

TESTIMONY

“CHINA ON THE EVE OF THE OLYMPICS”

by

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Chairman Berman, Ranking Member Ros-Lehtinen, and Committee Members: Thank you for inviting me to share with the Committee my *personal* assessments on four timely issues: 1) What does the run up to the Olympic Games tell us about Beijing’s internal political development and likely future foreign policy behavior? 2) How are the Games likely to unfold and what impact is this outcome likely to have on China’s foreign relations, not least ties with the United States? 3) How should Congress and the Administration approach the Olympics with an eye to advancing our foreign policy goals? And 4), Looking beyond the Games, how should Congress and the Executive Branch conceptualize U.S.-China relations for the long haul?

Most fundamentally, Mr. Chairman, I believe the following: First, the United States has an affirmative interest in the perceived success of the upcoming Olympic Games. Second, we should focus on the period beyond the Olympics; we need to pursue a fundamental strategy of “Managing Common Threats and Common Opportunities.” Third, one principal opportunity we should be trying to seize is in the Taiwan Strait. The people on both sides of the Taiwan Strait have a window of opportunity for peace and stabilization that is very much in American interests. We should actively foster an environment in which sustained progress there can be made. And finally, as one Member of Congress said last week, the fundamental threats to our national security and national well-being (beyond climate change) are the fiscal, energy, and human and physical infrastructure challenges we face domestically. China exacerbates some of these issues, and may help address other problems. In any event, China is not the principal problem we face, *though effectively dealing with the spillover effects of its dramatic growth will be a critical national foreign policy challenge for many years.*

The Run Up to the Olympics As An Indicator of China’s Future Political Development and Foreign Policy

The run up to the XXIX Olympic Games confirms what we have known for thirty years about the People’s Republic of China (PRC): China is involved in a tumultuous domestic process of change that involves: urbanizing 300-400 million people (beyond the 300 million already urbanized over the last thirty years); changing the very structure of its economic and social system; providing employment to over ten million entrants into the labor force each year, plus another 10-15 million new rural migrants annually seeking jobs in cities; adapting to globalization; and, dealing with the rising material and other aspirations of a rapidly growing middle class, perhaps already numbering 300 million persons. Consequently, *stability is the first, second, and third priority* of China’s social and political elite.

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In the West, we believe (correctly in my view) that expeditious political liberalization and institutionalization of pluralism is a wise strategy to achieve stability (by creating a more just and participatory system). But, China's leaders do not know how they can dismount the tiger they have unleashed: simultaneously sustain the high economic growth they feel underpins both stability and their rule, and move toward political liberalization. As for China's middle class at the current moment, it appears more concerned about the dangers to its new-found prosperity represented by the impoverished masses below than the dangers to liberty represented by the elite above. China's elite is not convinced that Americans or other foreigners understand their necessities.

At the same time, China's leaders and the Chinese populace want international acceptance and approval, both for reasons of national pride and because integration into the world is helping China prosper. Beijing, therefore, will seek to conform to international norms, particularly those promoting domestic growth and conferring international approval, as long as so doing does not threaten international or domestic stability.

Unsurprisingly, therefore, China's record on the run up to the Olympic Games has been mixed. On the one hand, Beijing has joined international organizations and regimes of all descriptions that confer legitimacy and help China solve problems. On the other hand, Beijing has engaged in repressive domestic behavior that breeds international and domestic criticism. China has met some important international expectations in its Olympic preparations, the jury is out in some areas, and it has fallen very short in still other areas.

When China's elite has felt it can move in the direction of accommodating western demands with minimal internal or international risk, it seems to have done so. For instance, the last year has seen China:

- Play a more constructive role on Darfur (with the appointment of a special envoy [Liu Guijin], by giving its support for UN-African Union forces, in this case through an affirmative vote for UN Security Council Resolution 1769, and by posting 315 engineers on the ground in Darfur as part of the joint UN-AU mission).¹
- Prod (minimally to be sure) the Burmese junta on recent political and meteorological disasters.²
- Make positive diplomatic moves in the Taiwan Strait.
- Announce that Central China Television will broadcast Olympic events live through the International Broadcast Center "without time delay" (even though other aspects of media management have been troubling, including a ten second delay domestically).³
- Initiate discussions with the most senior representative of the Dalai Lama in the wake of the March 2008 disturbances (though to what effect is unclear, expectations for the talks are best kept low, and PRC rhetoric about the Dalai Lama has been excessive).

