Coping With China's Foreign Policy Revolution

After decades of following Deng Xiaoping's dictum "Hide brightness, cherish obscurity," China's leaders have realized that maintaining economic growth and political stability on the home front will come not from keeping their heads low but rather from actively managing events outside China's borders. As a result, Beijing has launched a "go out" strategy designed to remake global norms and institutions. China is transforming the world as it transforms itself. Never mind notions of a responsible stakeholder; China has become a revolutionary power.

China's leaders have spent most of the country's recent history proclaiming a lack of interest in shaping global affairs. Their rhetoric has been distinctly supportive of the status quo: China helping the world by helping itself; China's peaceful rise; and China's win-win policy are but a few examples. Beijing has been a reluctant host for the six-party talks on North Korea, it has tried to avoid negotiations over Iran's potential as a nuclear power, and it has generally not concerned itself with others' military and political conflicts.

China's impact on the rest of the world has, in many respects, been unintentional--the result of revolutions within the country. As the Chinese people have changed how they live and how they manage their economy, they have had a profound impact on the rest of the world. China's position as the world's largest contributor to global climate change is not by design; it is the result of extraordinary economic growth and 1.3 billion people relying on fossil fuels for their energy needs.

Yet all this is about to change. China's leaders once tried to insulate themselves from greater engagement with the outside world; they now realize that fulfilling their domestic needs demands a more activist global strategy. Rhetorically promoting a "peaceful international environment" in which to grow their economy while free-riding on the tough diplomatic work of others is no longer enough. Ensuring their supply lines for natural resources requires not only a well-organized trade and development agenda but also an expansive military strategy. The Chinese no longer want to be passive recipients of information from the outside world; they want to shape that information for consumption at home and abroad. And as their economic might expands, they want not only to assume a greater stake in international organizations but also to remake the rules of the game.

China's leaders recognize that they are at a crossroads and are struggling to articulate their new course. In an interview with the China News Service, the usually politically deft former ambassador Wu Jianmin tried to reconcile the old rhetoric with the new reality: "By the time the current financial crisis is completely over … there is no doubt that China will play a more significant role in the world," he declared. "What we have achieved is just a beginning. Deng Xiaoping's idea of 'keeping a low profile and trying to do something' will continue to be
applicable for at least another 100 years." What Wu's somewhat ambiguous message in fact signals is that China is out to change the game.

For the rest of the world, China's new agenda will require far greater attention to the country's internal dynamics and a much more activist, coordinated foreign policy effort. The world needs to ensure that China respects the interests of others as it seeks to meet its needs. And if the United States wants to retain its preeminence, or at least maintain its role in shaping the norms and values that will guide the world in the twenty-first century, its China policy cannot merely be a reaction to Beijing's initiatives. It must be part of a broader, long-term global strategy that begins with a clear assertion of the United States' domestic priorities. As a first step, while Beijing searches for how to sell its revolution to the rest of the world, the rest of the world needs to move quickly to understand the shape of this revolution and anticipate its impact.

THE REVOLUTION WITHIN

In the late 1970s, the Chinese leader Deng began the process of "reform and openness," precipitating a series of reforms that, over three decades, produced revolutionary change. China's economic institutions, patterns of social mobility and interaction, and societal values and even the Communist Party were transformed. By almost any measure, Deng's revolution also produced one of the great economic success stories of the twentieth century. China is now the second-largest economy and exporting nation in the world. Through a booming export sector, a continuous flood of foreign capital, and a managed currency, its central bank and state investment institutions now hold the largest reserves of foreign currency in the world. In the process, hundreds of millions of Chinese have been lifted out of poverty in just a few decades.

Yet for China's current leaders, Deng's revolution has run its course. They must now confront the downside of 30 years of unfettered growth: skyrocketing rates of pollution and environmental degradation, rampant corruption, soaring unemployment (reports range from 9.4 percent to 20 percent), a social welfare net in tatters, and rising income inequalities. Together, these social ills contribute to over 100,000 protests annually. In response, China's leadership is poised to launch an equally dramatic set of reforms that will once again transform the country and its place in the world. If all goes according to plan, in 20 years or less, China will be unrecognizable: an urban-based, innovative, green, wired, and equitable society.

