, well then I'm not sure we'd have any partners, other responsible stakeholders out there. I mean, we surely wouldn't be able to name other countries like

the United Kingdom or France or Russia or you name it as responsible stakeholders. So clearly there's some flexibility in there in an effort to try to get to these ends through negotiation – or through some other form of accommodation. Some good examples are out there.

I think the Bush Administration very wisely has turned to China to lead in trying to resolve the North Korea situation through peaceful dialogue, very wise. And that had an aspect of accommodation with Chinese interests in doing that. So far, we could probably do a much better job in twisting China's arm on the Sudan, but I think a part of their more responsible approach to that issue is because we've had some serious discussions about where their interests lie, where ours lie, and trying to find some common ground. Unlike an ally or some very, very small power internationally, China's very different. China is a rising power; it's a more powerful player. It's going to demand some flexibility on our part if we really, really want them to be responsible stakeholders.

MR. SWAINE: Dan, what's your view?

MR. BLUMENTHAL: Well, the way I look at it is we turned around and said it's very unique to China, as we said in the sense that we face here a rising power. History has not been kind in terms of the power transitions and so forth and so how do we try to take China at its word that its rise is going to be peaceful. And we basically said, look, this system which you wisely accepted, at least on the international economic front, has benefited you, has made you more prosperous, has made you more powerful. We actually did adjust quite a bit ourselves, certainly on the economic front. We pushed to get you into the WTO that has caused us dislocation here at home. We certainly didn't work to keep you out of organizations; we've been working to keep you in. And as a result, we have had some hand in helping you grow.

Now, we have a system that we largely created after World War II. It has benefited us; it's benefited a lot of other people. We think it works pretty well. And I laid out the characteristics of it as Bob Zoellick did. It is under threat today by the different things that I mentioned, the Jihad terrorists, the North Koreans, the Iranians. And in the background, it could be under threat in terms of the way you rise. If you accept the system that we created and don't try to change it and, in fact, not just accept it, but sustain it, then I think your peaceful rise plan will work out just fine. But if you try to change it, if you try to disrupt it, if you try to, let's say, act like other powers before you and rewrite the rules, I don't think your peaceful rise plan is going to work out the way you said it would.

So when you talk about accommodation, I would ask accommodation on what issue? I don't see us accommodating or the EU accommodating on norms or on humanitarian intervention, on norms of international aid and so forth. I don't see us accommodating on the issue of Taiwan. So it really depends on what – I think the international system has made enormous accommodations already to China's rise. Again, it really depends on what China wants us to accommodate on. I can't see a lot of places – if it's a question of leave us alone on Iran, let us do our oil business while the

rest of the world is concerned about acquisition of nuclear weapons, I can't see accommodation on non-interference. So I think it's very much – we have a good system in place. Come join it; come sustain it.

MR.SWAIN: Okay, well, let's turn to this issue of the specifics now. We've talked a lot about the general concept of responsible stakeholder. And you've mentioned in some of your responses and in your opening statements some of these issue areas, let's talk specifically about some of these seven areas. What explains progress in the Chinese case in different areas of being a responsible stakeholder? How would you explain why particular areas have shown the progress that they have? And which ones do you think have shown the most progress? And conversely, what areas really – and you've mentioned human rights; I know that's one large one – but in addition to that, which areas really don't show that much progress and why? I mean, how do you explain the variation that we see in specific areas when you look at the behavior of the Chinese and the trend line?

MR. GILL: Well, I get back again to this question of interests in driving this more positive approach from the Chinese. I tend to look at three fundamental interests that the Chinese have, which is pushing them in this way. One is we're all well aware of the domestic challenges China faces at home. Hence, they need more than ever to pursue external relationships which are stable, which are productive, and which allow them to tap into the kinds of resources abroad, whether they're markets or technology or capital or good diplomatic relationships, you name it, which can then provide for the kinds of growth and stability that is needed at home. This is very much based upon the need for – they recognize the need for stability. But that turns out to be a positive, I think – a net positive in terms of its international behavior and for our interests.

