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I have been asked to testify today about the prospects that China will become a "responsible stakeholder" in the international system – the objective of American policy defined by then Deputy Secretary of State Robert Zoellick in a speech he delivered to the National Committee on U.S.-China relations in New York in September 2005. Along with our policies of engaging China in regular and robust negotiations on bilateral issues, hedging against the risks inherent in China's uncertain future, and promoting a peaceful evolution of the relationship across the Taiwan Strait, encouraging China to become a "responsible stakeholder" in international affairs has become one of the central elements in present American policy toward China.

## The concept of "responsible stakeholding"

Our goal of seeing China become a "responsible stakeholder" in the international system is an extension and updating of the Clinton Administration's earlier policy of integrating China into the international order. The policy of integration reflected the assumption that our objectives with regard to China could be better served, and the predictability of China's international and domestic conduct increased, if China were brought into the full range of international regimes for which it was qualified, as well as extensively integrated into the global economy. The most obvious example of this policy was the long, difficult, but ultimately successful negotiations over China's membership in the World Trade Organization. But there are other examples as well: securing Chinese endorsement of the norms that govern non-proliferation and human rights, supporting China's membership in regional economic and security organizations, and even the decision to endorse Beijing's bid to host this year's Summer Olympic Games.

But now, China has become a member of virtually all international organizations, excepting primarily only those that require members to be developed economies (the OECD, the International Energy Agency, and the G-7), plus a few non-proliferation regimes (the Missile Technology Control Regime; the Wassenaar Agreement, governing conventional arms and dual-use technologies; and the Australia Group, governing technologies that produce chemical and biological weapons). And, as the levels of trade and capital flows to and from China so amply demonstrates, China has certainly become a major participant in the global economy. The process of China's formal integration into the international system has been largely completed.

The issue now, as Zoellick rightly suggested, is no longer securing China's membership in the international system, but encouraging it to become a "responsible stakeholder." By this is meant not only honoring the rules and norms of the system, but also enforcing the norms when others violate them, and assisting those who wish to join the system but lack the capacity to do so. It involves active participation, not simply passive membership. It entails accepting the burdens and responsibilities of being a major power with a stake in international peace and stability, rather than being a free rider on the efforts of others.

China has reacted to the concept of "responsible stakeholding" with some ambivalence. On the one hand, Beijing appreciates that, in calling on it to become a "responsible stakeholder," the U.S. is seeking a positive relationship with China. The concept suggests that the U.S. can accept – and even welcome – the rise of Chinese power and Beijing's growing role in the world if it acts responsibly. The Bush Administration's view of China as a prospective stakeholder in the international system as expressed in 2005 is certainly preferable to its view of China as a strategic competitor of the United States as expressed during the early months of the administration's first term in 2001.

However, Beijing also perceives, largely correctly, that America's more accommodative posture is conditional. China will be expected to honor international norms and respect international organizations that it did not create and that it may sometimes question. And, even more worrying from Beijing's perspective, is the prospect that the United States is reserving the right to be the judge of whether or not Chinese behavior on particular issues is sufficiently "responsible."

## China's conduct as a responsible stakeholder

In the short space of time available to me here, I cannot offer a comprehensive issue-by-issue or region-by-region assessment of the extent to which China is acting as a "responsible stakeholder" in the international community. What I can do is to discuss Beijing's willingness to comply with and enforce four sets of norms that lie at the heart of that community. I will not discuss China's compliance with its obligations to the World Trade Organization, since I understand that will be covered in a separate hearing. Rather, I will deal with four other norms and regimes:

- Self-determination
- Development assistance
- Human rights and human security
- Non-proliferation

Together, these norms cover most of the specific issues about which the US is concerned, from Taiwan to Iran and from North Korea to Sudan. I will discuss the norms in the order in which China is willing to accept, uphold, and enforce them, from less acceptance to more.