At the heart of this next revolution is Beijing's plan to urbanize 400 million people by 2030. In 1990, just 25 percent of all Chinese lived in cities; today, that number is almost 45 percent. By 2030, it will be 70 percent. Urbanizing China will allow for a more effective distribution of social services and help reduce income disparities. An urban China will also be knowledge-based. No longer content to have their country be the world's manufacturing powerhouse, China's leaders have embarked on an aggressive effort to transform the country into a leading center of innovation. Beijing is supporting research and development; recruiting Chinese-born, foreign-trained scientists to return to China to head labs and direct research centers; and carefully studying the models of innovation that have proved successful in the West.

China's new cities will also be green. Beijing is investing hundreds of billions of dollars in the clean-energy sector and is providing subsidies to domestic manufacturers to encourage the sale
of clean-energy products. Already, China is among the world's leading manufacturers of wind turbines and photovoltaic panels, and it is poised to capture significant segments of the global market in clean-energy transport, including high-speed rail and electric vehicles. Finally, China's urban population will be wired. China is already in the midst of an information revolution. Over 30 percent of Chinese people use the Internet, and most of them are in cities. In a 2009 Gallup poll, 42 percent of urban Chinese reported having access to the Internet in their homes, representing a 14 percent jump since just 2008. In absolute terms, more people are wired in China than anywhere else in the world.

Even as China moves ahead with its bold plans to transform its economy and society, new pressures and challenges will emerge. The resource demands of rapid urbanization are substantial. Half of the world's new building construction occurs in China, and according to one estimate, the country will construct 20,000-50,000 new skyscrapers over the coming decades. Shanghai, already the country's most populous urban center, will soon be surrounded by ten satellite cities--each with half a million people or more. Connecting all these and other new cities throughout the country will require 53,000 miles of highway. Once the cities are built and connected, the demand for resources will continue to grow: urban Chinese consume more resources than those in rural areas (roughly 3.5 times as much energy and 2.5 times as much water), placing significant stress on the country's already scarce resources. By 2050, China's city dwellers will likely account for around 20 percent of global energy consumption.

Urban Chinese also make more organized political demands--for a cleaner environment, broader cultural expression, and more transparent governance--than their rural counterparts. Civil society blossoms in China's cities: homeowners' associations, artists, and environmental and public health advocates all assert their rights and demand change with increasing frequency. Expanding China's middle class by 400 million people will bring only more demands and put more political pressure on China's leaders.

Expanding popular access to the Internet will further up the ante for China's leaders by significantly increasing the odds that political discontent will solidify into a broad-based challenge to Communist Party rule. Premier Wen Jiabao has admitted to "surfing the Net" daily to help him understand people's concerns, but President Hu Jintao has expressed some concern about what the Internet might mean for China: "Whether we can cope with the Internet is a matter that affects the development of socialist culture, the security of information, and the stability of the state." Hu's comment signals that China's leaders are aware of the political challenge the Internet could pose to their rule in the future.

Already, the Internet is evolving into a virtual political system in China: the Chinese people inform themselves, organize, and protest online. In July 2010, bloggers provided firsthand accounts of a large-scale pollution disaster in Jilin Province, contradicting official reports. Thousands of people ignored government officials, angrily accusing them of a cover-up, and rushed to buy bottled water. Chinese are also "voting" online. In one instance, a journalist sought by the police on trumped-up charges of slander took his case to the Internet. Of the 33,000 people polled, 86 percent said they believed he was innocent. The Economic Observer, a Chinese financial weekly, then launched a broadside against the police, condemning their attempt to threaten a "media professional." The charges against the journalist were dropped.
Activists have also used the Internet to launch successful campaigns—some involving physical protests—to prevent the construction of dams and polluting factories and to oppose the removal of Cantonese on television programs airing in Guangdong. Most striking, perhaps, has been the emergence of iconic cultural figures who use the Internet for political purposes. The renowned artist Ai Weiwei, for example, has pursued justice for families whose children died in the Sichuan earthquake, even documenting his encounters with recalcitrant officials on YouTube. The racecar driver and novelist turned blogger Han Han, routinely calls for greater media and cultural freedom. Since its launch in 2006, his blog has received more than 410 million hits. Perhaps most significant, Twitter, which is banned in China, has emerged as the most vibrant underground forum for uncensored political debate—including a pathbreaking online conversation between Chinese netizens and the Dalai Lama in May 2010.

The core priorities of China's leaders today remain very much the same as those of Deng three decades ago: economic growth and political stability. Yet the domestic environment in which they operate and their understanding of the road to success are radically different. It is no longer enough to focus on the home front; China's leaders want to shape the international context in which they do business.

