

TOUGH CALLS:
DIFFICULT ASSESSMENTS AND
HARD CHOICES IN
U.S. POLICY TOWARD CHINA¹

Harry Harding

Frank Batten School of

Leadership and Public Policy

The University of Virginia

It is both a great pleasure and a high honor to be here with you this afternoon. It's a great pleasure to be back at the Wilson Center, an organization at which I spent about a very enjoyable and rewarding year and a half back in 1979-80, helping to organize and launch what is now the Center's Asia Program and giving me my first real experience in organizational leadership. It's a pleasure, too, to resume a fuller schedule of speaking and writing about China and U.S.-China relations, having spent the last five years building a new professional school in a very different subject area: civic leadership and public policy. And it's a great honor to give this lecture in memory of a good friend and outstanding scholar, the late Nancy Bernkopf Tucker, who left us far too soon but whose contributions to her country and to the study of its relations with China will not be forgotten. I want to give special thanks to Bob Hathaway and Warren Cohen for giving me this extraordinary opportunity.

In preparing for this talk tonight, I revisited parts of Nancy's impressive body of writing on the U.S.-China relationship and U.S. policy toward China, from the late 1940s until the time of her untimely death in 2012. I'd read most of her books and articles individually before, but I had not looked at them together as a single corpus of work. When I did so, I saw a clear thread running through them: a sustained interest in what I'm calling "tough calls" in U.S. relations with China—the difficult analytic assessments made by American observers over the years and the difficult policy choices undertaken by American decision makers at various points in the history of the relationship. By tough analytic calls I mean those where the questions are: what is happening, where are things going, and what will it mean for us? And tough policy calls are those where the issue is: what should we do about those developments, how can we advance American interests, and how can we design our policy to have the best chance of success?

¹ Delivered as the Second Annual Nancy Bernkopf Tucker Memorial Lecture at the Woodrow Wilson International Center for Scholars, Washington, DC, April 16, 2014

These two kinds of questions are tough calls for a very similar reason, they both involve predictions: predictions about how a situation is evolving, predictions about how it will affect our interests, and forecasts of the outcomes of the different policy options we are considering. As the noted philosopher Yogi Berra famously put it, predictions are hard, especially when they are about the future. They are difficult because of the complexities and uncertainties that they usually entail. Analytic calls in foreign affairs are particularly hard because they require assessments of the likely course of domestic and foreign policy in other countries and then about the probable evolution of the relationships among those countries, each of which is making its own policy choices. And policy calls are even harder, because they involve two linked sets of predictions: how the situation is likely to evolve, and then what the likely consequences of our responses will be. To make matters worse, policy calls often involve tough ethical choices, the weighing of competing priorities, and the allocation of scarce resources, sometimes in situations where the stakes are high. Former Virginia Senator James Webb, speaking at the Batten School the other day just before receiving this year's Jefferson Foundation Medal in Citizen Leadership, said that one of the most important characteristics of leadership is the ability to make a continuing series of difficult decisions, perceptively, ethically, and decisively. In other words, successful leadership involves the ability to make what I term tough calls, one after another, and to get at least most of them right.

Tough Calls of the Past

So what were some of the tough calls that Nancy Tucker studied over the course of her distinguished career? Her earliest work, on the American decision to “let the dust settle” in China after the Chinese Communist Party came to power on the mainland, examined one of the first, most difficult, and most controversial of America's tough policy calls with regard to China.² The book opens with an important insight: that policymakers often prefer not to have to make tough calls; especially when the situation is unclear, the choices are controversial, and the stakes are high. The issue that Harry Truman and Dean Acheson faced in 1949 was, as Nancy summarized it, whether to continue to support the Nationalist government even as it retreated, tottering and corrupt, from the mainland to Taiwan, or whether it should try to deal with the “avowedly communist regime” that had been established in Beijing at the same time that the United States was increasingly committed to the containment of Communism in Europe.³ Either option would carry significant costs and uncertain benefits, domestically and internationally. So Truman and Acheson's initial call was actually not to make one; their decision was not to decide once and for all, but rather to “let the dust settle” and “preserve American flexibility” in the meantime, while trying to persuade the new communist government in China to do the same and not to align itself too quickly or too closely with the Soviet Union.

