

## Forecasting US–China Relations, 2015

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**Abstract:** *Rejecting the certainty of prediction in favor of a probabilistic approach to forecasting, this paper develops an eight-step forecasting methodology, addressing 1) structural drivers, 2) predetermined elements, 3) critical uncertainties, 4) chance, 5) scenarios, 6) probabilities, 7) signposts, and 8) policy implications, and applies it to the medium-term future of US–China relations. Specifically, it forecasts a 45 percent chance that US–China relations in 2015 will be best characterized overall by a rivals scenario, followed by a 35 percent chance that the US and China will be partners. The chances that the US and China will be allies or enemies are significantly more remote, but real, at 5 percent and 15 percent respectively.*

US–China relations are arguably the most important bilateral relationship of the twenty-first century. US military preeminence today is unprecedented. US power, therefore, is the central issue confronting all of the major powers today, China included. For its part, the pattern of China’s remarkable near double-digit economic growth over the last quarter century is also unprecedented. Little wonder, given China’s simultaneous military development, that its neighbors are concerned about its growing regional influence.

US dominance and China’s rise have led to an extensive debate over the inevitability of US–China conflict. Realists argue over the balance of power: Is it stabilizing or destabilizing? Can a stronger China and a weaker US replicate the relative stability of Cold War bipolarity, or are a rising China and a declining hegemon fated to fight? If so, who will initiate conflict and when? Will twenty-first century China become a “dissatisfied challenger” out to upset the status quo, or will the US follow the more prevalent historical pattern and initiate preventative war against a rising China? What, in short, does the future hold for US–China relations?

Social scientists are remarkably averse to such questions about the future. With the rise of quantitative methods and increasingly (over)confident explanations of past events, this aversion to forecasting begs explanation: If you can “explain” the past, why can’t you “predict” the future? In a discussion of Max Weber’s approach to historical causality, Raymond Aron captures the paradox succinctly and memorably: “Time is not heterogeneous.” In other words, time is homogenous. Aron uses a double negative to point out the fallacy of the common view that while the past is “knowable,” the future is not. “Theoretically,” Aron argues and I concur, “the possibility of causal explanation is the same for the past and for the future.”<sup>1</sup>

Bruce Bueno de Mesquita should be commended, therefore, for applying social scientific methods to the study of the future in his 2002 *Predicting Politics*.<sup>2</sup> However, concurring with Steven Bernstein, Ned Lebow, Janice Stein, and Steven Weber that

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“the quest for predictive theory rests on a mistaken analogy between physical and social phenomena,”<sup>3</sup> I take a very different approach than Bueno de Mesquita does. Following Weber and Aron, this article avoids prediction in favor of a modest, probabilistic approach to historical causality, past and future. Just like human motivation at the individual level, our social world is complex: multiple variables – and chance – influence most social outcomes. The metaphor of a “butterfly effect” whereby a butterfly flapping its wings in Beijing “causes” a tornado in Topeka captures the sensitivity of complex systems like the weather to initial conditions. Unlike the “domino effect,” the results of the “butterfly effect” are not linear but chaotic. Such “system effects,” as Robert Jervis has noted, make complex systems like international politics impossible to predict with point precision.<sup>4</sup> John Lewis Gaddis is thus right to point out that events in international politics like the end of the Cold War do not always have the predictability of “clocks,” but have much of the randomness of “clouds.”<sup>5</sup> I thus favor the probabilistic “forecasting” over Bueno de Mesquita’s deterministic “prediction.” But I also agree with Ted Hopf that Gaddis goes too far in dismissing forecasters as mere “soothsayers.”<sup>6</sup> International politics is not all clouds; there are enough clocks (regularity) to make scientific inquiry about the future possible.

In the over ten years since the Gaddis–Hopf debate over the possibility of forecasting in the social sciences, other than *Predicting Politics* and some thoughtful work on the future of Israeli–Palestinian relations, there has been little work seeking to forecast specific outcomes in international politics. This is unfortunate. The failure of political science to anticipate the rapid and peaceful end of the Cold War could have acted as a wake-up call to the discipline. The fruitful Gaddis–Hopf exchange laid the theoretic groundwork for scholarship putting political science to practical work, but few political scientists took up the challenge. Instead, forecasting largely remained the provenance of government bureaucrats and think-tank analysts.

This article represents an attempt at applied political science. It begins with a brief caution about the limits and dangers of forecasting. It then lays out an eight-step forecasting methodology and applies it to US–China relations in 2015. 2015 has been chosen for two reasons. First, having a concrete date on this forecast makes it clearly falsifiable, thereby allowing future readers to learn from my mistakes. Second, a ten-year time horizon is medium term: neither so proximate as to make forecasting a sure thing (a butterfly in Beijing’s impact on Tianjin rather than Topeka), nor so distant as to render the enterprise meaningless.

### **Forecasting: Difficult, Dangerous, and Culturally Bound?**

Forecasting is a difficult, potentially dangerous, and likely culturally bound exercise.

#### *Difficult*

A number of biases distort the forecasting process, making it extremely difficult to do well. For instance, as Donald Sylvan and his colleagues have recently noted in a study of the future of Israeli–Palestinian relations, the analytic if–then structure of the forecasting process tends to privilege structural/material over perceptual/ideational variables – even when the forecasters themselves assign greater weight to the latter.<sup>7</sup> Given the importance of the weighing of the drivers to the assessment

of the probabilities of each scenario, such a materialist bias presents a formidable obstacle to successful forecasting.

Another difficulty is that forecasting tends to privilege clocks over clouds. We focus on regularities, and dismiss random events, which are inherently difficult to factor into our models. Forecasters have particular trouble accounting for big, system-altering events, past or future. For instance, the Central Intelligence Agency's (CIA) 1963 National Intelligence Estimate (NIE) "Implications of the Sino-Soviet Rupture for the US" predicted that with the split, "the force of ideology will probably decline."<sup>8</sup> We now know, of course, that that the exact opposite occurred: ideology reached a fevered pitch in the bilateral relationship as Maoists attacked "Soviet revisionism" before and during the Cultural Revolution in the mid-to-late 1960s. Future system shocks are even more difficult to incorporate into forecasts. For example, the CIA's "Global Trends 2010," released in November 1997, did not foresee the global financial crisis of 1997–98.<sup>9</sup> Similarly, "Global Trends 2015," released in 2000, understandably failed to foresee a major terrorist incident on the scale of the one of September 11, 2001. These major global shocks, however, immediately undermined many of the assumptions that undergirded both CIA forecasts.

How do we know when a forecaster was right? Yet another difficulty with forecasting is distinguishing between accuracy and luck. What are the standards for assessing forecasts? If the United States and China become enemies before 2015, will that vindicate this forecast of a 15 percent probability of such a scenario coming to pass? Would it then invalidate my forecast of a 35 percent chance of a "partners" scenario? The answer to these questions, of course, is no: the accuracy of a forecaster cannot be judged on the basis of one or even a few forecasts. To assess a forecaster's accuracy, we require "batting averages" derived from multiple forecasts so that we can compare forecasters against each other or at least against chance.<sup>10</sup> Single forecasts like this one, instead, should be judged by the validity of the variables they focus on and the logics they use to connect them to future outcomes. This is why I have attached a specific date to this forecast and specific probabilities to each outcome – to make it easier to judge.

### *Dangerous*

Forecasting is not just difficult; it can also be dangerous. Thinking about alternative futures opens up the realm of the possible – but then seems to close it down. We replace one diffuse idea of the future with, say, four concrete scenarios. But the scenarios then easily become conceptual blinders, locking us into specific views of the future, and distorting the ways that we process new information.<sup>11</sup> We become procrustean, forcing the facts to fit our preconceived scenarios. Engaging in forecasting, in other words, can inhibit and even distort the learning and updating process.