**CHINA'S REVOLUTION GOES GLOBAL**

In the 1990s, then Chinese President Jiang Zemin launched his country's first "go out" policy, encouraging the country's state-owned enterprises to go abroad in search of natural resources. As a result of Jiang's initiative, China's trade with the resource-rich countries of Southeast Asia, Latin America, and Africa exploded between 2001 and 2007, growing by 600 percent. Tens of thousands of Chinese companies now operate throughout the developing world, often rejuvenating previously moribund economies with their investments. Leaders from the Democratic Republic of the Congo to Venezuela and Cambodia have welcomed Chinese investment and infrastructure as the type of practical assistance their countries most need. In many instances, Chinese state-owned enterprises are willing—and able, with the support of the government—to take on projects that no other multinationals find financially prudent. The copper mines in Zambia had remained closed for more than a decade until the Chinese came to town. This economic outreach has been matched by an unparalleled diplomatic effort. China offers a vast menu of trade and aid deals, infrastructural support, and educational and technical training opportunities to countries rich in natural resources.

Chinese investors are generally welcomed for their implicit promise to bring some of the success of "the China model" to the host countries. The willingness of the Chinese government and its state-owned enterprises to do business anywhere, anytime, and at any price has become legendary. As Sahr Johnny, Sierra Leone's ambassador to Beijing, commented in an interview regarding Chinese construction projects in his country, "If a G-8 country had wanted to rebuild the stadium, for example, we'd still be holding meetings. The Chinese just come and do it. They don't start to hold meetings about environmental impact assessment, human rights, bad governance and good governance."

Yet not everyone is as sanguine about the way China does business. Chinese companies have encountered resistance in a number of countries, including Papua New Guinea, Peru, and
Zambia. Poor environmental and safety practices, along with labor policies that overtly favor Chinese workers, have caused intense conflicts with local residents in all these countries. In Vietnam, a Chinese bauxite mining project that will bring in more than 2,000 Chinese workers has raised the ire of Vietnamese workers, religious leaders, and even military and government officials. A prominent Vietnamese lawyer has gone so far as to sue the prime minister, accusing him of breaking four different laws by expediting approval of the project.

China's urbanization push will only intensify the country's outward drive for more natural resources. More cities, more roads, and more infrastructure will mean more steel, more copper, and more bauxite. China accounts for approximately one-fourth of world demand for zinc, iron and steel, lead, copper, and aluminum. In mid-2010, according to the International Energy Agency, China surpassed the United States as the world's largest energy consumer. China has also become concerned about its access to sufficient water supplies. In China, the amount of water available per person is one-fourth the global average. China is water rich in absolute terms, but given the number of people, the levels of pollution, and the location of China's water resources, water is scarce throughout much of the country--and China's leaders fear serious future shortages due to rapidly growing household and industrial demand. Consequently, they are moving quietly but aggressively to dam and divert the water resources of the Qinghai-Tibetan plateau, a move that will affect millions of people outside the country's borders. China's river-diversion initiatives are generating significant concern in Bangladesh, India, and Kazakhstan, among other countries, and paving the way for future regional disputes: the economic livelihood of millions of people outside China's borders depends on access to these water resources.

The next wave of "going out," however, will take China far beyond investment in natural resources. As China becomes an innovative, knowledge-based economy, its leaders are encouraging their cash-rich state-owned enterprises and investment funds to take stakes in or acquire foreign companies, particularly those with desirable technologies. Where Chinese products are competitive, Chinese firms are jumping in feet first. China's Ministry of Commerce is an aggressive advocate for the country's companies, for example, promoting an "all-in-one" service for clean-technology exports: the provision of equipment, expertise, and services. The government will even provide the necessary loans, which can then be used to pay for Chinese-made equipment, workers, and technologies. Beijing has already promised 1,000 such clean-energy projects to countries in Africa.

Ensuring a fair deal for the countries in which Chinese firms invest will require that those countries engage Chinese companies head-on. For example, the Chinese Ministry of Railways, which is bidding with General Electric to build California's high-speed rail network, has promised to provide the financing, technology, equipment, and "many high-end engineers and high-end technicians," potentially raising questions about what role GE and American workers will play in the project. California and other U.S. states will need to ensure that Chinese investment satisfies multiple U.S. interests, including labor.

China's leaders are also making their voices heard in international financial and trade institutions, in an effort to ensure that their economic interests are protected. In March 2009, as the world struggled to cope with the global financial crisis, China's leaders issued a number of provocative statements regarding the future of the international financial system. China's well-respected
central-bank governor, Zhou Xiaochuan, announced that it might be time to move away from the dollar as the world's global currency and develop a "super sovereign" currency based on a basket of currencies. Chinese President Hu similarly called for an overhaul of the global financial system at the G-20 summit in April 2009. The public reaction was swift: most international commentators stated that the time was not right for a move away from the dollar. Chinese officials quickly backtracked, assuring critics that their proposals were merely recommendations that could be implemented over the next decade rather than in the next year.