- Assist greatly in moving the North Korean regime positively on the nuclear problem.
- Improve relations with Tokyo and Taipei, in part by inviting their rescue teams to help in the aftermath of the tragic May 12th Sichuan earthquake. And,
- Reduce the scope of the death penalty through the Supreme Court review process, though many deficiencies and inequities remain. Amnesty International recently observed this progress in its July 8, 2008, letter to Chinese President Hu Jintao.⁴

On the other hand, particularly with the Tibetan disturbances in March, the subsequent crackdown, and in the wake of the experience with the Olympic torch abroad in April, China's government has:

- Tightened down on foreign media access to sensitive locales and iconic sites.
- Made visa regulations more stringent and onerous in order to further assure that "troublesome" individuals and groups do not enter China.
- Made it difficult or impossible for dissidents to meet with visiting dignitaries, such as this Committee's Member Representative Smith.
- Gone to considerable lengths to make sure that domestic dissidents do not get in proximity to Beijing, much less the Games themselves.
- Apparently suggested racial profiling and discrimination in service establishments in at least some parts of Beijing during the Games.
- Decided, as a matter of policy, that the focus of the Games will be more on boosting domestic popular legitimacy than being overly attentive to foreign opinion.
- Constrained the dissemination of information in China beyond usual tight practices. And,
- All along there have been issues of fair and equitable treatment of those displaced by the Games' venues and related construction.

This mixed record has given rise to mixed evaluations by outside observers. On the one hand, the Chief International Inspector for the International Olympic Committee, Hein Verbruggen, in early July reportedly said, "The quality of preparation, the readiness of the venues and the attention to operational detail for these Games have set a gold standard for the future." He went on to say more ambiguously: "the organizers need now to deliver the services pledged for...the various stakeholders..."⁵ Perhaps he was referring, at least in part, to impediments to foreign mass media and environmental concerns. In writing Chinese President Hu Jintao on July 8, 2008, Amnesty International's Secretary General Irene Kahn prefaced the organization's call for Beijing to make five human rights improvements, by saying, "Amnesty International recognizes the Chinese government's efforts to address some longstanding human rights concerns." On the other hand, in early July, Human Rights Watch issued a report and accused the International Olympic Committee of having ignored Beijing's broken pledges and denied promised access to foreign media.⁶ On July 10, 2008, the European Parliament issued a

somewhat mixed, but largely critical, resolution concerning Chinese human rights practices on the eve of the Olympics. To some extent, outside observers are throwing together China's pledges to the IOC (about which we are not 100 percent certain), various "promises" (and "guidelines") Chinese officials have made over time, and foreign aspirations for Chinese behavior that PRC officials have never addressed or agreed to.

In judging China's behavior in the run up to the Games, there is an additional problem beyond the mixed character of PRC behavior -- I am informed that there is no comprehensive, publicly available, and authoritative document showing what China's Olympic Organizing Committee actually agreed to with the International Olympic Committee. Bits and pieces have leaked out. And, in May 2007 China issued a "Service Guide for Foreign Media" that promised international journalists wide latitude in doing their jobs. But, if the United States is to criticize Beijing for its behavior, it should be able to show what the PRC initially agreed to and be able to measure compliance.

In short, China's record of progress has been mixed, halting, uneven, but overall forward. This has been the case for the last twenty-plus years; it is likely to remain the case well into the future. The Olympic Games have provided incentives for movement in positive directions (particularly in China's international behavior and bringing international standards in a broad array of areas to China), but domestic stability remains the overriding priority that will trump other concerns, including international image. China has moved most clearly and positively in those areas with the least domestic volatility potential, and least in those areas where it perceives large domestic risks.

The accumulation of severe storms in the Winter, concerns about inflation and global economic stability more recently, the Tibet-related disturbances of March and April, the torch relay incidents abroad, the general sense among Chinese that the international community is biased against China, the tragic May 12 earthquake in Sichuan, and ongoing fears about Xinjiang-related groups, all have come together to create an environment not most conducive to a relaxed Beijing attitude. Somewhat offsetting this anxiety has been the sympathetic response of the world community to the earthquake and other recent friendly gestures of the outside world, including those by the United States, Taiwan, and Japan. Also, recent cross-Strait initiatives from Taiwan's new president, Ma Ying-jeou, have boosted confidence.

How Are The Games Likely to Unfold and What are The Implications for Sino-American Relations; How Should the Congress and the Administration Approach the Games?

Of course, no one knows how the Games two weeks hence will actually unfold. The problems in conducting successful games are considerable, as discussed by the China Working Group when Congresspersons Mark Kirk and Rick Larsen went to China in August of last year. There are serious environmental dangers that pertain to both air and water that need no elaboration here. There are dangers that international groups will use China as the place to make their statements, even if not directed at China itself. There are international and domestic groups that, for a variety of causes, wish to take advantage of the global media visibility to make their grievances against Chinese policies known.