² Nancy Bernkopf Tucker, *Patterns in the Dust: Chinese-American Relations and the Recognition Controversy, 1949-1950* (New York: Columbia University Press, 1093).

³ Tucker, *Patterns in the Dust*, ch. 1.

But while one tough call—what to do about China—could be postponed, another tough call could not be delayed. In Nancy’s words, the “approaching Nationalist debacle plunged the Secretary [Acheson] and his staff into the unwelcome but ultimately unavoidable task of analyzing national objectives in the Far East.”⁴ The policy call that emerged from that imperative was embodied in Acheson’s National Press Club speech of January 1950, in which the Secretary appeared to place both South Korea and Taiwan outside the American defense perimeter in Asia. Whatever the merits of the first call—to let the dust settle before deciding what to do about China—the second call appeared to encourage, or at least did not deter, North Korea from attacking the South in June 1950. And that led to a quick series of further fateful decisions, including the analytical judgment that despite the lack of any direct evidence of Chinese involvement, “Peking had connived in the North Korean assault,”⁵ the subsequent decision to come to South Korea’s defense even though it had just been excluded from the American defense perimeter, the consequent abandonment of any thought of normalizing relations with China, the decision to interpose the Seventh Fleet in the Taiwan Strait, and finally the decision to escalate American war aims to include not just rolling back the North Korean attack but also liberating North Korea from Communist rule. There is no doubt that this rapid series of analytic and policy decisions, made in the space of less than one year, between January and October 1950, established the general context for U.S.-China relations for the following two decades, a context characterized by confrontation, hostility, and mistrust.

Nancy’s subsequent work on U.S. policy toward China dissected other tough calls. First there was the decision in 1978 finally to normalize relations with China while derecognizing Taiwan—a decision that raised ethical concerns that gave Nancy some pause, particularly treating Taiwan first as “an inconsequential irritant marring a grand design,” and then as a “relatively minor casualty of an important strategic accomplishment that would significantly enhance national security.”⁶ Later, she examined the decision to admit China into the WTO, which Nancy enthusiastically favored because this step would be in the economic and strategic interests of both the U.S. and Taiwan, since China’s membership would allow Taiwan also to join as a separate customs territory.⁷

In her later writing, Nancy focused increasingly on the tough analytical and policy calls that she saw being raised by the residual American security commitments to Taiwan. One article in the *Washington Quarterly* raised and answered a bluntly formulated question: “If Taiwan Chooses Unification, Should the United States Care?”⁸ Her emphasis was on the verb “chooses,” since she saw the possibility that, as economic interdependence and societal interaction across the

⁴ Tucker, *Patterns in the Dust*, p. 3.

⁵ Tucker, *Patterns in the Dust*, p. 195.

⁶ Nancy Bernkopf Tucker, *Taiwan, Hong Kong, and the United States, 1945-1992: Uncertain Friendships* (New York: Twayne Publishers, 1994), p. 132.

⁷ Nancy Bernkopf Tucker, “The Taiwan Factor in the Vote on PNTR for China and Its WTO Accession,” *NBR Analysis*, 11:2 (July 2000), pp. 5-18.

⁸ Nancy Bernkopf Tucker, “If Taiwan Chooses Unification, Should the United States Care?,” *Washington Quarterly*, 25:3 (2002), pp. 15-28.

Taiwan Strait increased, the prospect that the Taiwanese would voluntarily choose unification might increase as well. Although that prospect seems more remote today than it did then, the question remains highly pertinent, and Nancy did not give it a simple answer. Instead, she suggested that Taiwan's uncoerced choice to unify with China would carry both benefits and costs for the United States: it would remove one of the biggest obstacles to a stable U.S.-China relationship, but would also greatly enhance China's strategic flexibility, giving Beijing the choice either to devote fewer resources to military preparations, or else to assign higher priority to its remaining territorial claims and develop an even greater ability to project naval and air power beyond its coastal waters, thereby threatening the sea lines of communication through the Taiwan Strait and the Western Pacific. In short, Nancy warned, resolution of the Taiwan issue, even on Beijing's terms, would actually increase uncertainty rather than reduce it: as she summarized her answer, it would mean a "less predictable, more flexible, and potentially less-burdened opponent, though one still noted for its lack of transparency."⁹