Furthermore, as Davis Bobrow notes, a dangerous dilemma plagues forecasting security futures. On the one hand, it is irresponsible not to try to foresee and prepare for the future. On the other hand, poor forecasts can have adverse consequences, as when judgments of future external threat lead to internal balancing, arms races, and the self-fulfilling prophesy of insecurity. Any policy recommendations that flow from forecasting exercises should thus, as Bobrow urges, "contain warning labels, as they could have adverse consequences."<sup>12</sup> It is also wise to hedge among alternative scenarios rather than bet on just one.<sup>13</sup>

*Culturally Bound*

Finally, forecasting may be a culturally bound exercise. Based upon over a decade of experimental work, cross-cultural psychologists have now demonstrated robust East–West differences in reasoning and cognition. Psychologist Richard Nisbett, editor of *Rules for Reasoning* and an early proponent of the view that there are universal laws of human cognition, has now embraced the new subfield of cross-cultural psychology, and written a wonderful overview of its findings, *The Geography of Thought: How Asians and Westerners Think Differently – and Why*.<sup>14</sup> One of the central findings of cross-cultural psychology is that while Western reasoning tends to be analytic, categorical, and linear, Eastern reasoning tends to be holistic, dialectical, and contextual. These experimental psychological findings converge with earlier empirical work in foreign policy studies on differences in Chinese and Western views of crises, and decision-making processes more broadly. These two separate lines of scholarship both suggest that forecasters be wary of “unwarranted extrapolation” of one’s own cognitive and behavioral styles onto one’s opposite in a bilateral relationship.<sup>15</sup> For instance, differences in how Chinese and Americans assess responsibility and subsequently understand the function and necessity of apologies exacerbated an already difficult situation following the April 2001 spy plane collision near China’s Hainan Island.<sup>16</sup>

Another cross-cultural finding with particular relevance for forecasting is that Westerners tend to favor internal/dispositional explanations for the behavior of others over external/situational explanations, a tendency that has been called the “correspondence bias” or the “fundamental attribution error.”<sup>17</sup> Declassified CIA NIEs, in my view, have frequently displayed dispositional bias in their forecasts about China’s future. A 1970 NIE, for instance, asserts that “China’s future international posture is likely to depend more on Chinese internal developments than on external factors.”<sup>18</sup> Little evidence is given to support the statement. A persistent focus on the death of Chinese leaders in CIA forecasts may also reflect a dispositional bias. For instance, a 1984 NIE was already speculating about Deng Xiaoping’s death – 14 years prematurely.<sup>19</sup> Was this focus warranted by the structure of the Chinese political system, or did it reflect a dispositional bias in CIA analysis?

Education can help overcome such cognitive distortions – but educational levels vary. Psychologists Peng Kaiping and Eric Knowles have recently shown that formal training in physics can correct a dispositional bias in American folk theories of physics – one that, for instance, incorrectly attributes movement to an object’s internal qualities (like its weight), rather than to external causes (like gravity or resistance).<sup>20</sup> Training in international relations, especially in structural theories like neorealism, may perform the same function of correcting any dispositional bias in Western folk reasoning about international affairs – but certainly more so for students and experts than for politicians and lay people.<sup>21</sup> Might American leaders, therefore, be more predisposed to overestimate the role of dispositional factors (such as communism and political leadership) over situational factors (such as the global and regional balance of power) than Chinese leaders in forecasting the future of US–China relations?

*Plan*

Forecasting may thus be difficult, dangerous, and influenced by cross-cultural differences in reasoning styles, but these should be viewed as challenges – not as excuses to dismiss the enterprise. To the extent that political scientists wish to claim that we can explain the past, we must be willing to humbly attempt probabilistic forecasts of an uncertain future.

To do so, this paper proceeds in an eight step forecasting approach that addresses: 1) structural drivers, 2) predetermined elements, 3) critical uncertainties, 4) chance, 5) scenarios, 6) probabilities, 7) signposts, and 8) policy implications. It thus builds upon the seven step methodology used in the Israeli–Palestinian scenario project, adding “probabilities.” It also alters the sequence of the steps, moving “chance” forward from the last step to the fourth step to ensure that it plays a central role in the construction of the scenarios.<sup>22</sup>

**1. Structural Drivers**

A broad view of US–China relations reveals numerous drivers – far too many to be comprehensively surveyed here. Space considerations aside, there are also cognitive limits to how many drivers an analyst can simultaneously juggle. Those drivers selected here are judged to be the *most likely* to impel US–China relations; they are divided into three levels of analysis: system-level, state-level, and individual-level drivers.

*System-level*

From this perspective, characteristics of the interstate system (such as bipolarity and multipolarity) are seen to cause state behavior. The system-level can be analytically divided into the global and regional systems. The evolution of the global system will be a critical determinant of future US–China relations. The global posture of the United States (unilateral/militarily inclined or multilateral/diplomatically inclined) is particularly important. But more than objective US behaviors, it is Chinese *perceptions* of US power (benign or malign?) that are arguably the major determinant of Chinese foreign policy. Notwithstanding Colin Powell’s 2004 claim that US–China relations are “the best they have been since President Richard Nixon first visited Beijing more than 30 years ago,”<sup>23</sup> Chinese analysts today are profoundly concerned about the recent unilateral exercise of US power. They worry that US–China relations are friendly today only because of “9/11” and the current US preoccupation with Iraq, and fear that it is only a matter of time before Bush administration “hawks” redirect their ire back at China.<sup>24</sup> To cope with today’s unprecedented US power, Chinese policymakers are busy refining the blend of support and opposition in their US policy.<sup>25</sup>

The nature of the evolving East Asian regional order will also be a major driver of future US–China relations. In the immediate future, Taiwan is the issue most likely to precipitate US–China conflict. I concur with Richard Bush’s recent assessment that “the danger of war is higher now than it was twenty or thirty years ago.”<sup>26</sup> Mutual misperceptions in Beijing, Taipei, and Washington are alarming. Beijing does not fully recognize the political power of the emerging civic and ethnic nationalism in Taiwan today, and instead blames all its problems on a “scheming” Democratic Progressive Party (DPP) and President Chen Shui-bian. Beijing also does not truly understand the

genuine American commitment to protecting democracy in Taiwan, instead attributing US Taiwan policy to the malign motives of “hegemonism” and obstructing China’s rise. After Chen’s narrow victory in the March 2004 presidential elections, Beijing appeared to lose faith in a negotiated solution to the problem. But Lien Chan and James Soong’s spring 2005 visits to China, as well as the opposition “Pan-Blue’s” success in the December 2005 “3-in-1” local elections, have more recently generated optimism in Beijing about trends in domestic Taiwan politics and cross-strait relations. Taipei and Washington, for their part, do not fully understand that the failure to reunify with Taiwan is a continuous reminder to mainland Chinese of their victimization at the hands of Western and Japanese imperialism during the “Century of Humiliation,” and thus an assault on their self-esteem as “Chinese.”

Regional developments on the Korean peninsula, in Sino-Japanese relations, and in Southeast Asia could also have major impacts on future US–China relations. The twin issues of a nuclearizing North Korea and the prospect of a reunified Korean peninsula present both opportunities and threats to China. Its leading role in the nuclear talks with North Korea has won China much needed support from Washington, and the successful resolution of the issue with the establishment of a reunified, non-aligned Korean peninsula would set a precedent for great power cooperation, laying the foundation for a US–China strategic understanding based upon mutual compromise. Failure to manage the issue, by contrast, could lead to massive cross-border immigration, creating social and political instability in China’s northeast. An openly nuclear North Korea, furthermore, will likely provoke Japan to revise its pacifist constitution, increase its ballistic missile defense cooperation with the United States and Taiwan, and perhaps even go nuclear itself.