Yet China has quietly continued to push the issue within the International Monetary Fund, and as its voting share within the IMF continues to increase (it increased from 2.9 percent to 3.6 percent in 2006, and there is a pending increase to 3.8 percent in 2010), China will have more opportunities to press its case. Over time, China may also seek to upend other aspects of IMF governance, such as the annual review of countries’ currency practices and the governance and transparency requirements for IMF loan recipients. Both practices are headaches for China: the IMF has both obliquely and directly criticized Beijing for keeping the yuan artificially low, and China's disregard for IMF-based transparency and good governance standards in its trade and aid deals in the developing world has earned it further criticism from the international community.

Although the expansion of China's economic reach may be the most noticeable manifestation of its new activist foreign policy, its efforts to limit foreign competition in key strategic sectors, such as clean-energy technology, will also have a major impact. China's initiative to support "indigenous innovation" has drawn significant criticism from the rest of the world. Consciously rejecting the Japanese and South Korean model of technology innovation, which was rooted in a long-term catch-up strategy of licensing foreign technologies, China is looking to develop its own technologies and product standards. And it is trying to use international institutions to promote its domestic standards as global standards. For example, it is currently engaged in trying to push its own standards for software encryption and wireless local area networks as global International Organization for Standardization standards. (The ISO has previously rejected Chinese proposals to adopt the new protocol globally largely due to its use of an undisclosed algorithm, which has raised concerns about unfair trade practices.) As Jeremie Waterman, a senior director at the U.S. Chamber of Commerce, noted in his testimony before the U.S. International Trade Commission in June 2010, Beijing has "recently begun to implement a medium-and long-term indigenous innovation plan via a growing web of discriminatory industrial policies, including in the areas of government procurement, information security, standards setting, tax, antitrust, intellectual property protection and enforcement and industrial espionage." In effect, rather than working to address the long-standing problems in its trade and investment sectors, China is using the weaknesses of its regulatory and enforcement regime to provide an even greater competitive advantage to its companies. Appropriating the intellectual property of other firms takes less time and is less costly than licensing it or creating one's own. As long as Chinese companies are unlikely to be sanctioned for taking the intellectual property of other firms, they are unlikely to change the way they do business.

China has also taken steps to protect its hold on strategic resources and, in some cases, to compel foreign companies to locate their manufacturing bases in China or be put out of business. In the process, Beijing is undermining global trade norms. In November 2009, the United States and the European Union launched a case in the World Trade Organization against China for using
export restraints on over 20 raw materials, such as bauxite and coke, that are essential for basic manufactured goods, including steel, semiconductors, and aircraft. Less than a year later, Beijing announced another round of restrictive trade policies, this time for rare-earth metals, cutting its export quotas by 72 percent. These metals, over which China holds a near monopoly, are necessary to produce not only magnets, cell phones, and fiber-optic cables but also electric-vehicle batteries and wind turbines. If it is not rescinded, China's action could force many clean-energy firms to manufacture significant components in China, given that the United States and many other countries would need several years to rebuild their rare-earth mining capacity.

The world has become accustomed to many of the global impacts of China's economic revolution. China is already a trade and investment powerhouse, a significant purchaser of U.S. debt, and a major player in global commodities markets. As Beijing now seeks to more actively shape international trade and investment norms to suit its next revolution, the rest of the world can draw on past experience to negotiate with, and occasionally even redirect, China. The same cannot be said, however, of China's efforts to expand its military reach.

**NAVAL GAZING**

In April 2010, Chinese Rear Admiral Zhang Huachen, deputy commander of the East Sea Fleet, boldly declared that the country's naval strategy had changed: "We are going from coastal defense to far sea defense…. With the expansion of the country's economic interests, the navy wants to better protect the country's transportation routes and the safety of our major sea-lanes."

In reality, Zhang's pronouncement was merely the coming-out party for a strategy that had been on the books as early as 2007. The strategy envisions China’s naval capacity as expanding in three stages: first, to a navy that can cover the "first island chain," which includes islands from Japan to Taiwan to the Philippines; then, to a regional naval force with capabilities extending to Guam, Indonesia, and Australia; and finally, to a global force by 2050. The state-owned Global Times reinforced the initial steps in describing the navy's strategic shift: "Naturally, the transformation of the Chinese navy will bring changes to the strategic pattern in East Asia and the west Pacific Ocean that has lasted for the last five decades."