### Self-determination

Of the four sets of norms under consideration here, the norm of self-determination, most recently invoked by those who support the independence of Kosovo from Serbia – is the most worrying to China. Ironically, the norm was a key element in Chinese foreign policy in the 1950s, 1960s, and 1970s, when Beijing could apply it to support independence for Western colonies in Asia, Africa, and Latin America. But today, when there are few colonies left, the concept is primarily applied to parts of states that – often for reasons of ethnicity or identity – want independence or greater autonomy from the national government that exercises sovereignty over them. Beijing is

now intent on ensuring that such the principle is not applied to Taiwan, Tibet, or other parts of what it regards as Chinese territory. What was once praised as a principle when it justified the desire of a people to assert independence from colonial rule is now denounced when it can be invoked to justify "splittism" against a legitimately constituted nation state.

This is not to say that China's opposition to self-determination is absolute. Beijing has accepted the independence of Timor-Leste (East Timor) from Indonesia, as well as the independence of the former Soviet republics from Russia. It may even tolerate the independence of Kosovo from Serbia, particularly if Kosovo refrains from recognizing Taiwan or supporting Taiwanese independence.

But China would prefer that self-determination be applied only when it has obtained the consent (even if nominal) of the national government in question. If Indonesia was willing to permit the independence of East Timor, China will not object. But since China will not permit the independence of Taiwan or Tibet, the rest of the international community has to right to apply the principle of self-determination in those cases.

Development aid

In recent years, China has markedly increased its official development assistance (ODA) to the Third World, with a particular focus on providing that aid as part of a package that also includes Chinese direct investments in projects to extract energy and other natural resources, and often in the transportation infrastructure that can facilitate the export of those resources to China.

China has tried to differentiate its aid from that provided by Western countries and the major international financial institutions (particularly the World Bank and the IMF) by claiming that its ODA is unconditional – that it does not require that the recipient governments meet certain standards of performance in order to receive the aid. Strictly speaking, of course, it is inaccurate to describe China's aid as unconditional. As just noted, much Chinese ODA is tied to commercial projects, even if not conditioned on standards of good governance. Still, Beijing presents its aid policy as avoiding any temptation to interfere in the recipient country's internal affairs.

But is this policy sustainable? Already, it is clear that China runs a significant international risk by providing large amounts of aid to rogue regimes. As the case of China's attempt to ship small arms to Zimbabwe illustrates, this risk comes not just from the U.S. and other Western powers, but from other developing countries in the region as well. In addition, Beijing may also run reputational risks at home, if its citizens begin to perceive that their national treasure is being misused by corrupt governments because of the absence of conditions on its use, or that foreign investment in unstable states encounters unanticipated and unacceptable costs and risks.

Already, there are signs that Beijing may be willing to discuss minimal performance standards for ODA – as well as the concept of corporate social responsibility (CSR) as applied to the activities of Chinese companies operating or investing abroad. This provides some hope that China will see the advantages of becoming more responsible on the issue of development aid.

Human rights

China's position on international human rights has evolved dramatically over the last thirty years. It has come to accept the idea that there are universally accepted human rights – a departure from the Maoist position that the West's definition of "human rights" embodied "capitalist" or "bourgeois" concepts that could not be applied to China, to other socialist states, or even to developing countries. It has even begun to accept the proposition that this universal definition of human rights includes political and civil rights as well as economic and social rights, even though it has not yet ratified the international convention governing the former.

Despite Beijing's growing acceptance of the concept of universal human rights, however, there remain significant gaps between its position and that of the United States. China continues to insist that human rights, although universal, are not absolute. Their promotion must be weighed, Beijing says, against other considerations, particularly political stability and economic development. It also argues that political and civil rights can only be implemented gradually, at higher levels of economic development and greater degrees of political stability. There is also the strong possibility that China is trying to develop a new model of politics that it will call "democratic," but that will not include the elements of pluralism, contestation, and direct elections that the U.S. regards as essential parts of the definition of democracy.

Even more important for our purposes is Beijing's ambivalent attitude toward international enforcement of human rights in countries where they are being violated. China's present position is that international action through economic sanctions or humanitarian intervention is acceptable under only three conditions:

- When the violations of human rights are extraordinarily serious, as in the case of apartheid, genocide, or severe internal conflict;
- When the violations of human rights have effects that spill across borders and thus threaten international peace and stability; or
- When the government of the state in question requests or accepts international action.