Secondly, I'm encouraged to think that the Chinese understand what the political scientists would call a security dilemma. That is, they understand that as they rise and become more powerful, they risk upsetting that trajectory because their neighbors and other major powers in the system are going to come back and try to counterbalance, contain, or undermine that process. So they understand very clearly that for them to be successful, they need to enter into this full range of agreements, confidence-building measures, positive behavior – generally, the nascent beginnings of a more responsible stakeholder approach to the international system – if they intend to survive internationally and regain the position in the world that they seek.

And then lastly, I think they have a very powerful interest not to confront the United States, and to do whatever they can to try and build a constructive relationship and avoid at almost all costs open confrontation or conflict. The United States is still the dominant power in the system. China understands that very, very clearly, and seeks generally positive approaches.

So those are the interests that drive this. Now, when you lay that out into these various issue areas, where I see the clearest evidence of a responsible stakeholder approach probably is in the Asian security basket, where they have gone to great lengths

to create a much more positive set of relationships with the full host of its neighbors. And it's not just talk; it's not just paper agreements. I would point to the Shanghai Cooperation Organization as an OSCE, an Organization of Security and Cooperation in Europe-like example of China finding concrete measures, demarcating borders, demilitarizing borders, establishing far more peaceful relationships with its neighbors as a groundwork to expand beyond into economic development.

Peacekeeping is another relatively low-cost but potentially high payoff contribution, which the Chinese can make to the international system and comports with these three broad interests, which I just mentioned.

Finally, proliferation – I think in the mid-1990s, the Chinese came to a very, very clear understanding, in part because of our constant haranguing of them, that proliferations simply was not in their interest. And I think they've come to a very strong realization on that. Not only is it good for their external stability; it's good for their relationship with its neighbors, and it's good for relations with United States to pursue this more pro-active and positive non-proliferation policy.

MR. SWAINE: So those would be the three major areas where there is progress?

MR. GILL: Those stand out for me.

MR. SWAINE: Would you say then that China's behavior in policies regarding both North Korea and Iran, two of the most major non-proliferation issue areas for the United States, represents, by and large, examples of China as a responsible stakeholder?

MR. GILL: By and large, I think it does. And again, compared to where we were not very long ago with the Chinese – I'm not talking about Maoist China; I'm talking about so-called post-1978 reformist China – where China, first of all, with Iran, was an active proliferators to Iran. I mean, I totally agree with Dan that – Dan put it, I think – Iran, if they don't understand that this is their problem, then the whole system is at stake. I mean, China has responsibility for what it did with the Iranians in the 1980s and even into the early 1990s. But that policy has almost entirely reversed, just in terms as a supplier. And now, in a diplomatic realm, it has also decided to step up its engagement on these issues and take measures, including in the UN Security Council, which would have been unprecedented, just even five or 10 years ago. So again, it's a trend.

I mean, if we're simply going to take a snapshot of where we are today and compare it to where we want China to be tomorrow, well, obviously, there are going to be gaps there. The question is, are they moving in the right direction? It's very clear to me that they are.

MR. SWAINE: Dan, where do you see the progress; where do you see the failure; and how do you explain the differences?

MR. BLUMENTHAL: Well, I agree with Bates that there certainly has been progress and there certainly has been a difference in a much more sort of good neighborly policy in Asia. The question, which, at this point, is unknowable – I know you wrote in your book, Michael, with Ashley Tellis, and I tend to agree that if your grand strategy is to build up your power and then to make a play for some sort of more dominant role in Asia, then it makes great sense right now when you're not so powerful to engage the region in ways that reassure them.

So we don't know in this room whether it's an instrumental move while China builds up its power or whether China has actually changed its entire view of power politics in Asia. I mean, we will know; but we don't know.

I would say there are some examples of China's behavior that fall into the category of making a play for dominance. And actually, the Shanghai Cooperation Organization, I would put in that category in the sense that it excludes the United States; – Russia and China clearly got together a couple years ago and said they want the United States out of Central Asia. It's another forum where Iran has been provided with a chance to brag about its relationship with China. And China may not perceive Iran as a particularly friendly country, but Iran perceives China as – at least in part – as a way around international pressure. And so, when you have Ahmadinejad in Shanghai bragging about the relationship with China, it takes some of that international pressure off. So I put the Shanghai Cooperation Organization in the category of the play for dominance.