Sino-Japanese relations, meanwhile, are at an impasse. Bilateral trade and economic interdependence continue to increase, but political and security relations are seriously deteriorating. On the Chinese side, the history question (memories of Japan’s invasion), long suppressed under Mao’s rule, has reemerged as a festering sore in the relationship. Anti-Japanese protests – both on Chinese streets and in Chinese cyberspace – have increased dramatically since the summer of 2003, when “Internet nationalism” emerged as a significant new force in Chinese politics.<sup>27</sup> In April 2005, three successive weekends of anti-Japanese demonstrations involving tens of thousands of young Chinese nationalists rocked cities as diverse as Beijing, Shanghai, and Shenzhen. On the Japanese side, meanwhile, public opinion surveys reveal that goodwill towards China is dissipating.<sup>28</sup> Anti-Chinese sentiments were aroused following the disclosure of a Chinese submarine’s incursions into Japanese territorial waters near Okinawa in November 2004, and in October 2005 Chinese drilling in a disputed oilfield in the East China Sea was described in Tokyo as a “major threat to Japanese sovereignty,” triggering fears of a rapacious Chinese economy threatening Japan’s energy security.<sup>29</sup> In today’s Japan, those talking about revising Japan’s pacifist constitution in response to a “China threat” are no longer a marginalized minority.<sup>30</sup> The Chinese, in turn, are alarmed by the thought of a nuclear Japan. Mutual trust is clearly declining fast, which does not bode well for twenty-first century Sino-Japanese relations.

With the emergence of a “China threat” discourse in Southeast Asia in the mid-1990s, the Chinese first became aware of the “security dilemma” – how China’s economic

development and military buildup could be seen as threatening, leading to defensive measures by its neighbors, arms races, and a downward security spiral. Seeking both to offset the fears of its southern neighbors, and to buffer against the United States and Japan, Chinese have recently embraced multilateralism in Southeast Asia. This represents a dramatic departure from the position of the People’s Republic of China (PRC) in the 1980s and early 1990s, when it viewed the Association of Southeast Asian Nations (ASEAN), the Asian Regional Forum (ARF), and other regional institutions as threatening efforts to contain China. Most Southeast Asian countries, for their part, are clearly hedging their bets with regard to China’s rise. They are actively advancing close economic and trade relations with a rapidly developing China, courting Chinese investment and seeking to selectively learn from China’s developmental experience even while competing with China in export markets like the United States. But memories of imperial Chinese hegemony in the region as well as a natural fear of such a large neighbor have contributed to a desire to balance against China’s rise in the military realm. Most Southeast Asian nations have sought to maintain or strengthen their military alliances and relationships with the United States, and remain wary of any Chinese efforts to exclude the US from emerging East Asian institutions.<sup>31</sup>

#### *State-level*

Although the environment, health, crime, and terrorism are all major domestic concerns in both the United States and China, the major state-level drivers of US–China relations are economic and political. In China, analysts have reached consensus on the absolute priority of economic growth to China’s security. China’s leadership views economic power as the core of China’s “comprehensive national strength,” and worries that any significant economic difficulties will create a legitimacy crisis that could threaten regime stability. Chinese, therefore, are extremely sensitive to foreign threats to China’s economic development. These include globalization (which some Chinese view as a US plot to subjugate China), economic sanctions (such as those imposed after the Tiananmen Massacre in 1989), protectionism in developed countries (such as the recurrent threat of US trade sanctions), and competition from other low-wage developing countries (such as India).

Politically, the Chinese Communist Party (CCP) is understandably sensitive to potential threats to its legitimacy. While these political threats tend to be domestic in origin, they often have links to foreign ideas and groups. Corruption and nationalism, in my view, are the two political issues most likely to threaten the CCP. Western notions of democratic accountability and the transparency of governance processes underlie many popular Chinese critiques of corruption, while China’s interactions with other nations, the United States and Japan in particular, are the stuff of popular nationalist protests at home. China’s US policy, therefore, must always take these domestic political threats into account.

US economic and political developments will also impact future US–China relations. American politicians frequently blame US economic woes on unfair foreign economic practices. During the 2004 presidential election campaign, John Kerry targeted “Benedict Arnold companies” for outsourcing jobs to India – and China escaped American ire. But whenever the US economy or job growth stagnate, Chinese trade practices, the

exchange rate (US complaints that the Chinese *renminbi* [RMB] is pegged too low, thus tilting the playing field against US companies), and other Chinese economic policies are likely to become a major irritant in US–China relations. China, therefore, has both economic and political reasons to favor a robust US economy.<sup>32</sup>

The impact of domestic US politics on the future of US–China relations is extremely complex – and is thus a variable whose impact on future US–China relations is highly uncertain. Hawks and doves on China policy can be found in both political parties. Republicans advocating religious freedoms and those ideologically disposed to opposing communism are joined by Democrats championing human rights and US labor in pushing for a tougher China policy of containment. Republican business interests and Democrats seeking China’s political liberalization, meanwhile, argue for a more moderate policy of engagement. To forecast the impact of domestic US politics on Sino–American relations in 2015, therefore, the question is not *whether* Republicans or Democrats will win in 2006, 2008, 2010, 2012, and 2014, but *what kind* of Republicans and/or Democrats will predominate in the US Congress and presidency.

### *Individual-level*

Foreign policy analysts routinely anthropomorphize (make human) the state. For instance, we frequently hear in the media that “China feels that...” or “Washington believes that...”<sup>33</sup> States, of course, cannot feel or believe anything. It is individual Chinese and Americans actively perceiving their world who will act to make US–China relations. The views and actions of individuals and groups of individuals, therefore, will be vital drivers of future US–China relations.

Which Chinese will be important to US–China relations? As humans we all share a psychological tendency to see the groups to which we ourselves belong as diverse, while attributing to other groups, especially to opposing groups, a unity and coherence that they do not actually possess.<sup>34</sup> This is particularly true of communist countries like China, which Americans tend to view as inhabited by mindless masses, the antithesis of their own cherished individualism and freedom. Western analysts were slow, for example, to pick up on the Sino–Soviet split in the late 1950s and early 1960s in part because we assumed a unified “Communist Menace.” Our views of China today, remarkably, suffer from the same problem: we continue to attribute a greater coherence to Chinese behavior than actually exists, assuming that since China is “communist” and thus dictatorial, all decisions are made at the very top.

The days when Mao Zedong alone decided China’s foreign policies are long gone. A quarter century of “reform and opening” has added new and significant actors to the policymaking mix. They divide into three analytic categories: policymakers, policy advisors, and popular opinion.

*Policymakers* (Party leaders and bureaucrats). How will the foreign policy style of the new, younger Hu Jintao–Wen Jiabao leadership differ from that of the Jiang Zemin leadership? The Ministry of Foreign Affairs (MFA) and other bureaucracies are increasingly specialized and professional, as well as transparent to the Chinese public. How are these bureaucratic changes influencing foreign policy decision making? And what of the evolving role of the People’s Liberation Army (PLA)? Are they a nationalist force for hard-line foreign policies? Or has professionalization increased their subservience to

the CCP? In my view, the overall impact of professionalization within China's bureaucracies and military has been to allow for a greater institutionalization of the foreign policymaking processes, decreasing the impact of any individual leader.

*Policy advisors* (in think tanks and academia). Given the increasing complexity of Chinese foreign policy, and the increasingly “collective” style of the CCP leadership, analysts in research institutes and academia have a greater impact on foreign policymaking today.<sup>35</sup> China's policies towards particular nations, and even its grand strategy, are increasingly debated in the open, whether at public conferences or in publicly available journals and books. How will China's rapidly swelling ranks of policy advisors shape Chinese perceptions of threat in the early twenty-first century? More open discussion of foreign policy issues is likely to generate both healthy debates and greater consensus on China's US policy.

*Popular opinion* (on the Chinese street and in Chinese cyberspace). Chinese foreign policymaking is increasingly a “two-level game,” with diplomats keeping one eye on domestic nationalists while keeping their other eye on their foreign counterparts. Both on the street and in cyberspace, popular nationalists are increasingly asserting their right to participate in nationalist politics. Indeed, starting in the summer of 2003, a string of popular anti-Japanese protests and activities has hampered MFA efforts to maintain cordial relations with Japan. Japan-bashers are ascendant in Chinese cyberspace, and mutual trust has reached a recent low. Will nationalist opinion continue to demand tougher Chinese policies towards Japan and the US? If so, how will the CCP leadership manage these popular pressures? It is likely that over the next ten years the MFA and the CCP leadership will have their hands full responding to the demands of popular nationalists, and that their demands will increasingly shape China's US policy.<sup>36</sup>

The impact of individuals and groups of individuals on the making of US foreign policy is widely recognized and has been extensively studied, so can be treated briefly here. *Interest groups* – from business to religion to trade and labor – play an integral role in US democratic politics, and influence the making of US China policy.<sup>37</sup> A more diffuse but nonetheless real driver is *popular opinion*, measured in increasingly sophisticated surveys.<sup>38</sup> In democratic polities, unpopular policies rarely last long.