Closely related to this analytic assessment was a possible policy call being debated in 1998-99, when Nancy published "China-Taiwan: U.S. Debates and Policy Choices," this time in *Survival*. There, she analyzed the debates over whether the U.S. should modify its position regarding the security of Taiwan, then known as "strategic ambiguity," in favor of one of several less equivocal alternatives she identified: from abandoning Taiwan altogether, to promoting dialogue or engaging in mediation between Taiwan and China, to the diametrically opposed options of guaranteeing Taiwan's security or pressuring Taipei to come to terms with Beijing. Nancy gave a characteristically sophisticated analysis of the pros and cons of each option before concluding unequivocally that "ambiguity is the only prudent policy," since any alternative would reduce American flexibility while carrying greater costs and risks.¹⁰ On that basis, she was highly critical whenever she saw signs of a shift in the American position during the George H. W. Bush and Clinton administrations, whether that shift involved closer ties with Taiwan, as with the F-16 sales toward the end of the senior Bush's administration, or more distant relations with Taipei, as in reaction to some of the more provocative statements by Taiwan President Chen Shui-bien during the Clinton years.

These, then, were some of the analytic and policy calls that Nancy analyzed so thoughtfully in her research. What are their equivalents in U.S. relations with China today?

Tough Calls Going Forward

Some very specific and very difficult calls may be required of the U.S. in the foreseeable future, particularly if China were to try to seize control of some of the disputed islands in the South

⁹ Tucker, "If Taiwan Chooses Unification," p. 21.

¹⁰ Nancy Bernkopf Tucker, "China-Taiwan: U.S. Debates and Policy Choices," *Survival*, 40:4 (Winter 1998-99), pp. 150-67.

China Sea or the East China Sea, or if North Korea started to implode, or if China began to use any of several forms of coercion to force Taiwan to the negotiating table. Bilateral negotiations with China over any number of issues—a bilateral investment treaty, the policies governing trade between the two countries, climate change, or cyber security—could also involve difficult choices. But today I want to focus instead on two broader challenges, one an analytic call and the other a fundamentally important set of policy decisions. In identifying and discussing these toughest of tough calls, I may disappoint you, since I will raise questions that I will not answer directly. But I will suggest some of the considerations that may be useful to those who will actually have to make those calls, in the hope that this approach may be more helpful than giving my own answers. In doing this, my general theme will be that even the best theories of international politics are highly indeterminate and will not give clear or definite answers to the questions I will raise, that the future will be highly contingent, that our analysis must therefore be probabilistic, and that our policy must remain flexible and responsive to changing circumstances. Obvious advice, perhaps, but it is advice that is not always taken or followed as consistently as it should be.

The Analytic Call

The tough analytical call I want to highlight concerns the prospects for China's policy toward Asia. Here, the question is often posed in terms of starkly contrasting alternatives: will China disrupt the balance in Asia, attempt to resolve disputes by force, and seek a dominant role in the region? Or will it engage in a peaceful rise, as Chinese leaders so often claim, pursuing positive, "win-win" relationships with all its neighbors?

Forecasting China's policy toward its neighboring region is a particularly tough call to make. In part, this it is simply because the domestic and external factors that will shape China's policy are so numerous, their relative weight is so uncertain, and their direction is so unclear. But an additional problem—one that makes it difficult to make confident calls in so many areas of foreign policy—is that theories of international relations—by which I mean our best-supported assumptions about the most relevant statements of cause and effect about international relationships—are indeterminate. In what I regard as the single most important book on political forecasting, *Expert Political Judgment*,¹¹ Philip Tetlock, now at the University of Pennsylvania, warns against relying on only one theory in forecasting political phenomena, or even assuming that that any given theory can generate clear and unconditional forecasts. He advocates using multiple theories and drawing probabilistic conclusions. Borrowing a distinction attributed to Isaiah Berlin, he calls this thinking like a "fox" rather than thinking like a "hedgehog."

