

The Importance of Facilitating Sound Sino-U.S. Interactions in the Asia-Pacific Region

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The Asia-Pacific region is an area in which China's major interests converge. It is also one of three overseas regions of strategic importance to the United States, on par with Western Europe and the Middle East. Along with the economic development and increased international impact of Asia, the United States has paid more attention to and increased resource input in the Asia-Pacific region. The development and enhancement of China's strength has rendered the internationalization of Sino-U.S. relations ever more apparent. The Asia-Pacific region has been at the forefront of the two countries' increasing interactions on the international stage. Against the backdrop of regional changes in the balance of power, deepening economic cooperation and an ever more complex security environment, Sino-U.S. interactions have shown a tendency of increasing in both cooperation and competition. These interactions are shaping Sino-U.S. bilateral relations and have an impact on the regional and world situation. How to expand cooperation,

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promote sound interactions and reduce differences between China and the United States remains a pressing and real topic in international relations.

I. Changing Regional Situation and Roles

Entering the second decade of the 21st century, the situation in the Asia-Pacific region has presented a series of new characteristics. First, there have been significant changes in the balance of power in the region. The rapid development of China's economy in the first ten years of the 21st century has made the country the second largest economy in the world and its overall national strength has markedly increased. China's rise is a real subject, not a hypothetical one. This rise has elevated the position of East Asia in the Asia-Pacific region, which is conducive to reducing the imbalance of power between East Asia and North America, the two wings of the Asia-Pacific region. Second, there has been a continual economic integration of East Asia. Since entering the 21st century, the East Asian countries, taking "10+3" as the main channel, have actively developed cooperation in the economic, financial and non-traditional security fields, deepened economic integration, developed more intimate ties, and strengthened a common sense of East Asian identity. East Asia is evolving from a purely geographical concept to an economic, social and political one, laying the foundation for the long-term goal of building an East Asian community. Third, there has been an increasingly complex regional security situation. From the 9/11 terrorist attacks, to the rampant SARS epidemic, to the massive earthquake, tsunami and nuclear power plants crises in Japan, non-traditional security challenges have become increasingly severe. On the other hand, tensions in big power politics — the sharpening of disputes over territory and sovereignty of territorial waters and the Cold

War-style confrontation and nuclear problem of the Korean Peninsula — indicate that traditional security challenges still occupy a major place on the security agenda of the region.

Under these new circumstances, important changes have taken place with regards to the respective roles of China and the United States in the Asia-Pacific region. China has become the anchor for regional economic development and is currently the largest trading partner of Japan, the Republic of Korea (ROK), the Democratic People's Republic of Korea (DPRK), Mongolia, India, Vietnam, Indonesia and Australia. It is also the second largest trading partner of the United States and Canada as well as the biggest export market for Japan, the ROK, Mongolia, Indonesia, Malaysia, Thailand and Australia. Moreover, China is the biggest source of foreign investment in the DPRK, Myanmar, Mongolia and Cambodia. Against the backdrop of weakened economic growth of the major developed countries in the wake of the global economic recession, China has been the most important engine of regional economic development. In addition, China is a major driving force for regional cooperation in East Asia. China has played an active and constructive role in building the China-ASEAN Free Trade Area, deepening "10+3" cooperation and launching China-Japan-ROK trilateral cooperation, and is a "responsible power" in facilitating regional peace and stability. China has played a unique and important role in preserving peace and stability on the Korean Peninsula and striving for the denuclearization of the peninsula, with the six-party talks demonstrating the initiative and creativity of China's diplomacy in the new century. With regards to the dispute over the sovereignty of areas in the South China Sea, in November 2002 China and ASEAN jointly signed the Declaration on the Conduct of Parties in the South China Sea, undertaking to resolve the disputes over territory and jurisdiction by peaceful means rather than the threat or

use of force. In October 2003, China signed the Treaty of Amity and Cooperation in Southeast Asia and became the first non-ASEAN nation to recognize the treaty. The treaty advocates the basic principles of “settlement of differences or disputes by peaceful means” and the “renunciation of the threat or use of force”. In this new context, China has undertaken the great tasks of creatively resolving regional disputes and providing public good for the regional security.