These individual-level variables should be integrated into the analysis of the system-level and state-level drivers discussed above. Following Kant, I believe that we do not apprehend things as they “are,” but actively construct our universe.<sup>39</sup> Thus system-level and state-level variables do not speak for themselves, but must be interpreted – possibly in very different ways – by individual Chinese and Americans. Different groups of Chinese and Americans, for example, may understand and react to a nuclear test by North Korea in ways that diverge significantly from what a structural analysis of its impact on the global and regional systems would predict. Analysis of system-level drivers, therefore, is best done with close consideration of the individual-level actors discussed above.

## 2. Predetermined Elements

What can we safely assume about the future of US–China relations? “Predetermined elements” can provide outer boundaries or parameters within which we can safely delimit our likely 2015 outcomes. This section addresses material before turning to

ideational “near certainties.” Demography, geography, and natural resources/energy are all material factors that will play near certain constraining roles in the evolution of US–China relations. And relatively enduring Chinese and American national identities are ideational elements likely to place definite limits on US–China relations over the next ten years.

### *Demography*

Size matters. China’s tremendous population is a source of pride and psychological strength that Chinese nationalists can be expected to continue to draw upon over the next ten years. Of course, a population of 1.3 billion also represents a tremendous challenge to China’s continuing economic development and political stability. Even if strong aggregate growth continues through 2015, we can expect an increasing number of the hundreds of millions of China’s poor – the losers of a quarter century of “Reform and Opening” – to make demands of the CCP leadership that are likely to force them to increase the provision of social welfare services. This fundamental demographic challenge suggests that China’s leaders will have their hands full with domestic discontent and will not willingly instigate trouble in China’s foreign relations.

### *Geography*

A nation’s geographic boundaries are a relatively stable factor predetermining its security environment. As Tang Shiping has recently theorized, “a state shielded by a more impermeable geographic barrier tends to enjoy a better security environment compared to more exposed states. For example, separated from other great powers by vast oceans (and neighbored by two much less powerful countries), the security environment of the United States has been (and will likely remain) the best among the major powers.”<sup>40</sup> China, by contrast, shares land borders with over a dozen countries (including great powers Russia and India), and confronts over a dozen more countries to its east and southeast in the Pacific Ocean (including great power Japan and super-power US). Tang has also argued that as a continental country, China must make continental security its priority, managing friendly neighborly relations with a Russia with which it shares a long and highly permeable border.<sup>41</sup>

What role will geography play in the future of US–China relations? Robert Ross has argued that because China is a continental power and the United States a maritime power, geography mitigates the security dilemma. US–China bipolarity in East Asia, therefore, is likely to be stable and peaceful.<sup>42</sup> The argument is compelling from a rationalist perspective, but depends upon both Beijing and Washington accepting the legitimacy of each other’s spheres of influence. That the United States intervened in World Wars I and II once it had become clear that Germany had become a regional hegemon in continental Europe suggests that Washington may not be willing to accommodate a future Chinese sphere of influence in continental East Asia.

### *Natural Resources and Energy*

After a quarter century of reform and opening, China is now the world’s second largest oil importer.<sup>43</sup> Surging demand for energy and natural resources to feed China’s massive economy has already begun a major debate in China: can China rely on free

markets to meet its energy and resource demands? Will the US continue to guard Middle Eastern oil as a public good, or will it begin to monopolize the Middle Eastern oil market? China has already begun adopting a mercantilist strategy of owning and/or politically controlling needed resources in South America, the Middle East and Africa, and in Central Asia and the Russian Far East. But this approach is more costly than relying on free market supplies. Should China continue in the mercantilist direction?

Americans, meanwhile, experienced serious energy anxiety following the invasion of Iraq in 2003 and Hurricane Katrina in 2005. Many Americans already view China as a zero-sum energy and natural resource competitor with the United States, and those fears have translated into action: Congressional opposition killed the China National Offshore Oil Corporation's (CNOOC) recent bid to buy the American energy company Unocal. With the failure of CNOOC's Unocal bid, many Chinese now view the United States as blocking China's access to the resources it needs to continue its rise. Indeed, Men Honghua of the CCP Central Party School has recently argued that "Energy security is not just an economic issue, but a geopolitical strategic issue as well." It implicates China's "political stability and national security."<sup>44</sup> A US–China energy insecurity spiral has thus begun, and can be expected to continue through 2015.

### *National Identity*

In a discussion of the "liberal pessimist" view of US–China relations, Aaron Friedberg notes that "Ideological differences, and ideologically rooted animosities, may ... reinforce the dynamics of mutual insecurity at work in the US–China relationship."<sup>45</sup> I agree, though I would substitute "national identity" for "ideology" and go further to replace "may" with "will": Chinese and American national identities virtually pre-determine that China and America will not become genuine allies by 2015.

Chinese identity today involves an ethnocultural nationalism that highlights a pure Han ethnicity and pride in China's "5,000 years of Civilization." But it is also a wounded nationalism that is currently confronting the long suppressed trauma that China experienced at the hands of Western and especially Japanese imperialism during the "Century of Humiliation" from the mid-nineteenth to the mid-twentieth centuries. National narratives about defeat in the Sino-Japanese War of 1894–95, the humiliating Treaty of Shimonoseki of 1895, the "21 Demands" of 1915, and the "Rape of Nanking" of 1937 conspire to make the Japanese the most reviled target of Chinese nationalism today. But Taiwan's continued separation from China, symbolizing China's humiliating past of being "carved up" by imperialism, lingers on as the greatest threat to Chinese national identity today. "Reunification" is thus not simply a matter of consolidating territory, but of shoring up national self-esteem. In Chinese eyes, US support of Taiwan, starting with American naval intervention in the Taiwan Strait in 1950 and continuing on to US political and military support of Taiwan today, is the cause of Taiwan's continued separation from China. As current PRC Vice President Zeng Qinghong said in 2002:

The United States bears a big responsibility for the fact that the Taiwan issue remains unresolved. The United States sheltered the Taiwan authorities continuously for over twenty years after ordering the seventh fleet into the Taiwan Strait

... [and] it has never stopped selling advanced arms to Taiwan ... help[ing] “Taiwan independence” forces.<sup>46</sup>

Therefore, so long as Taiwan remains *de facto* independent of China – a safe assumption over the next ten years – Chinese nationalism will set a clear limit on Chinese friendship towards the US.

American identity, by contrast, is largely ideological and not ethnocultural. It is a civic nationalism centered on a particularly American liberalism that has at its heart a fierce insistence on individual freedom set against an authoritarian state. In American national narratives, the United States won its independence and freedom by fighting against the tyranny of King George and the British. But our fear of the individual’s enslavement at the hands of a strong state lives on today in our fear of communism. This helps explain why so much US discourse on China today says so little about China and so much about American values. Decrying a “China threat” and the evils of communism becomes a way of defining what it means to be a freedom-loving twenty-first century American. Since it is fairly safe to say that China will remain a communist country for the next ten years, it is also safe to say that at a very deep-rooted level, most Americans will not trust China as a genuine ally.

### 3. Critical Uncertainties

Critical uncertainties refer both to “determinants of events whose character, magnitude, and consequences are unknown,” as well as “unknown interaction effects” among structural drivers.<sup>47</sup> Regional stability, the future directions of Chinese nationalism, and US power are three major critical uncertainties influencing future US–China relations.