Now, I think China is willing to take low-cost, low-risk measures, also because it's very much in its interest not to get any sort of counter-balancing coalition, certainly not at this stage of its development. It has interests in its own economic development, so it is engaged more in the region economically.

But on Asian security, look, there are two flashpoints right now in Asia. One is the Taiwan Strait and the other is North Korea, where some really catastrophic event could happen. And you cannot, really bring up either of those issues within any of the Asia fora we're talking about. I don't think the United States, Japan, South Korea is in any way comfortable or satisfied with the types of information that China is providing on what it would do in a North Korea contingency. I think that's very secretive and opaque. On the Taiwan Strait, you're not even allowed to bring it up in these regional fora.

So again, if the matter is low-cost and low-risk to China it will engage for the reasons we laid out. True international fora that are solving the problems of the day in Asia – China will work to prevent solutions, and I think these are issues that the trend may be better, but these are threats to the system today, and we might have a very different system if we don't solve them. And I can't see us solving them if China doesn't help.

MR. SWAINE: Could I just to follow up – what would you point to if you look at these issue areas as something where it would be a clear indication that the Chinese had

incurred a cost or had taken a risk that you would see as something that would really confirm to you that – hey, we’re seeing real responsible stakeholder behavior here that we haven’t seen before?

MR. BLUMENTHAL: North Korea. I mean, the numbers I just gave you – if those numbers started to reverse. To the extent anyone has control or leverage over Kim Jong-il, it’s China. So if those investment numbers I read off to you started to go the other way, if the borders were opened, if they complied with their refugee obligations under the UN and let refugees out if the trade started to go down, if they basically gave the North Koreans an offer they couldn’t refuse – it’s risky; it’s very risky for Chinese. I understand why you’d rather not do it, but then I’d say, you’re helping the world solve a critical, critical problem and you’re the only ones who can do it really.

MR. SWAINE: Well, maybe we can get to some more of this particular issue in the question and answer with the audience. But since we’re running out of time for this segment, let me move to the final question, which, of course, is what should the U.S. do about all this?

In your draft papers, you both laid out a series of things that you think the United States should be doing. And I’m not asking you to recapitulate those now; it would probably take too much time. But if you had to point to two or three critical things that you think the U.S. should be doing to encourage China to become a more responsible stakeholder in a critical area or areas, what would they be? Where would you point to something that really needs to be done that isn’t being done – something other than just more of the same? Dan, why don’t you start with that?

MR. BLUMENTHAL: Well, this framework or this concept, especially with some of the grave threats we face to the international system will only work if we’re able to ourselves take the risks in upping the pressure with China on issues that matter to us. We’re clearly not doing that on the North Korean issue; we’re not prepared to elevate it to the top priority in the of Sino-American relationship. We have some leverage with China in the sense that it wants to maintain good relations with us; it wants stability; it wants a good, successful Olympics; it doesn’t want Japan to go nuclear. There’re all sorts of levers that we have to say to China just how important this issue is for us in our diplomacy, and also that we will take actions that are destabilizing for them if they don’t move on North Korea. That’s one area where I could see, which would not be more of the same. We’ve become very sort of complacent that China is just going to take care of this problem without the right incentive structure to do so. That would be one issue.

We’ve sort of ticked off – and there’s some easy ones – we need to be more Catholic than the pope on international human rights issues ourselves, or else the Chinese have quick and easy rejoinders on you’re no better and that sort of thing. You know, then there are some tougher ones. The prerequisite is always staying ahead militarily in the sense of saying that this is an international system we believe in. This is an Asia system we believe in. We’re prepared to sustain it. We want you to help us sustain it.

But we are prepared to deter actions if you decide that you want to change things up, that you want to reshuffle the deck once you have the power.