The South China Sea has become the first battleground. In March, even before Rear Admiral Zhang's pronouncement, Chinese officials appeared to assert for the first time that the South China Sea--whose resources have long been claimed by a number of other countries, including Malaysia, the Philippines, and Vietnam--is a "core national interest," a term previously reserved only for Taiwan and Tibet. Shortly thereafter, in April, the navy followed up with an almost three-week exercise in the region.

The international community reacted swiftly. At the June 2010 Shangri-la Dialogue, in South Korea, which brought together defense ministers from throughout the Asia-Pacific region, U.S. Secretary of Defense Robert Gates asserted that the United States' interest in the South China Sea was ensuring "stability, freedom of navigation, and free and unhindered economic development."

U.S. Secretary of State Hillary Clinton followed suit at the July ASEAN Regional Forum, in Hanoi, by offering U.S. assistance in mediating the disputes Surrounding the South China Sea's islands] and resources. Her offer was immediately supported by several, although not all, of the
claimants. And in August, Vietnam and the United States held their first joint naval exercises ever in the South China Sea.

More challenges will follow. In July 2010, one of China's foremost security scholars, Shen Dingli, laid out the rationale for establishing a more permanent Chinese military presence abroad through the establishment of military bases. Although retired Chinese naval officials and current senior political officials have offered differing perspectives on the idea, there appears to be political momentum behind such a move. (The Chinese government has already pushed forward with the development of deep-water ports in Pakistan, Myanmar (also called Burma), and Sri Lanka and is openly discussing the potential of other sites in Bangladesh and Nigeria. It may take a decade or more for the capacity of China's navy to match its ambitions, but the contours of China's more activist security strategy are already evident.

GETTING THE STORY RIGHT

As the impact of China's transformational policies reverberate throughout the world, Beijing has recognized the need to match its economic and military expansionism with an equally aggressive media strategy. As the Internet is allowing foreign perspectives into China, Chinese officials have become convinced of the need for China to tell its own story to the rest of the world. As one senior propaganda official commented, "We must … initiate targeted international public opinion battles, and create an international public opinion environment that is objective, beneficial, and friendly to us."

The result is a Chinese media blitz, with a price tag upward of $80 billion. The Xinhua News Agency is launching a 24-hour global English-language television news service, headquartered in New York City's Times Square, to compete with CNN and the BBC in order to "provide international and China news with a Chinese perspective to global audiences." Already, China's state media post 400 correspondents in 117 bureaus around the world, and they are planning for 180 bureaus by 2020. Chinese media companies--such as Xinhua, the China Daily, the Global Times, and the People's Daily--now routinely ask foreign experts for commentary on global affairs.

At the same time, Chinese officials remain committed to controlling the flow of information into and within the country. Censorship, Internet police who monitor and guide online discussions, new regulations for the registration of Internet Protocols, and arrests of Internet dissidents are all designed to prevent the Chinese people from straying too far outside acceptable political boundaries. Moreover, foreign media companies have been largely unsuccessful in capturing significant market share in China, and some--such as Google and the media magnate Rupert Murdoch--have scaled back their efforts or pulled out in the face of highly restrictive policies.

How successful Chinese media will ultimately be in winning the hearts and minds of the rest of the world will likely rest on their ability to change the way they do business. Other authoritarian states seek to emulate the Chinese model, restricting Internet access and controlling domestic media. However, gaining the respect and trust of the rest of the world will require China to adopt a very different strategy. An open and critical approach to reporting news about China will be essential. Ultimately, the impact of the Chinese media foray abroad may be less transformative...
globally than on the home front. As Chinese media companies remake themselves to compete in the international marketplace with more investigative and open reporting, the pressures will mount to adopt similar strategies in the domestic market.

**AMERICA FIRST**

China has been remarkably consistent over the past three decades in defining its core interests as economic growth and political stability. What has changed is the leadership's understanding of what is required to achieve these goals. China's drive to remake global norms is also fueled by a resurgent nationalism that hearkens back to the days when China was a world trading power. For some Chinese officials, the past century--in which China has been largely absent as an economic and military force--was merely a historical aberration. In their eyes, things are now returning to normal.

In the United States, China's more activist foreign policy necessitates a strategic reevaluation. Buzzwords such as "containment," "engagement," and "congagement" and the notion of a "G-2" will not be useful concepts in the years to come. Instead, the White House needs to consider its policy on three different planes.