#### *Regional Stability*

Will regional instability lead to a recognition of mutual security interdependence and thus help improve the relationship, or will it generate mutual fear and apprehension? The North Korean nuclear crisis is an example of such a critical uncertainty in future US–China relations. Should China be seen as a vital player in a successful resolution of the crisis, it could serve as a springboard for further US–China security cooperation in the region and confidence building more generally. But should the Korean crisis linger or deteriorate, Americans will increasingly question whether China is a force for peace or conflict in the region.

#### *Chinese Nationalism*

The evolving nature of Chinese nationalism – benign or malign – will be a critical determinant of China’s US policy. The future direction of Chinese nationalism will be shaped by several factors, including the direction of US power (to be discussed below), random international incidents (to be discussed under “chance” below), and the interaction of domestic economic and political developments, to be discussed here. Should Chinese economic growth continue at close to the current rate over the next ten years (say an average of 7 percent per year), pride in China’s economic development will continue to foster Chinese nationalism, but will not determine whether it will take a benign or malign form. In a situation of economic growth, political variables, in my view, will be

the key to the future direction of Chinese nationalism. Should the emergence of a larger middle class foster rapid democratization (an outcome I do not view as very likely), popular nationalism, which tends to be much more volatile and emotional than official nationalism, could become a force for belligerence in China's external relations.<sup>48</sup> The extreme nationalist rhetoric already prevalent in Chinese cyberspace, one of the most democratic spaces in China today, provides my primary evidence for this argument.<sup>49</sup> On the other hand, economic growth coupled with a more gradual liberalization of Chinese politics will likely allow nationalist sentiment in China to slowly mature in a more benign, self-confident direction. Should economic development be accompanied by a turn to the political right (whether within the CCP or in a new populist alternative), however, nationalist temptations will become greater.

A significant economic downturn, by contrast, is more likely to precipitate the emergence of a malign nationalism in China over the next ten years. The key indicators or benchmarks here will not just be economic development figures themselves, but whether the economic downturn is widely perceived to be fair or not. Internally, should typical Chinese see their fortunes decline while corrupt local cadres continue to prosper, this will generate anti-CCP resentment and protests, increasing the appeal of a diversionary war whereby Beijing seeks to deflect anti-CCP sentiments onto (most likely) Japan, Taiwan, or the United States. Externally, should Chinese opinion lay the blame for a Chinese economic downturn on globalization, an anti-Western nationalism could easily emerge. Indeed, popular nationalist books have already targeted globalization as an evil Western plot to prevent China's rise.<sup>50</sup> Such views, largely marginalized today, could easily gain widespread acceptance should a Chinese economic downturn be blamed on unfair international trade practices. As I will discuss below, a key benchmark indicator here will be popular discourse on the WTO: is China benefiting from its entry, or are its rules unfairly keeping China down?

### *US Power*

Two interrelated critical uncertainties impacting US China policy are leadership continuity or change, and the future direction of American power. As noted above, the leadership issue is not simply a matter of forecasting whether Democrats or Republicans will do better in the 2006, 2008, 2010, 2012, and 2014 congressional and presidential elections (no simple matter in itself!), but one of forecasting what kind of leaders get elected: those who favor unilateral and military solutions, or those who prefer multilateral and diplomatic solutions to international problems.

The related issue of the future direction of US power will not just impact America's China policy, but also Chinese views of the United States and China's US policy. Unlike their American counterparts, Chinese analysts do not assume that an American hegemony is or will be benign. An American empire, many Chinese increasingly fear, will not just seek to contain China's foreign policies, but will also actively seek to convert China's society and polity in America's own image. I concur with Robert Jervis' recent judgment that the Bush Doctrine is not likely to endure much longer.<sup>51</sup> The critical uncertainty here is what impact a failed US hegemony might have on future US–China relations.

#### 4. Chance

Random “accidents of history” often play determining roles in the unfolding of human events. Terrorism, epidemics, famines, assassinations, tsunamis, economic crises, and other international incidents – such chance events not only happen but can often be quite consequential. Because they are low-probability events individually, and impossible to predict with accuracy, such “wild cards” tend to be downplayed by those attempting causal analysis – whether for the past or for the future.

But this is a mistake. While low in probability, random international incidents can radically alter the course of our scenarios for the future of US–China relations. Recent history provides abundant evidence of the critical role that chance has played in the bilateral relationship. The 1999 US bombing of the Chinese embassy in Belgrade and the 2001 spy plane collision near Hainan Island were not events that could be predicted, but they have played a major role in the evolution of Chinese nationalism and US–China relations. Anti-American sentiment in China has spread, and US distrust of China has deepened. Should analogous incidents implicating Japan, Taiwan or the United States occur over the next ten years, they can be expected to undermine the bilateral relationship. Chinese nationalists drowning after clashing with Japan’s Self Defense Forces near the disputed Diaoyu/Senkaku Islands, a Chinese jet fighter going down not after shadowing a US EP-3, but after bumping President Chen Shui-bian’s Air Force One, these are the kinds of events we should be worried about.

Such random incidents have a very low probability individually and cannot be predicted with any precision, but the number of such possible incidents is so great that I would forecast a 15 percent probability of such an incident seriously inflaming US–China relations over the next ten years. Structural forces like economic development or democratization, as noted above, are indeterminate with respect to the future of Chinese nationalism and US–China relations. Chance – the random accidents of history – will unfortunately play a surprisingly significant role in shaping the future of the bilateral relationship.

#### 5. Scenarios

Scenarios, according to Bernstein, Lebow, Stein, and Weber, are “narratives with plot lines that map a set of causes and trends in future time.” They are, in other words, “internally consistent ... stories about how the future may unfold.”<sup>52</sup> US–China relations in 2015 are likely to be best characterized as i) allies, ii) partners, iii) rivals, or iv) enemies, which can be thought of as a best-to-worst case continuum of characterizations of the relationship. Many specific scenarios – chains of contingencies or plot lines – could lead to each of these outcomes. Space limitations prevent the detailing of all the possible scenarios leading to each of the four possible futures. Therefore, only the most likely storyline for each outcome is sketched here.

##### 1. *Allies*

Economic growth in both China and the United States is robust, promoting a positive-sum view of the bilateral relationship, and a shared interest in global stability. China sheds communism, democratizes, and there is a public reassessment of the Tiananmen Massacre, allowing Americans to re-imagine China. In the United States, new leaders

embrace multilateralism, diplomacy, and the UN, assuaging Chinese (and global) fears of US hegemony. Internationally, able leadership at the UN, improved global governance, and increased success in the “war on terror” reassure the American public of the benign nature of world affairs. In Asia, regional economic prosperity and the peaceful and voluntary “reunification” of Taiwan with mainland China provide the context for a Chinese re-imagining of America. The good fortune of the relative absence of major international incidents, furthermore, keeps Chinese and American popular nationalism in check.

## 2. *Partners*

Economic growth predominates in both China and the United States, there are no major recessions or trade disputes, and the economic relationship is largely seen as positive-sum and vital to the health of both economies. Political power in China remains concentrated in the hands of the CCP, but the liberalization that has already occurred in the cultural, social and economic realms begins to spread to politics. Rural elections proliferate and “intra-party democracy” is the new norm within the CCP. Engagement is the preferred China policy in the US Congress and US presidency. Iraq and the Middle East have stabilized, and the US continues to waver between unilateralism and multilateralism in its foreign policy. The international system remains unipolar but with a more active and competent UN, which reassures both the American and Chinese publics about each other’s intentions. In Asia, regional rivalries continue to fester, prompting Chinese and Americans to recognize that they need each other’s help to maintain regional security.

## 3. *Rivals*

The economies of China and/or the United States falter, prompting one or both sides to view the economic relationship in predominantly zero-sum terms. China remains a one-party dictatorship, suppressing popular efforts at democratization, and continues its military buildup, throwing its weight around more aggressively in regional hot spots. Containment advocates predominate in US politics. US foreign policy, meanwhile, remains largely unilateral and militarily rather than diplomatically oriented. US democratic politics is dominated by a liberalism that increasingly defines itself against a Chinese communist “other.” A variety of unpleasant incidents continue to irritate the relationship, contributing to a further decline in mutual trust.