¹¹ Philip Tetlock, *Expert Political Judgment: How Good Is It? How Can we Know?* (Princeton, NJ: Princeton University Press, 2005).

Following Tetlock's advice, let's take a closer look at the question at hand—how China's policy toward the Asia-Pacific region will evolve—and ask what theoretical insights can be brought to bear to answer it. What we quickly discover—as any of you who remember your introductory course on international relations theory in college can tell us—is that the field of international politics continues to be characterized by what are usually called “contending approaches” to analysis and forecasting: the cynical realist approach, which focuses on what it assumes will be the unfettered quest for power and security in an anarchic world, more optimistic liberal approaches, which focus on the role of international norms and institutions in regulating the behavior of states and on the stabilizing impact of economic interdependence on their relationships. To this has more recently been added a third set of approaches, usually called “constructivist,” which focus on how states, their governments, and their citizens perceive the international environment and the ways in which their sense of national identity shapes those perceptions. The constructivist approach is not inherently optimistic or pessimistic; it simply assumes that national perceptions, values, and memories will differ and that they will matter.

But what makes forecasts of China's international conduct so difficult is not just that those three theoretical approaches often lead to different projections, but that each approach can itself generate different forecasts depending on how it is applied. Realist theory cannot easily predict how any individual country's power will evolve, or whether it will attempt to “balance power” or “balance threat,” or whether it will choose to balance by aligning with others or by self-strengthening. All these alternatives involve tough calls, but calls that will ultimately be made not by outside analysts but by the decision makers in the countries in question.

Similarly, liberal theory correctly stresses the importance of economic interdependence in shaping international behavior, but the most sophisticated versions of that theory do not simply forecast that interdependence produces peace, but rather that much depends on the relative gains produced by that interdependence, whether the distribution of outcomes is regarded as just or unjust, whether the terms of investment and trade are viewed as fair or unfair, and whether the prospects for continued trade and investment are perceived to be good or poor. Other versions of liberal theory focus, as noted above, on international norms and institutions, but they cannot necessarily predict how strong those norms will be, how effectively they will be enforced, or how able international institutions will be to regulate the behavior of powerful national actors.

In short, theory may tell us what to look at, but different theories direct our attention to different aspects of the international situation, and even our favorite theory will not necessarily clearly predict what we will see. So even if our assessments are informed by theory, as they must be, the resulting analytic calls remain tough. Our assessments must therefore remain alert to the contingencies that will determine more specific outcomes, the markers—the milestones and turning points—that indicate which contingencies are about to materialize, and the factors that will shape the probability and impact of risks.

The Policy Call

The toughest policy call we presently face is how to maintain a balance in Asia without triggering a downward spiral in the U.S.-China relationship.

One common response to the uncertainties surrounding the rise of a new major power, as is happening in Asia with the rise of China today, is to form a counterweight against it. Not necessarily to stop it from rising but to constrain its behavior, to deter or prevent it from seeking a dominant position, and to encourage it to follow international norms and engage in cooperative international behavior. Despite China's reassurances that its rise will be peaceful, the United States is reinvigorating its position in the region to manage the uncertainties associated with China's rise, and this policy—whether known as hedging, the pivot, or rebalancing—has been widely welcomed by other countries in the region. This is understandable, since no one can rule out the possibility of a more assertive, even a more hegemonic China.

But the problem is that the policies that hedge against one risk can easily create another. Balancing strategies can give rise to what has long been known as the security dilemma: actions taken by one group of countries with the aim of enhancing their own security can be seen by other countries as threatening, and can lead to responses by the latter that are seen as threatening by the former. This can produce a pattern of action and reaction that can trace various kinds of downward spirals: mutual mistrust, charge and counter-charge, sanction and counter-sanction, and costly and risky arms races. Some believe that the U.S. and China are already experiencing such a security dilemma, although there appears to be some reluctance officially to acknowledge that this might be the case. Instead, the focus is on how the security dilemma might be prevented, on the assumption, or at least in the hope, that it is not yet inevitable or irreversible.

Unfortunately, the most commonly mentioned approaches to this dilemma do not appear to me to provide sure or effective solutions. Once again, the existing scholarship of which I am aware provides useful insights, but no definitive answers.