More recently, China has been increasingly willing to subject lesser human rights to international criticism or diplomatic representations, as when it urged the Burmese government to promote the "normalization" of political life or encouraged the North Korean government to engage in economic reform and opening. But, again because of concern about its own domestic situation, China is not willing to accept the imposition of sanctions, let alone military intervention, in these lesser cases. Unless one of the three conditions listed above is met, China regards economic sanctions or humanitarian intervention as an unacceptable violation of the sovereignty of the country in question.

Proliferation

China has increasingly accepted the international norms governing the proliferation of weapons of mass destruction (WMD), largely because Beijing has come to understand that China own interests might well be threatened by such proliferation. It remains, however, less supportive of norms that govern the proliferation of other weapons systems, including missile technology and conventional arms. And its domestic enforcement of the norms it has accepted, such as those governing the export of precursors for chemical and biological weapons, has not always been adequate.

The main issue, however, is China's attitude toward the enforcement of non-proliferation norms when they are being violated by other states, particularly those such as North Korea and Iran that are seeking to develop nuclear weapons. In general, China has insisted that all states – even those that the U.S. regards as rogue states – have the right to undertake civilian nuclear programs, if they are subjected to the requisite international safeguards. When violations are suspected, Beijing is relatively slow to accept the need for sanctions, preferring to try what it calls a more "cooperative" approach – i.e., diplomatic dialogue, with positive incentives provided alongside the prospect of sanctions. It regards sanctions as a last resort – and, when sanctions are ultimately necessary, it tends to favor modest and voluntary sanctions over stringent and mandatory ones, and economic sanctions over military intervention. Of course, China also prefers that decisions to impose sanctions to be made by the United Nations, or at least a regional body with universal membership, rather than unilaterally by a single nation (particularly the United States), or even by a group of nations that it regards as unrepresentative.

Generalizations

What do these four sets of international norms tell us about the probability that China will become a more "responsible stakeholder" in the present international system, as envisioned by current American policy? Let me conclude with the following generalizations:

- China has come increasingly to accept a wide range of international norms and institutions, indulging some that it vigorously rejected during the Maoist era.

- But it still defines some of these norms differently than does the US, including those governing human rights and official development assistance, and continues to resist still others, particularly the right of self-determination and the norms governing trade in arms other than weapons of mass destruction.

- China believes that the enforcement of norms should be constrained by a continuing commitment to the countervailing principle of national sovereignty.

- And, in practice, China often has other interests – particularly commercial or security ties to the governments accused of violating international norms -- that lead it to try to block or moderate the imposition of international sanctions.

- In so doing, Beijing can invoke its general preference for diplomatic initiatives over sanctions and for milder sanctions over harsher ones.

Conclusion: when does China engage in "responsible stakeholding"?

How, then can the US persuade Beijing to be more responsible than it is now? China is more likely to act responsibly under the following circumstances:

- Beijing sees that the norms in question are truly universal, obtaining support from the vast majority of states in both the developed and developing worlds. This explains China's acceptance of some of the international norms governing human rights and non-proliferation.

- China understands that international behavior in accordance with the norms would be in keeping with its own interests, and that behavior that violates those norms would pose a potential threat to China's own objectives. This is perhaps the major reason why China now supports the nuclear non-proliferation regime.

- China sees that the international organizations that enforce the norms are widely regarded effective and legitimate. This explains China's increasing willingness to take security issues to the United Nations Security Council and trade issues to the WTO.

- Beijing knows that it will be isolated from countries whose opinions matter if it obstructs the enforcement of the norms. This is the lesson to be drawn from the embarrassment China recently suffered when it tried to transport conventional arms to Zimbabwe.

- China sees that other major powers, including the United States, also abide by the norms that it they expect China to honor.

In addition, as new norms are written, or as outmoded ones are revised, if Beijing is to be regarded as a "responsible stakeholder" in the international system, it should be invited to participate in the norm drafting process. If a major power like China is to be discouraged from being a rule breaker or even simply a nation that tolerates rule breaking by others, then it should be treated as a rule-maker, and not simply as a rule-taker.