I would also – and this is my last point – I would also argue for taking up the Japanese on their forum for democracy and peace for a number of reasons. And this is basically a forum where the Japanese have suggested that they, the Australians, the United States, and India get together and form a new kind of democracy-based forum. I'd argue for it on its merits; it obviously had some good success in European contexts, where there were all kinds of security rivalries. And the Chinese will complain, oh, you're containing us; you're containing us. But actually, it should be open to criteria, and then you have some push within China for people who want to change China to say we don't want to be left out of that. So just three quick ones.

MR. SWAINE: Thank you. We're really out of time, but if you can briefly give a response, then we'll move to the audience questions.

MR. GILL: I can be very quick, I think. What's really quite remarkable is the degree to which Dan and I think in this last aspect of U.S. policy in a good bit of agreement really about what some of the basic things should be. And this, I think, is an area where he and I would both agree as well. And I'll just stress it; I think we have had a lot of success in helping shape Chinese activities and behavior when we've put in the hard work of building international consensus, multilateral diplomatic efforts to convince and demonstrate to China that it's not simply an issue with which we are concerned – whatever it might be – but that it is in fact an issue where there is a broad international consensus of support.

And whether you demonstrate that in the UN Security Council, whether you demonstrate that within the African Union, whether you demonstrate that through diplomacy within the Six-Party Talks, when China becomes an outlier within these sorts of contexts, it tends to wish to be a little bit more cooperative and comply. When it's simply a case of doing it because the U.S. wants it done, we have far less success. So what that really means for us is to regenerate, refuel, restart, rejuvenate what ought to be America's most successful international activity, and that is forging international consensus to follow us as a leader.

MR. SWAINE: Great, thank you, Bates. Well, we have reached our time limit on this segment of the discussion with me moderating, so why don't we turn over to the many questions that we now have from you in the audience on a wide range of different topics? And there is a lot of them here. So I will try and raise as many of them as I can and ask you both to try to be as brief as you can in each addressing them.

And I guess, the first one that is probably the broadest has to do with the whole question of looking at China's rise in the context of this responsible stakeholder concept. And the question is, China's adoption of the policy of peaceful rise led in some quarters to concern – given the historical record of rising powers – of whether this could be achieved, whether this could be a peaceful rise? How do you both understand China's

decision to, in effect, drop this concept of peaceful rise as central to what it was talking about some months ago? At one time, China talked a lot about peaceful rise. Then, the rise sort of aspect of it dropped off, and it became peaceful development. I mean, what is there in that that tells you about China's attitude towards its image, towards its responsible stakeholder status?

MR. GILL: My view on this is that the specific words really are reflective more of internal debates inside China and different factions of debate on foreign policy issues. And our attempting to parse single words emanating from these bumper sticker slogans is probably not useful. If you look at the various slogans that have been put out there in the last 10 or 15 years, they're all basically saying the same thing. That's what's critical. Wanting to be a responsible great power; that's circa late-1990s. Peaceful rise, early 2000s. Peaceful development, a little bit more recently. And now, we hear Hu Jintao talking about a harmonious world. When you look at what they're talking about, it's all the same thing, basically. They're saying that China understands that as it becomes more powerful, it must do so in a way that is not disruptive to the international community. That is the way I would read these things and not worry too much about the one or two words, unless you're really, really interested in the internal foreign policy debates of China.

MR. BLUMENTHAL: Just very quickly, I think that's where we have some leverage. China is very sensitive to the way other countries perceive – especially the United States – our Chinese friends follow our debates very closely. If there is a fear that we think that rising in the way that the Kaiser's Germany did, then there is a fear that we will start to take tougher containment measures. And so I think that the Chinese are very sensitive, and that still gives us some chance to shape things.

MR. SWAINE: Here is a question that really, again, is a broad-based question, but it does relate a lot to these issues of responsible stakeholder, particularly if you're looking at responsible stakeholder as a set of behaviors that define the current international system. And that is, is China in fact a status quo power? If China is a status quo power, then supporting the responsible stakeholder concept as currently defined, particularly if it's highly defined by U.S. interest, one might think China is not going to be terribly concerned about – is not going to be violating that very much. But if China is not a status quo power, how does that relate to the idea of becoming a responsible stakeholder? Dan, why don't you start?

