

## **How the US Can Profit from China's Political Transition** by Donald Gross

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China's political transition offers Washington a window of opportunity to improve relations with Beijing. Rather than risk a continuing downward spiral in the critical US-China relationship, President Barack Obama must move quickly in his second term to take advantage of this opportunity.

At last week's 18<sup>th</sup> Party Congress, Beijing began a once-in-a-decade leadership transition. The new leaders who will take office in March – including President Xi Jinping and Premier Li Keqiang – know first hand some of the worst excesses of the Chinese Communist Party (CCP). They were victims of Mao's Great Proletarian Cultural Revolution, when an entire generation of young people – many from prominent families – were “sent down” to rural areas for years to perform backbreaking manual labor.

Having experienced and survived widespread human rights abuses that occurred between 1966 and 1976, the year of Mao's death, China's new leaders will be more receptive to calls for political reform from the country's middle class and liberal intellectuals, who are highly critical of increasing corruption and cronyism with the CCP.

Pressure from the middle class is driving a push for political reform at the same time that China's leaders are dealing with daunting challenges arising from rapid economic development – among them glaring social inequality, inflation, frequent “mass incidents,” social unrest, and environmental degradation.

China's new leaders will welcome overtures from Washington along with any US policies that aim to assist China in meeting the challenges it faces. But harsh US trade measures or increased military pressure will likely be met with a tough response as the new leaders seek to prove their mettle and their capability to defend China's national interests.

Beijing's political transition comes at a time when the United States stands at a crossroads in US-China relations. We urgently need a national debate to rethink our China policy and prevent doing permanent damage to US interests in Asia.

Increased tensions with China could have dire consequences. They could lead to a military conflict over Taiwan's political status, over whether Japan or China holds sovereignty to a group of uninhabitable islands in the East China Sea, or over the ownership of small islands and energy

resources in the South China Sea. In a worst-case scenario, those conflicts could escalate, by accident or design, to a nuclear exchange.

It is essential to remember that China's rise strengthens the US economy and its future prosperity. Trade with China – the third-largest US export market – has aided America's recovery during the global financial crisis.

Between 2000 and 2011, US exports to China increased by about 640 percent, going from \$16 billion to \$104 billion. China is the largest growth market in the world for US exports and supports thousands of high-quality jobs.

The best way to overcome the “China threat” and advance US interests in the region is by achieving a stable peace with China through the resolution of outstanding security and economic conflicts between the two countries. This would enable the US to deal decisively with the very legitimate concerns many Americans have over China's commercial practices, including infringement of intellectual property rights, undervalued currency, and protectionist measures that favor domestic industries.

Through a new policy approach, we can ensure China is a future partner and not a threat to US interests. This policy should embrace the following objectives:

- significantly reduce China's current and potential military threat to Taiwan, thus securing Taiwan's democracy;
- achieve a pull-back of Chinese forces from a defined coastal security zone surrounding Japan;
- have China submit its maritime disputes in the South and East China Seas to an independent international judicial body;
- increase security cooperation with China on both regional and global issues;
- substantially increase China's military transparency, especially in the development of new weapons systems;
- facilitate new bilateral and regional free trade agreements that will unleash unprecedented levels of international trade and investment, generating hundreds of thousands of new US jobs;
- greatly strengthen the advocates of human rights and democracy in China by depriving security forces of their “most dependable weapon,” in the view of former Soviet dissident Natan Sharansky: an external security threat from the United States which is now used to legitimize internal political repression.

In his second term, President Obama should seize the opportunity created by the emergence of China's new leadership to stabilize US-China relations – by pursuing a diplomatic strategy that minimizes conflict, emphasizes peaceful coexistence and significantly expands trade and investment between the two countries.

*PacNet commentaries and responses represent the views of the respective authors. Alternative viewpoints are always welcomed.*