First, rather than relying primarily on bilateral engagement (an effort attempted and later discarded in the face of Chinese lack of interest), the Obama administration should continue to work with others to help influence Beijing. The United States, the European Union, and Japan often coordinate their trade policies toward China; U.S. cooperation with Russia brought China along on a round of UN sanctions against North Korea; and the United States and a number of Southeast Asian nations have found common cause in pressing Beijing to come to the negotiating table over the South China Sea. As China expands its naval activities in the coming decades, such multilateral cooperation--and pressure--will be essential in convincing China to discuss military transparency and the rules of the road in maritime security.

The White House must also continue to make clear that it believes certain core values should underpin the international system. These values above all reflect an American commitment to freedom--freedom of the seas, the air, space, and the Internet; free trade; the rule of law; and the political freedoms associated with basic human rights. The degree to which these values conflict with those espoused by China helps explain why the road to trust and cooperation between the two countries remains so challenging. Within China, there are political thinkers, activists, and even officials who share the ideals espoused by the United States. Until such views become more prevalent, however, it is essential that the United States be willing to advance them through both its diplomatic and its policy initiatives.

U.S. policy toward China cannot consist merely of blocking and parrying Chinese initiatives and promoting American ideals. Nor can Washington rely on annual dialogues designed to hash over a laundry list of issues that, in the end, simply delineate where the United States and China disagree and contribute little to attaining U.S. interests.

The third plane of U.S. policy should concern the United States' domestic interests and objectives. The Obama administration should begin by taking a page from China's playbook.
Like China, the United States should derive its foreign policy first from a clear articulation of its objectives and strategy for its own future: What does the United States want to look like 50 years from now, and how is it going to get there? From such a vantage point, policy toward China becomes an instrument of achieving U.S. goals rather than an end in itself.

If the United States wants to be the global leader in clean-energy technology by 2050, for example, it should now be developing the intellectual, financial, and political infrastructure to get there. And when Chinese clean-energy investment interests come knocking, as they are doing, the United States will be well positioned to determine what types of investment should be welcomed. When done right, such deals have the potential to result in equitable partnerships and successful cooperation. In August 2010, for example, the United Steelworkers union struck a deal with the Chinese companies A-Power Energy Generation Systems and Shenyang Power Group to develop a $1.5 billion wind-farm venture in Texas that will create 1,000 jobs for U.S. workers--up from 330 U.S. jobs when the project was first proposed--and use about 50,000 tons of U.S.-made steel.

Similarly, China's efforts to move the international financial system away from the dollar as the world's reserve currency, although potentially costly if done abruptly, might nonetheless be advantageous for Washington over the long run. If the United States were no longer able to borrow money at a better rate than other countries or run greater trade deficits with the benefit of a much-delayed economic impact, for example, it would impose a potentially helpful fiscal discipline on the U.S. economy.

Paying close attention to transformations within China will pay significant dividends for U.S. policymakers seeking to predict what China might do next. Growing water scarcity in China, for example, will likely shape and perhaps even limit agricultural and industrial opportunities there over the coming decades. Listening to early signals of policy shifts, such as the recent scholarly but public commentary on the future of Chinese military bases abroad, is also important. Finally, China's own leadership will be replaced in 2012. Five of the seven top leaders in the Standing Committee of the Politburo, including President Hu and Premier Wen, will retire. These relatively insular engineers will be replaced by a leadership class dominated by more confident, well-traveled, and politically entrepreneurial social scientists. Bold political change may not be on their agenda, but a few of them initiated political experiments or reforms as provincial leaders. It is a group of leaders that, when given the reins, will certainly bring more change and perhaps even a few surprises.

Although China's leaders have laid out their vision and put change in motion, both domestic and international pressures may well produce an outcome far different from the one they anticipate. All revolutions are inherently unstable, and China's is no exception. The United States needs to be ready, and that requires more than simply reacting to Beijing's more active foreign policy; it demands a U.S. policy toward China that looks inside China's domestic revolution to anticipate the future challenges and opportunities for the international community that will arise as a result of it.

As China seeks to remake global norms and institutions, it is also essential that the United States continue to assert its own ideals and strategic priorities and continue to work closely with other
like-minded nations. Ultimately, however, the United States will succeed only when it can clearly articulate its own economic and political priorities and then ascertain how China can best help meet those objectives. The United States' China policy should be a means to an end, not an end in itself.

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