MR. BLUMENTHAL: Well, as I mentioned in my remarks, I think that's the key question. I think what Bob Zoellick did say, okay, we accept your peaceful rise – we want to accept your peaceful rise theories, but here is how to do it, and let me lay it out for you. We have an international system; here is what it is characterized by. Now, it's an American view and it's American-centered, and that might be annoying. But I think there is pretty broad consensus – maybe some tactical differences here and there – and a lot of it, I think, is an EU view, too. Here is how to do it. And here is how we're going to know.

If you start to play around with the basic rules of the system, if you start to – and again, he explicitly mentioned Taiwan as a test. If you start to decide not to resolve this peacefully, the military buildup hasn't been that constructive to peace – he set out a whole set of markers out there, saying this is how we know that you are rising peacefully. You are accepting and sustaining the system that has benefited you. And once we see that you're not doing so – and here's the criteria by which we would see that you're not doing so – we will know that you're not a status quo power. We still very much have questions. And he says, straight out, and I accept it – he says, we have questions. Nobody is going to bet their future on your peaceful rise. So here is how to become – here is how to rise peacefully, unlike the Kaiser's Germany. We think you can do it. We would like you to do it, of course. But we're not sure, and these are some of the tests and some of the markers.

MR. GILL: Well, again, great power relationships and the rise of nations are things that occur over extremely long periods of time, typically. And looking at these long-term trends, it's obvious, once again to me that the most remarkable aspect of China's emergence onto the international scene over the past 20 years is not its rejection of the international system as it stands, but its acceptance and even embrace. And we have to acknowledge, Dan, that China does sustain the current international system in many, many positive and productive ways. Does it have farther to go? Absolutely, it does. So in that sense, I think it has come to understand that its interests do lie, in fact, in trying to be a part of, and work within, the international system as it presents itself to China today.

One interesting comment though to the questioner. I was struck, just as a short tangent, by the comments I was reading from Secretary of State Rice recently, who terms the American power one of revolutionary realism. So if anything, in comparison perhaps, China is a more status quo power than we are.

MR. SWAINE: Well, actually, that anticipated a comment I was going to make, which was to ask whether or not the U.S. is a status quo power. But Dan, you wanted to respond to a particular point that Bates just made?

MR. BLUMENTHAL: Yeah, no, I agree that what we're saying to China is that you decided you didn't like what you saw in 1978-79, you've decided to accept certainly the international economic system. And therefore, you have, in fact, conformed to a lot of those norms, and you have opened up economically in some ways more than other democratic countries or countries in development. But the question that remains out there is, at a certain point, once you develop a certain amount of capability to be able to fundamentally challenge things, will you do so like countries before you? And what we're saying is, here's how we know you wouldn't. But we're not betting our entire future on it.

MR. SWAINE: Interesting question, which really is kind of obvious that we probably should address, and that is, what is China's definition, do you think, of what it means to be a responsible stakeholder? How would you define the way the Chinese look

at this issue today? Do they accept the terms in much the same way that these are being discussed by the two of you today, or do you think they look at them in fundamentally different ways? And if so, why?

MR. GILL: I think they probably do view these things in a little bit different way. They are probably prepared to argue that achieving this status – many in China would agree that achieving this status is something that is definitely in China's interest, but that it may not happen as fast or in precisely the same direction as many in the United States would like to see. Cautioning patience, which we can interpret over here as merely a veil to try and put our guard down while China grows stronger, or we can interpret it as a realistic and pragmatic approach to international affairs where the kinds of changes we want to see don't happen overnight.

I think we would still have some differences on certain issues, which – in my view – will change with time, but for right now, we're going to have differences as they define it. One, obviously, is on the question of non-interference. China will get behind interference in the international affairs of states when there is a clear international consensus to do so. They're less likely to get behind it when it appears to be simply the will of one or two major powers to engage in that kind of activity. China is probably also going to be more supportive of defining responsible stakeholder in terms of more multilateralist – or as they like to call it, internationally democratic means. So in other words, directions of the international community are better defined in China's view, and responsible stakeholders are better defined in China's view, by how they act in accordance with, again, well-defined international norms supported broadly.