## 4. *Enemies*

The most likely scenario leading to war is driven by the Taiwan question. An international incident comparable to the Belgrade bombing of May 1999 or the spy plane collision of April 2001 – but this time somehow involving Taiwan – would likely generate sufficient popular pressure on Beijing where it would be forced to respond militarily, leading to US countermeasures. Alternatively, political elites in Taipei or Beijing, engaging in factional or populist politics, might seek to take a tough stand on the Taiwan issue for domestic political gain, leading to escalation and conflict. However the incident begins, capable and mature leadership in Beijing and Washington will be vital if war is to be avoided. There are, of course, other routes leading to US–China conflict as well. For instance, should China’s economy suffer a downturn, the likelihood

of Beijing initiating a diversionary war increases dramatically. The Diaoyu/Senkaku Islands controversy, for instance, could provide Beijing with an excuse to initiate a popular war against Japan – one that would inevitably implicate US–China relations.

Note that each of these four thumbnail scenarios weaves together *structural drivers*, *predetermined elements*, *critical uncertainties*, and *chance* elements contributing to the specified outcome. The different elements are thus clumped. While there are clearly spillover effects from one dimension to another (a souring of the economic relationship, for instance, poisoning political relations), there can also be discontinuities, such as today, when the United States and China are best described as economic partners but security rivals. These are thus “overall” US–China scenarios for 2015.

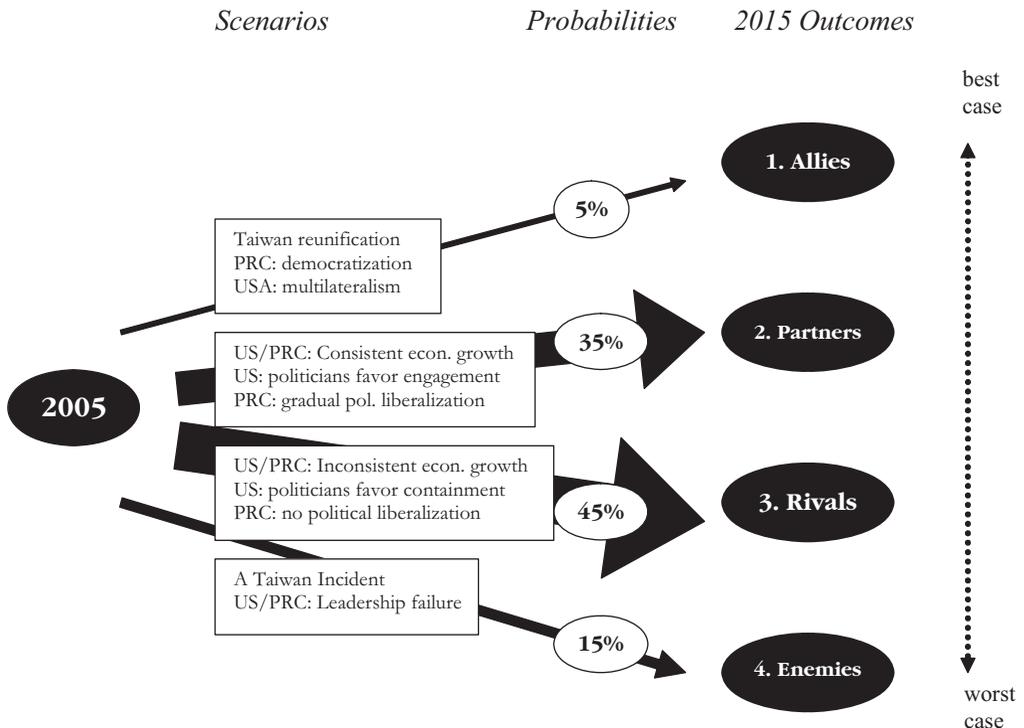
## 6. Probabilities

Taking into account the various elements discussed above, I make two “best guess” forecasts. First, I *rank order* the scenarios with rivals the most likely, followed by partners, enemies, and, least likely, allies. Second, in addition to ranking them, I *weigh* the scenarios with both rivals and partners much higher in probability than allies or enemies. Specifically, I forecast a 45 percent chance that overall US–China relations in 2015 will be best characterized by the rivals scenario, followed by a 35 percent chance that the United States and China will be partners. The chances that the US and China will be allies or enemies are significantly more remote, but real, at 5 percent and 15 percent respectively. (See Figure 1.)

These rankings and weightings represent the author’s best judgments. This is not a quantitative analysis and does not seek to meet the standard of replicability: another scholar, doing the same research, may well rank and weigh the scenarios differently. The standard this qualitative analysis holds itself to, instead, is validity: do its judgments cohere logically? Do they make sense?

In my view, the most likely (at a 45 percent probability) overall scenario for US–China relations in 2015 is that of rivals. Given that rivalry is the best overall description of US–China relations today, I am forecasting more of the same. At the state level, an economic downturn in China or the United States is more likely than not over the course of the next ten years, prompting economic competition. Politically, China is most likely to remain a one-party dictatorship, a condition that will prevent most Americans from embracing partnership with China. Regardless of how the United States actually behaves (which will likely continue to be an unpredictable blend of unilateral and multilateral foreign policies), given the emergence of popular narratives of China’s past humiliations at the hands of the West, and recent perceived “insults” in Belgrade (1999) and off of Hainan Island (2001), most Chinese are likely to continue to perceive the US as an imperial hegemon and remain wary of US intentions.<sup>53</sup> Asia is also ripe for rivalry. As the CIA’s “Global Trends 2015” predicted in 2000, “On balance, the number and range of rivalries and potential flash-points suggest a better-than-even chance that episodes of military confrontation and conflict will erupt over the next 15 years.”<sup>54</sup> Should any such incidents involve China, popular nationalists, responding to real or perceived insults to China’s dignity, will continue to push the CCP leadership to take tougher – not more accommodating –

FIGURE 1  
SCENARIOS (IN BOXES) AND PROBABILITIES (ARROW THICKNESS AND IN OVALS) OF FOUR  
BEST-TO-WORST CASE 2015 OUTCOMES FOR US–CHINA RELATIONS



foreign policy positions. The regional situation, furthermore, is likely to grow more, rather than less, dangerous should China experience an economic downturn. Aaron Friedberg's recent assessment of a future of "constrained, or bounded, competition" between the United States and China also supports this forecast of continued rivalry. Friedberg contends that the offsetting effects of positive and negative drivers in the bilateral relationship ensures that "the fundamentally mixed character of the US–China relationship will not change very much ... with periodic shifts towards greater cooperation or increased competition, but without a clear trend."<sup>55</sup>

The second most likely scenario for 2015, at 35 percent or an approximately one in three probability, is of an overall US–China partnership. Following the disappointing results of US unilateralism in Iraq during President George W. Bush's first term, the United States is likely to turn towards a more multilateral foreign policy that Beijing will find more palatable. And as regional rivalries fester, policymakers in both Beijing and Washington will increasingly recognize that the stability of East Asia depends upon their mutual cooperation. The United States and China could partner on a variety of common economic and security concerns, from maintaining international financial stability to resolving the North Korean nuclear issue. But balance of power dynamics as well as historical and ideological animosities will militate against a genuine alliance. The odds of uninterrupted economic growth in China and the United

States over the next ten years are less than even: China confronts too many structural obstacles (an inefficient financial system, transportation bottlenecks, corruption, over-production, etc.). Meanwhile, the Bush administration has accumulated an extremely risky level of debt that could easily create problems for the US economy over the next ten years.<sup>56</sup> The international community, for its part, has failed to develop adequate institutions to regulate the twenty-first century global economy. Politically, the CCP is likely to allow some political liberalization, but not enough to challenge one-party rule and certainly not enough to satisfy US politicians. In the United States, engagement advocates must predominate for the partners scenario to materialize, but this will be unlikely should economic difficulties on either side of the Pacific create a competitive view of the bilateral relationship. Partnership is thus less likely than rivalry. As Robert Sutter has noted, “the continuing clash of long-term US–China interests in the region – particularly the continued PLA buildup targeted at Taiwan and US forces that might help Taiwan – suggest that a major breakthrough toward strategic cooperation is unlikely.”<sup>57</sup>

There remains a 15 percent likelihood that China and the United States will become enemies by 2015. Although both countries share a mutual interest in the stability of East Asia, material self-interest will not ensure peace. Both Americans and Chinese may pursue profit, but as social animals we also desire recognition and respect, and are often moved by passions like pride and anger. For instance, because it implicates cherished identities, Chinese and Americans care deeply about the Taiwan issue – but fail to understand each other’s positions. Worse yet, both Chinese and Americans ascribe malign motives to each other’s behavior. Chinese view Americans as “interfering” in Taiwan not out of a concern for democracy but out of a desire to obstruct China’s rise. Americans, meanwhile, view China as “bullying” a small neighboring democracy – not as protecting its own sovereignty and self-respect. By de-legitimizing each other’s motives, the foundation for violence has already been laid. All it will take now is some spark. The odds of a random incident or politicians in Beijing or Taipei providing that spark, in my best guess, are about 15 percent. Economic interdependence may shape Chinese and American behaviors on a number of issues, but are not likely to constrain US–China relations should a Taiwan incident erupt.