The most common avenue to avoid the security dilemma has been to develop mechanisms that might reduce mutual mistrust that feeds the dilemma. But how can this be done? One obvious answer is to offer reassurances of benign intentions. This is now a common pattern in U.S.-China relations, where the U.S. denies that it is trying to obstruct China's rise, and China pledges to seek friendly partnerships with both the U.S. and its regional neighbors. But words are cheap, and verbal reassurances alone are unlikely to be effective, especially once mistrust has begun to emerge. Instead, the best research on the subject, that by Andrew Kydd,¹² concludes that it is necessary for each side to engage in “costly reassurance”—concrete unilateral actions that demonstrate benign intentions because they involve real costs—indeed, far more than the other

¹² Andrew H. Kydd, *Trust and Mistrust in International Relations* (Princeton, NJ: Princeton University Press, 2005) .

party would have expected. In a situation of suspicion, however, such costly reassurances are difficult to issue, however desirable they may be, especially if they are not immediately reciprocated.

A somewhat different solution is to engage in greater transparency: to reveal more about one's intentions and capabilities. This certainly can help, but only if it embodies the same spirit as Kydd's concept of "costly reassurance." I would suggest that transparency also has to be painful— it must provide information about intentions and plans that each side would prefer to keep secret, and transparency about strengths and weaknesses that each side would prefer to keep veiled.

A third frequently cited strategy to reduce mistrust is to avoid antagonism: to refrain from actions that could provoke a negative response (what some analysts are now calling "mutually assured restraint"¹³) and to respect what the other side declares to be its "red lines" or "core interests." However valuable this advice is in the abstract, its utility depends on how each side defines its core interests and draws its "red lines." To reduce mistrust, there must be a clear "green zone" between the red lines, where each side can pursue its core interests without being seen as infringing on the interests of the other.

A particular problem in the Asia-Pacific region is the fact that the system is multilateral, and not simply bilateral, and that many pairs of relationships are characterized by this kind of mistrust. Given that the U.S. and China have links to either or both of the members of these mistrustful pairs, one element of American strategy must be to urge restraint from its partners and allies, and to distance ourselves from provocative behavior when it occurs. This may also require a series of tough calls over time.

A fourth possible answer to the security dilemma is to promote cooperation on issues where we and China have common interests. That is certainly reasonable, but once again I fear it is far harder than it sounds. First, we have to ascertain where China and the U.S. actually have common interests, rather than simply assuming or insisting that they should exist.

And even if we can identify common or overlapping interests, cooperation carries problems of its own. As with economic interdependence, there can be serious differences over relative gains—in other words, over the burdens that the parties bear in the course of cooperation, and the way they share the benefits. In situations of mutual mistrust, these problems may be especially severe.

A final approach to the security dilemma is to engage in a process of cooperative security,¹⁴ in which China and the U.S. negotiate compromises or quid pro quos that resolve or manage some

¹³ The term can be traced to Alton Frye, "Strategic Restraint, Mutual and Assured." *Foreign Policy* (1977): 3-24.

¹⁴, Ashton B. Carter and William J. Perry, *A New Concept of Cooperative Security* (Washington: Brookings Institution, 1992).

of their security concerns, much as they have done in the economic and commercial realms. The prerequisite is that both sides must be convinced that the prospective costs and risks of the security dilemma are too great, and that neither side can be confident of securing the advantage, whether by outspending the other or by developing new coercive or defensive technologies that the other side cannot counter. Whether we are yet at that point requires a tough analytical call of its own. And even if we are, the challenges of successful negotiation will be severe.

Conclusion

In short, I've suggested that the tough calls in U.S. policy toward China that Nancy Tucker studied so insightfully are not things of the past. We will face more of them in the years ahead, in terms of both analysis and policy and both strategy and tactics. In fact, I believe that the calls will get tougher over time as the relationship between the two countries grows more complex, the international issues they face becomes more complicated, and the balance of power between them shifts. Managing the U.S.-China relationship successfully will not involve a single decision – although some specific decisions will be particularly important—but rather a continuing series of wise judgments over a long period of time. The best approach to making those tough calls is to acknowledge the uncertainties in our forecasts and to preserve flexibility in our policy.