I don't think those are points that we have to ultimately disagree on, and I think we'll see more flexibility on China with regard to them. But at the moment, it does differ somewhat from the way we're approaching things.

MR. BLUMENTHAL: Oh, I think it's very different. I mean, I think first and foremost, the Chinese leadership thinks about its own stability, its own survival under immense strain and immense threat internally, so the concept that somehow you would have a foreign policy that contributes to the public good or to the systemic good over the national interest, I think, would be a foreign concept.

I also think that the way I read Chinese international politics is much more what we would call here in the United States – a realpolitik bent – state power and balancing. Again, the idea that somehow America's intervening in the Kosovo crisis, for example, made no sense to the Chinese, except as possibly some kind of attempt to eventually find a way to contain them. They see things much more in terms of narrow self-interest in the way that we're used to powers in the late 19<sup>th</sup>-century looking at things than in the ways that we're trying to define – and again, these are aspirations for us too – that powers have a duty and an obligation to do things that are not just for themselves, but also benefit the entire system. It's an entirely foreign concept in China.

MR. SWAINE: I wanted to find questions that get into more specifics of the particular issues, and not the broad definitional questions that we've been talking about. And it seems, we have a lot of questions dealing with the North Korea situation, and in response to comments that one or both of you have made. There is a question specifically to Dan. China may have concluded the U.S. goal on North Korea is regime change. If that's the case, why are Chinese actions to preserve stability on the peninsula necessarily irresponsible, or why aren't they the actions of a responsible stakeholder? If they fear regime change, then that's a disruption.

MR. BLUMENTHAL: Right, well, you have to believe that this regime is stable in order to do what the Chinese are doing. If you believe that, I don't think you're looking at the evidence over the last 16, 17 years of these negotiations. Internally, the famine and the deprivation and people just trying to get out; it's not a stable situation. Defying the Chinese on missile tests – in that case, a nuclear test – the fact that the Japanese are reacting in certain ways – this is fundamentally an unstable situation. Something will break one way or another, whether the regime collapses for some reason of its own weight and dysfunction or whether North Korea proliferates and there is some sort of massive response. We're always at the edge of our seats waiting to see what the North Koreans – this completely unpredictable regime – will do next.

So you have to fundamentally believe that the status quo is somehow attainable, stable, or peaceful to believe that the Chinese are acting as a responsible stakeholder. This goes to the question of responsible stakeholder in general. You have to get over the notion that a year of short-term stability buys you long-term stability, which is simply not the case. North Korea can't last like this.

A hegemonic Iran with nuclear weapons will fundamentally change the Middle East. And what we're trying to do through our diplomacy is to get the Chinese to think about international relations in these terms.

MR. SWAINE: This is a question for you, Bates, that relates to the same issue: North Korea. Dan has emphasized what he sees as China's failures in persuading or pressuring North Korea to abandon its nuclear weapons program. Many observers initially lauded China's sponsorship of the Six-Party Talks as a positive sign of a "new diplomacy," of responsible engagement. Would Dr. Gill care to spell out what he sees as most promising and most disappointing about China's role in the Six-Party Talks?

MR. GILL: Well, I guess one of the most promising things I see again is that it is a step, which just five to 10 years ago would have been almost impossible for us to contemplate, and demonstrates an unprecedented willingness on China's part to recognize its interests more broadly than just its own narrow risks that might be incurred, and to go out on the limb diplomatically-speaking to host and be a driving force behind a resolution of this problem. I think it's a remarkable move, and again, just simply adds weight to and places China further along this path of acting more responsibly internationally. So I think that's the most promising piece of all. And I think that commitment is likely to remain strong in China.

And look at what it has managed to overcome. Dealing with a state like North Korea and still, even after everything else, managing, for example, to forge the September 2005 agreement to drag the North Koreans back to the table even after their missile and nuclear tests – these are all positive things.