A genuine US–China alliance is the most unlikely scenario for 2015, with a likelihood of just 5 percent. In *China’s Democratic Future*, Bruce Gilley argues both that China will democratize soon, and that a democratic China will have a peaceful foreign policy.<sup>58</sup> I respectfully disagree. While gradual political liberalization strikes me as possible, Chinese politics is more likely to take a populist than a democratic turn. And even if China does democratize, its foreign policy is likely to become more rather than less nationalistic over the short term. A democratic China with a peaceful foreign policy is thus a very long shot – but that is the only China that most Americans could genuinely embrace as an ally. Chinese, for their part, are unlikely to embrace alliance with the United States until Taiwan has been reunified with China – another very long shot. As long as Taiwan remains separated from China, it will be a constant reminder of China’s past humiliation at the hands of the West, and the United States and Japan will be blamed for it. National identity, in short, is a “predetermined element” that makes genuine US–China alliance highly unlikely by 2015.

## 7. Signposts

Signposts are early indicators or clearly observable benchmarks that will allow us to periodically assess how the four 2015 scenarios appear to be holding up to the test of time. The following works backwards from the least to the most likely scenarios to identify ten key signposts (regime change in China, Taiwan reunification, domestic politics in Taiwan and Japan, an international incident involving Japan or Taiwan, nationalist dynamics in China, leadership in Washington and Beijing, economic growth, Chinese political development, regional stability, and the Bush doctrine) that we should keep our eyes on.

### *Allies*

According to this forecast, a US–China alliance is the least likely scenario for 2015. National identity is a predetermined element that severely constrains the possibility for a genuine US–China alliance: as long as China remains communist, Americans are unlikely to wholeheartedly embrace China; and as long as Taiwan remains *de facto* independent, Chinese are likely to resent America. Therefore, *regime change in China* and *Taiwan reunification* are the two major if highly improbable signposts that we should be looking for in anticipation of an allies scenario coming to pass over the next ten years.

- (1) *Regime change in China*. The demise of communism in China is not likely over the next ten years. But Americans will never embrace a “Communist China” as a genuine ally.
- (2) *Taiwan reunification*. Given the recent emergence of a robust ethnic and civic nationalism in Taiwan, reunification remains unlikely over the next ten years. Most Chinese will blame the US for this situation and reject the US as a genuine ally.

### *Enemies*

US–China enmity is the next most likely scenario for 2015. While there are a number of specific chains of events that could lead to this outcome, the most likely involve the United States being drawn into a Chinese conflict with Taiwan or Japan. Therefore, the major signposts that are likely to augur US–China enmity are *domestic politics in Taiwan and Japan*, a random *international incident involving Japan or Taiwan*, *nationalist dynamics in China*, and *leadership in Washington and Beijing*.

- (3) *Domestic politics in Taiwan and Japan*. Beijing could become a victim of its own success in Taiwan: should its “united front” with the opposition Pan-Blue push President Chen Shui-bian and “Pan-Green” forces into a corner, they may well be tempted to provoke Beijing by making reckless statements on independence to elicit an angry response, which could demonstrate the China threat to the Taiwan people, reversing the fortunes of Pan-Green in domestic Taiwan politics.<sup>59</sup> In Japan, should the Koizumi administration be replaced by another conservative and hawkish leadership, tensions with China are sure to rise. Continued high-level Japanese visits to the controversial Yasukuni Shrine in Tokyo will be another clear

indicator of trouble brewing in Sino-Japanese relations that could contribute to a souring in US–China relations.

(4) *An international incident involving Japan or Taiwan.* A random event comparable to the 1999 US bombing of the PRC Embassy in Belgrade, or the 2001 Hainan spy plane collision – only this time involving Taiwan or Japan – would be a clear signpost that US–China conflict may be looming. The inability of Beijing to control anti-Japanese protestors for over three weeks in April 2005 shows how hot anti-Japanese sentiments have become in China, and Taiwan is an issue of sovereignty and self-respect that no Chinese leader can compromise on. Should any international incident occur involving China and Japan or Taiwan, therefore, Beijing will have its hands full containing popular nationalists, and will probably be forced to take a very tough foreign policy position. This will likely exacerbate the situation, creating an insecurity spiral that could draw in the United States.

(5) *Nationalist dynamics in China.* The balance of power between the state and popular nationalists will largely determine how Beijing responds to signposts three and four: tougher policies in Tokyo or Taipei or an international incident. Because the CCP bases much of its legitimacy on its nationalist credentials, it cannot coerce popular nationalists too blatantly, but it needs to “guide” nationalist opinion if it wishes to maintain any autonomy during a foreign policy crisis. So the evolving dynamics of nationalist contention – a critical uncertainty identified above – will be a vital signpost that will help us forecast whether Beijing can contain future nationalist incidents. Specifically, are Chinese cyber-nationalists pushing for – and getting – tougher Japan, Taiwan and US policies? Or is China’s elite successfully “guiding” nationalist opinion and maintaining its foreign policymaking autonomy?

(6) *Leadership in Washington and Beijing.* Finally, the quality of leadership in Washington and Beijing will be central to whether the US gets drawn into a China-Japan or China-Taiwan conflict. In particular, we should keep our eyes open for two extreme types of leaders: nationalist entrepreneurs who can be expected to exacerbate US–China tensions in a time of crisis, and statesmen who can be counted on to rise above nationalist passions to contain a looming conflict.

### *Partnership and Rivalry*

Identifying signposts that will allow us to clearly distinguish between our two most likely scenarios of partnership and rivalry is more difficult, but four are key: *economic growth*, *Chinese political development*, *regional stability*, and the fate of the *Bush doctrine*.

(7) *Economic growth.* The partnership scenario depends upon continued economic growth in both China and the United States over the next ten years to facilitate a positive-sum view of the bilateral relationship. In my view, the odds of uninterrupted growth in both the Chinese and American economies are less than even. There are simply too many serious structural economic obstacles that China has to overcome (from finance to transportation to overproduction), and thanks in part to

a politicized Federal Reserve, the United States has accumulated an extremely risky volume of debt. Should either economy take a downturn over the next ten years, it will encourage a zero-sum view of the bilateral relationship promoting rivalry. More than economic growth figures themselves, we should focus our attention on specific signposts such as how these figures are spun in Washington and Beijing: are US economic woes blamed on unfair Chinese trade practices? Are China's economic difficulties blamed on globalization, the World Trade Organization (WTO), or unfair "rules of the game"?

(8) *Chinese political development.* Without significant political liberalization in China over the next ten years, Americans are unlikely to embrace partnership with China. However, while moderate liberalization is likely, it is not likely to challenge one-party rule. And as long as China remains a dictatorship, most Americans will view it as a rival at best.