There are terrorists bent on showing they can disrupt anything. There will be dozens of heads of state and hundreds of other senior officials and notables who need security. There is the danger of excessive displays of nationalism by Chinese and non-Chinese sparking ugly incidents. Athletes may choose to make their own personal statements. And, there is the very serious risk of adverse consequences being inflicted upon demonstrators by heavy-handed local and national-level responses to incidents. There probably will be heavy-handed preemptive moves, beyond those that already have occurred.

Nonetheless, while acknowledging all these uncertainties and risks, some with substantial probability of occurrence, my guess is that China is going to exceed expectations and therefore have a relative success. If this occurs, this will be positive for U.S.-China relations, particularly if the United States is seen to have been basically cooperative, as I believe it has thus far been. U.S.-China cooperation on security for the Games has been basically positive. Agree or not, President Bush's long-standing and consistent decision to attend the Games' opening ceremony, and Secretary Rice's more recent decision to attend the closing ceremony, stands in contrast to hesitations, bobbing and weaving, and refusals of some other national leaders. My judgment on this is that face-to-face interaction between Chinese and world leaders is more effective than attempts at humiliation and isolation. It is difficult to imagine that a Chinese elite that has taken an unprecedented risk on openness will be easier to deal with and a better global citizen if its leaders and citizens perceive openness to have produced humiliation.

While we in the West may see an important distinction between expressing disapproval of Chinese government actions requiring response, and attacking China's culture and people more broadly, China's history, nationalism, and the more recent socialization of the populace tend to lead Chinese to conflate the two. This produces a paradoxical result seen in the March disturbances concerning Tibet—Western condemnation of Beijing's actions and policies directed at the clampdown produced popular pressure on Beijing to be even tougher on Tibetan demonstrators and others. In some recent articles, like that by Lucy Caldwell, Kara Hodge, Nayeli Rodriguez, and Derek Thompson in *Slate*,⁷ there is whiff of satisfaction in enumerating all the challenges that the Chinese obviously face in conducting a successful Olympics. The United States stands to gain absolutely nothing with the Chinese people by seeming to revel in their problems. In all probability the Games will strengthen popular support for the regime, notwithstanding the many Chinese citizens who have been disrupted and harmed in the course of preparations, the about \$40 billion spent on the endeavor, and the concerns with other national priorities. I believe that in the minds of most Chinese, at this point the Games are more about the pride they all feel in a resurgent China than it is a referendum on Chinese Communist Party rule.

The Games are going to occur. The United States has an interest in their success, as obviously do all the athletes who are participating. The real issues are where China is headed in the future, how the international community can best shape movement forward, and what American policy should be in the years ahead.

Thinking About the Future of America's China Policy and U.S.-China Relations

If we look at the succession of U.S. policies toward China over the last almost sixty years since 1949, it puts the present moment in context. From 1949 to about 1969, the U.S. policy was “containment,” a concept that speaks for itself. Then from the early 1970s until perhaps 1985, U.S. policy was tacit alliance against the common Soviet menace. Under both Presidents Bush and President Clinton, “engagement” was (and remains) the broad policy signboard, the thought being that dialogue, candidly acknowledging common interests and problems, and enmeshing China in the fabric of international life, all will gradually lead China and the United States to develop common interests and shared norms. There also is the hope that gradual change in domestic governance would occur. In many respects these expectations have been partially, in some cases substantially, realized, but western hopes in the governance domain remain unfulfilled, though not without progress over the last thirty years.

While not overlooking the conflictual and ongoing issues that beset bilateral relations (e.g., human rights, foreign exchange rates, intellectual property, etc.), we need a broader, more constructive focus for engagement: “The Management of Common Threats and Common Opportunities.” We should not let the Olympics divert us from this more important long-term effort. As we enter the Twenty-First Century, we cannot afford a lack of Sino-American cooperation on common threats, nor can we afford to miss seizing common opportunities. By cooperating in the domains of threat and opportunity with China we will better achieve our long-standing objectives.

A defining characteristic of the Twenty-First Century is going to be addressing transnational threats – environmental/global warming and public health/contagious disease challenges, non-state terrorism, weapons of mass destruction proliferation, global economic system management, consumer and product safety on a world-wide scale, etc. There also are opportunities: promoting strategic stability at the lowest possible level with China and seizing the present opportunity to achieve long-term stabilization in the Taiwan Strait. We should make these threats and opportunities a principal focus of bi-lateral Sino-American cooperation (engagement), not only because they are of transcendent importance, but also because in many cases we share substantial common interests with the PRC. In dealing with these challenges and opportunities, China will be developing institutions and attitudes supportive of more humane, participatory, and legally based governance. All this will take time, perhaps considerable time. Here I have in mind such phenomena and common interests as:

- *Global climate change* gravely challenges both nations; both are major contributors to the problem; and, both share a common interest in breaking dependence on petroleum, if not carbon-based energy more broadly. The U.S. has the technology and China has the demand for it. We might consider joint Sino-American (with perhaps others involved too) research on alternative energy sources and conservation strategies.