Where am I most disappointed? I think here Dan and I would probably come pretty close to agreeing that it could do a lot more in terms of squeezing North Koreans, either economically or politically, trying to demonstrate even more forcefully, and maybe doing a better job in terms of its willingness to make those steps public internationally rather than carrying out these discussions mostly behind closed doors in Pyongyang to bring greater pressure to bear. I am disappointed that the Chinese have not been even more innovative in their willingness to try and get North Korea to comply.

MR. SWAINE: Now, following up on this, Bates, there is a question here that really goes beyond the obvious ones of Chinese problems, such as Darfur and places like that, and asks, don't you think that the Chinese really need to make much more serious progress – move more rapidly? It's really a question of the speed of progress, the extent of progress over time in two areas. For example, environmental damage – the kind of damage that could very well be irreversible – and they have to move more quickly to show responsibility there. Second, trade distortions that hurt Western trading partners, that they continue to engage in those while they only move very slowly towards compliance on WTO. I mean, aren't there issues like this that are maybe not so obviously high-profile, but ones in which, in fact, on balance, the Chinese don't look like they're making all that much progress.

MR. GILL: What's interesting about both of those examples to me is, maybe it's here that we can make a stronger case that domestic developments – developments on the home front – are shaping what ought to be a more responsible behavior externally. But I don't think it has to do necessarily with the politics of the regime, although that is related. But simply, it has to do with hardcore economic pocketbook issues at home in China, so that as long as it is believed, especially in localities in China, that environmental growth and development trumps a concern with the environment, we're going to continue to face China as a growing threat as an environmental problem.

So too, I think, on the economic and trade-related issues with which we have so much trouble with China. Again, I think much of it can be traced to local interests, which so far, Beijing has not fully figured out a way to deal with it and force the local interests to comply with China's international commitments. I think they're both good points to raise. I don't think though, in and of themselves, they reverse the notion or completely undercut the notion that by and large China is moving in the right direction, even on these issues.

MR. SWAINE: You want to comment on that, Dan, or no?

MR. BLUMENTHAL: No.

MR. SWAINE: Okay, there is a question on this whole issue of domestic political system and domestic reform, if there is a close connection between – well, Dan says there's a pretty close connection – Bates probably not so close – between domestic political system and China's behavior as a responsible power. The question is what is a realistic path for a country that has a \$2,000 per year per capita income to attain healthy democratic reform? I mean, what is it that realistically one might expect from the Chinese in the near to medium term that they could change domestically that would have an impact on their responsible stakeholder behavior? Put it that way in terms of that issue.

MR. BLUMENTHAL: That should be the subject of another debate entirely. (Chuckles.)

MR. SWAINE: In two minutes please, Dan.

MR. BLUMENTHAL: I guess the way I would answer that is there's certainly a lot of countries – India comes to mind – that have GDPs that China has and are democracies. – There was an article 10 years ago that said that every country that reaches \$7,000 per capita will automatically become democratic and not before. – Countries take different paths. There certainly are reformers in China and there certainly have been periods where they pushed harder than not and it's really a Chinese decision and a Chinese process.

I certainly can't sit here and explain how that unfolds. I know that there are people who want change. Certainly in 1987 to '89, they pushed hard for change. It was a very Chinese way, just as the Taiwanese took their own way and the South Koreans took their own way and the Japanese took their own way. I don't have any particular – I can suggest Bruce Gilley' book on Chinese democratic future, but I would suggest that as a debate topic for you.

MR. GILL: Can I just make one quick comment?

MR. SWAINE: Sure.

MR. GILL: I think the answer – one answer to that question is the degree to which emergent constituencies in China, which have various forms of political clout, begin to see their interests as linked to the so-called responsible stakeholder activities of China abroad and as and if China's activities abroad are not falling within this responsible stakeholder rubric, then that's going to have negative impact back upon these constituencies at home.