(9) *Regional stability.* Instability in East Asia is a critical uncertainty in future US–China relations: it could lead Chinese and Americans to recognize their security interdependence and their need to closely cooperate with one another, thus promoting a partnership. But instability in the region could also promote rivalry. East Asia boasts three of the world's most dangerous hotspots: the Taiwan Strait, the Sea of Japan/Yellow Sea, and the Korean Peninsula. Specific signposts here include the Taiwan independence/reunification issue, Sino-Japanese relations, and the North Korean nuclear issue. Significant troubles in any of these hot spots portend a US–China relationship moving more towards rivalry than partnership.

(10) *The Bush doctrine.* The fate of the Bush doctrine of preemption, unilateralism, and reliance on military solutions to international problems will be a major signpost for those forecasting the future of US–China relations. A less imperial and more benign US hegemony will promote US–China partnership. But either an imperial America or a failed US hegemony are likely to promote US–China rivalry.

## 8. Policy Implications

What policy implications flow from this forecasting exercise?

If Sino-American conflict is a low probability outcome, we should not let it dominate our thinking and thus become a self-fulfilling prophesy. Of course, the US should prepare for conflict by maintaining its general deterrence through both internal and external balancing – both maintaining its military capabilities and its international alliances. But worst case thinking should not be allowed to govern our security analysis.

And if we believe that the worst case scenario of US–China conflict is most likely to be the product of the United States getting drawn into a Sino-Japanese or PRC–Taiwan dispute, then we should focus on crisis avoidance and management strategies. If chance – the accidents of history – is to continue to play a central role in US–China relations, then Beijing and Washington need to prepare for such incidents. More clearly established crisis management mechanisms can help China and the United

States. The inability of the US leadership even to get their Chinese counterparts on the phone in the initial days after the Belgrade bombing and spy plane incidents exacerbated each crisis and should be a lesson to learn from. Improved channels of communication should be more clearly established so that our diplomats are better able to manage crises before nationalists in China and the US exacerbate them.

And if we believe that the outer boundaries for US–China relations in 2015 are fairly narrow – an 80 percent likelihood that we will continue on in the current state of rivalry or move marginally towards partnership – then we should hedge between these two scenarios. And this is indeed what we are already doing. As Evan Medeiros has recently argued, both Washington and Beijing are currently confronting uncertainty in their bilateral relationship by hedging their policies toward each other. Hedging is a wise “geopolitical insurance strategy”<sup>60</sup> for the United States in its China policy because it does not make rivalry or enmity a self-fulfilling prophesy, and allows for the possibility of movement towards partnership.

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  30. See Eugene A. Matthews, "Japan's New Nationalism," *Foreign Affairs* Vol. 82, No. 6 (November/December 2003), pp. 74–90.
  31. See, for example, Denny Roy, "Southeast Asia and China: Balancing or Bandwagoning?" *Contemporary Southeast Asia: A Journal of International and Strategic Affairs* Vol. 27, No. 2 (August 2005), pp. 305–22; and Elizabeth Economy, "China's Rise in Southeast Asia: Implications for the United States," *Journal of Contemporary China* Vol. 14, No. 44 (August 2005), pp. 409–425.
  32. There are numerous psychological reasons, of course, why some Chinese might revel in a US economic downturn.
  33. In addition to anthropomorphizing the state, "Washington believes that..." is an example of metonymy, the substitution of the name of an attribute or feature (such as Washington) for the name of the thing itself (the US).
  34. On "perceptions of centralization" in international affairs, see chapter eight of Robert Jervis, *Perception and Misperception in International Politics* (Princeton, NJ: Princeton University Press, 1976).
  35. See David Shambaugh, "China's International Relations Think Tanks: Evolving Structure and Process," *The China Quarterly* Vol. 171 (September 2002), pp. 575–596.
  36. See Peter Hays Gries, "Chinese Nationalism: Challenging the State?" *Current History* (September 2005), pp. 251–256.
  37. See, for example, Peter Trubowitz, *Defining the National Interest: Conflict and Change in American Foreign Policy* (Chicago: University of Chicago Press, 1998).
  38. Ole R. Holsti, *Public Opinion and American Foreign Policy*, rev. ed. (Ann Arbor: University of Michigan Press, 2004).
  39. Immanuel Kant, *Critique of Pure Reason*, translated and edited by Paul Guyer and Allen W. Wood (New York: Cambridge University Press, 1998 [1781]).
  40. Tang Shiping, "A Systemic Theory of the Security Environment," *Journal of Strategic Studies* Vol. 27, No. 1 (March 2004), p. 5.
  41. Tang Shiping, *Suzao Zhongguo de lixiang anchuan huanjing (Constructing China's Ideal Security Environment)* (Beijing: Zhongguo shehui kexue chubanshe, 2004), p. 89.
  42. Robert S. Ross, "The Geography of the Peace: East Asia in the Twenty-First Century," *International Security* Vol. 23, No. 4 (Spring 1999), pp. 81–118.
  43. See David Zweig and Bi Jianhai, "China's Global Hunt for Energy," *Foreign Affairs* Vol. 84, No. 5 (September/October 2005), pp. 25–38.
  44. Men Honghua, *Goujian Zhongguo dazhanlue de kuangjia: Guojia shili, zhanlue guannian yu guoji shidu (Constructing a Framework for China's Grand Strategy: National Power, Strategic Concept, and the International System)* (Beijing: Beijing daxue chubanshe, 2005), pp. 147–148.
  45. Aaron L. Friedberg, "The Future of U.S.–China Relations: Is Conflict Inevitable?" *International Security* Vol. 30, No. 2 (Fall 2005), p. 33.
  46. Bush, *Untying the Knot*, p. 206.
  47. Bernstein *et al.*, "God Gave Physics the Easy Problems," p. 56.
  48. This point is supported by the recent cross-national quantitative work of Snyder and Mansfield, who argue that rapidly democratizing countries are particularly conflict-prone. See Edward D. Mansfield and Jack Snyder, *Electing to Fight: Why Emerging Democracies go to War* (Cambridge, MA: MIT Press, 2005).
  49. See, for example, Gries, "China's 'New Thinking' on Japan."
  50. See, for instance, Wang Xiaodong, Fang Ning and Song Qiang, eds., *Quanjubua yinyingxia de Zhongguo zhilu (China's Road under the Shadow of Globalization)* (Beijing: Zhongguo shehui kexue chubanshe, 1999),

- which advocates a closed economy, arguing that the US government seeks to exterminate the Chinese race. Of course, many Chinese liberals argue the benefits of economic interdependence.
51. Robert Jervis, "Why the Bush Doctrine Cannot Be Sustained," *Political Science Quarterly* Vol. 120, No. 3 (Fall 2005), pp. 351–377.
  52. Bernstein *et al.*, "God Gave Physics the Easy Problems," p. 53.
  53. See Peter Hays Gries, *China's New Nationalism: Pride, Politics, and Diplomacy* (Berkeley and Los Angeles: The University of California Press, 2004).
  54. "Global Trends, 2015: A Dialogue about the Future with Nongovernment Experts," December 2000. Online at <http://www.cia.gov/cia/reports/globaltrends2015/globaltrends2015.pdf>.
  55. Friedberg, "The Future of U.S.–China Relations," pp. 43–44.
  56. See, e.g., Paul Krugman, "Greenspan and the Bubble," *The New York Times*, August 29, 2005, p. A15.
  57. Robert Sutter, "China's Rise in Asia – Are US Interests in Jeopardy?" *American Asian Review* Vol. XXI, No. 2 (Summer 2003), p. 21.
  58. Bruce Gilley, *China's Democratic Future: How it Will Happen and Where it Will Lead* (New York: Columbia University Press, 2004).
  59. It is noteworthy, for example, that President Chen responded to the DPP's poor performance in the December 2005 "three-in-one" local elections not by moderating his mainland policy, but by taking a hard line. See Keith Bradsher, "Taiwan Chief Seeks More Arms, Not Better Ties to China," *New York Times*, January 2, 2006.
  60. Evan S. Medeiros, "Strategic Hedging and the Future of Asia-Pacific Stability," *Washington Quarterly* Vol. 29, No. 1 (Winter 2006), p. 147.

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