- *Counter-terrorism and counter-narcotics.* As China's power and reach in the international system grows, so will the number of international groups and nations that react to the PRC's growing impacts, some of which will vent their rage against PRC citizens abroad and at home. This already is happening, with China's Foreign Ministry and other agencies already restructuring to try to deal with these threats. With respect to narcotics, sky-rocketing production of drugs in Afghanistan and Central Asia is resulting in increasing volumes of drugs finding their way to China and global markets through the PRC's porous western borders. Sino-American cooperation on counter-terrorism already has proven important in the Container Security Initiative. Such cooperation will become increasingly important.
- *Global supply chain reliability.* Given the globalized and interdependent supply chains that have evolved, the weakest links in the production chain can inflict global damage as seen in the pharmaceutical (e.g., heparin) and toy industries. China has an interest in protecting "Brand China." U.S. firms have an interest in protecting the integrity of their products and reputations. And, both governments have an interest in protecting their citizens. This is a set of challenges in which Sino-American common interests in addressing a threat far exceed the divergences.
- *Managing the global economy.* Does the G-8 any longer really represent the core of the global economy as it once did? If not, how are we going to address the threat of global economic insecurity—to provide sustained, stable, and equitable global growth? What is going to be the table around which the major economies of the Twenty-First Century sit to agree to a package of joint economic actions (such as exchange rate adjustment, savings and taxation policy, discussion of regulatory policy, growth policy, and investment regimes)? Both China and the United States have overriding interests in international economic system stability and sustained growth. Both China and the United States are economically intertwined in ways scarcely imaginable a decade ago—just consider PRC holdings of U.S. financial instruments. The Administration's Strategic Economic Dialogue led by Secretary of the Treasury Henry Paulson is a good start in this direction (as it is on energy and the environment); this Dialogue (or some reasonable facsimile) should be continued.
- *Actual and potential military competition.* Neither the United States nor China need the added burden of expenditure and lost opportunity that military competition on the ground, in space, or in the cyber sphere represents. Beijing and Washington need to begin talking seriously about how to defuse emerging threats we both perceive in these domains. The objective should be achieving strategic stability at the lowest possible level of weaponry.

- *The Taiwan Strait.* There are opportunities to be seized, none more apparent than the confluence of leaders in Beijing and Taipei who now apparently wish to work toward a long-term stabilization of the Taiwan Strait. There are numerous difficulties, but, were stabilization to occur, it would be profoundly positive for American interests. We should do what we can to create an environment in which such reconciliation can occur.
- *Global public health and contagious disease challenges.* HIV/AIDS, avian flu and other potential pandemics, and contagious diseases once considered on the wane that now are regaining momentum, all are areas for cooperation.

In short, these are just some of the threats and the opportunities about which we should orient future American policy with respect to China. The Olympic Games are going to happen, we have an interest in their success, and we should not let our reaction to the Games now reduce the likelihood of addressing “Common Threats and Common Opportunities.” This is the ball on which we all should keep our eyes focused. Of course, the Chinese must do their part—it takes two to tango. Most fundamentally, America must build, rebuild, and renew its financial/fiscal, human, and physical infrastructures so that as China, India, and others move up the value-added ladder, we stay rungs ahead.

¹ Jim Yardley, “China’s envoy to Sudan defends policy on Darfur,” International Herald Tribune, March 7, 2008.

² John D. Negroponte, Testimony, Senate Foreign Relations Committee, May 15, 2008, pp. 3-4.

³ Xinhua, July 8, 2008. “CCTV to broadcast Olympic events live without delay.”

⁴ Irene Khan, Secretary General, Amnesty International, Letter to President of the People’s Republic of China, July 8, 2008.

⁵ Nick Mulvenney, “IOC hails Beijing ‘gold standard,’ China slams critics,” www.newsdaily.com/stories/n03437340-olympics/ (accessed July 8, 2008).

⁶ Human Rights Watch, “China: Olympics Media Freedom Commitments Violated,” July 7, 2008, http://hrw.org/english/docs/2008/07/03/china19250_txt.htm (accessed July 8, 2008).

⁷ Lucy Morrow Caldwell, Kara Hadge, Nayeli Rodriguez, and Derek Thompson, Slate, posted Wednesday, July 2, 2008, 1:15 PM ET.