Now, who are these constituents and how might they be so empowered? Well, I think the private property law is one very good example, to the degree that that gets strengthened and moved ahead, to the degree that even administrative law can be strengthened and made legitimate within China. That's going to bolster certain

constituencies within China that are going to want China to act responsibly abroad, if only on economic activities themselves.

So I don't know – like Dan, I'm not sure I have the exact answer, but I think that is where the connection is going to be made – is between – if and as China acts irresponsibly abroad on whatever issue you care to name, does that then come back and undermine the interests of important stakeholders and constituencies in China? And I think as the nation globalizes, as it becomes a more pluralized and diversified country, we may well see those sorts of connections emerge.

MR. SWAINE: A question on the issue of how to get China to become a more responsible stakeholder and this issue of collective action as opposed to unilateral action, where collective action as opposed to action among democracies. Bates mentioned that it's likely you'll get the most action from China if you work together in the international system as much as possible.

Dan, I'd like to get your view – what's your take on that particular degree of emphasis? How important is it for the United States to try to develop consensus or near consensus within the international community in trying to address some of the areas where China is perhaps not as responsible as it should be? I mean, on the one hand, you've got the advantages of numbers in order to put pressure on China, right? But on the other hand, you've got the difficulty that in many of these issue areas, it's hard to get a consensus from the international community on what is required of China to do. So what's your sense about how to split that?

MR. BLUMENTHAL: It's key. It's key and it's not only key among different nations of the world, it's key among – and I take the Darfur example again as something – you have this sense that China has stepped out into the world because of the various economic and natural resource interests; it's trying to protect those interests. And it's not quite prepared for some of the reactions it's going to get, whether those are more exposure, risks of terrorist attack and the death of Chinese citizens, or whether they actually stepped into a hornet's nest in terms of the international human rights community on Darfur. And it helps a great deal that it's not just the U.S. government lecturing the Chinese on Darfur; it is the Save Darfur Coalition, it is Mia Farrow, it is the EU, it is the parliaments in Europe, it is Bob Geldof. I mean, there's a coalition here that's basically saying to China, if you want to –

MR. GILL: You forgot Bono.

MR. BLUMENTHAL: Bono, of course, yeah, right. In the 21<sup>st</sup> century, it's obviously much more difficult to support these –odious regimes in the past. It's much more difficult to do so now, and China's entering the world stage at a time where it's much more difficult to get away with following some of these narrow self interests, oil over genocide in Darfur.

On the flip side, in terms of the harder power, the United States is not going to influence, effect, or keep the system stable and prosperous in Asia by itself. And the key there are the Asian alliances and being much more attentive to Asia policy in general that is not only Sino-centric, but it is forging some kind of consensus. And that consensus is, it's not going to work obviously if we say China is a threat and we're going to contain it; it's China may be a threat, we have to be prepared for a number of different scenarios, and I think you get a lot of consensus in that regard. So I think both on the sort of human rights soft power issues and on the "let's say this doesn't work out the way we want to" types of issues, it's key. The United States cannot shape Chinese behavior alone; there's just no way.

MR. SWAINE: Anything to add, Bates?

MR. GILL: Well, I agree with what he says, we need to pick our priorities. You can't gain international consensus on all issues all the time, of course not. But if we want to decide what are some of our really, really important issues with China – is it North Korea and Iran as Dan would argue?, is it trying to get China to be a better citizen on issues of environment, energy, economics? – let's decide what some of those key issues are. And I don't think it's that hard then to forge, especially region-based consensus, on certain issues with like-minded states and try and pull China into that process. But that's going to be critical because, in some ways, China's really looking to hear what the rest of the world is saying on some of these questions. They know already what we think. They want to know what the rest of the world is thinking so that they can either join as part of that or continue to be reluctant.

MR. SWAINE: Well, on that relatively optimistic note of China's interest and concern in the international systems' views, I think we've really come to the end of our time and I want to thank you both. Please join me in thanking Dan and Bates. (Applause.) A very interesting discussion. I hope you found it useful and please do keep attentive to our webpage; we will be listing the exact dates and the specific wording of the topics for our fall remaining debates. As Jessica mentioned, we're going to be having at least three more. So thank you all very much.

(END)