Relations between the United States and East Asia are undergoing major transformations. Since the end of the Second World War, the United States has offered economic and security support to some East Asian countries, giving rise to their dependence on the United States in the economic and security fields. Thanks to China’s economic development and the deepening of East Asian integration, East Asia has become less economically dependent on the United States. The share of East Asia in the U.S. import market was as high as 40% from the mid-1980s to mid-1990s. After the Asian financial crisis, the East Asian economies boosted their trade cooperation. The ratio of trade within the East Asian region — including the Chinese Mainland, China’s Hong Kong, China’s Taiwan, Mongolia, ROK and the ten ASEAN countries — to the total trade of the region went up from 37.7% in 1998 to 42.1% in 2003. The East Asian share in the U.S. import market went down steadily from its peak in the mid-1990s and has currently stabilized at around 35%. For a long time, the United States used to be the biggest trading partner of the Republic of Korea and Japan, but now they have been overtaken by China. In 2010, the trade volume between the Republic of Korea and the United States stood at \$86.9 billion, yet the bilateral trade volume between the Republic of Korea and China reached \$188.4 billion. United States trade with the Republic of Korea was thus only 46% of the between China and the ROK. For Japan, its bilateral trade volume with the United

States in 2010 amounted to \$78.94 billion, whereas the trade volume with China reached \$303.06 billion, with the former accounting for only 26% of the latter. With regards to political and security concerns, the United States no longer provides East Asia with bilateral or multilateral arrangements. Instead it participates in the multilateral cooperation mechanisms of East Asia such as the ASEAN Regional Forum, the enlarged ASEAN Defense Ministers Meeting, and the East Asian Summit, among other cooperation mechanisms. East Asia in general — ASEAN in particular — plays a dominant role in these mechanisms. In a sense, the role of the United States in the political and security affairs of the East Asia region is switching from that of a traditional “leader” to that of a “partner”. For some East Asian nations, the participation of the United States — but no longer the leadership of Washington — in regional affairs is needed in order to offset China’s influence in the region. In its turn, the United States needs to preserve its interest in the region through sustained participation that will prevent its marginalization in the fast-changing region.

II. Interest and Policy

The basic nature of Sino-U.S. relations in Asia-Pacific is determined by the interest and goals the two countries pursue and the policies they adopt. Therefore, in considering how to facilitate their sound interactions in the Asia-Pacific, it is essential to precisely identify their respective interests and goals, policy frameworks, and common ground and differences.

China has extensive and important interests in the Asia-Pacific region. First, it has security interests. China needs a peaceful and stable regional security environment, one that covers the stability of its land periphery and the security of the long maritime navigation lines, as well as the denuclearization of the

Korean Peninsula and the peaceful resolution of disputes over the sovereignty of regions in the East China Sea and the South China Sea. Challenges to China's regional security interests are rooted in both traditional security problems and non-traditional security pressures. Second, it has development interests. China's most important trade partners are concentrated in the Asia-Pacific region, an area which is also its most important source of investment. A sustainable development of China's economy requires the continued expansion of its economic and trade ties with the larger region and the promotion of liberalization and facilitation of trade and investment. Third, it has political interests. China hopes to build a harmonious regional order in East Asia featuring "lasting peace and common prosperity." Such a regional order with feature the coexistence of different political systems, mutual political trust among nations, equal participation in regional affairs, and cooperation for mutual benefit.

Since the beginning of the 21st century, China's Asia-Pacific policy has been shaped in a gradual manner. China strives to cope with various security challenges through multilateral cooperation, from setting up the Shanghai Cooperation Organization to hosting the six-party talks on the nuclear issue of the DPRK, from actively joining the efforts of the ASEAN Regional Forum to building up military confidence and cooperation in tackling the non-traditional security challenges within the "10+3" framework. The implementation of these policies is the concrete expression of a new security outlook with "mutual trust, mutual benefit, equality, and coordination" as the principal guidelines. China's policy on the regional economy is reflected by vigorously promoting various forms of cooperation, including bilateral and multilateral arrangements and sub-regional, regional and trans-regional cooperation. China attaches particular importance to cooperation within the "10+3" framework and the establishment of the China-ASEAN

Free Trade Area, the unfolding of China-Japan-ROK trilateral cooperation and the birth of the regional foreign exchange bank; these examples are all bright spots on China's efforts to push for regional economic cooperation. In order to build a harmonious regional order, China advocates "drawing on each other's experience, learning from others' strong points to offset one's weaknesses, equal cooperation, common development." At the same time, it commits itself to developing various forms of partnership with countries in the region and energetically pushes for a regional environment of peace and stability, equality and mutual trust, cooperation and win-win results. China has enthusiastically pushed forward cooperation in East Asia, stood for "political mutual trust and harmonious coexistence, mutual economic benefit, mutual assistance and solidarity in security and mutual cultural enrichment" and the creation of a "peaceful, prosperous and harmonious" order in East Asia. China holds that ASEAN should play a leading part in internal cooperation of East Asia and that East Asia should be open and inclusive to the outside, welcoming other countries to play constructive roles in regional cooperation.

The interests of the United States in Asia-Pacific also cover security, economic and political aspects. In security, the United States seeks its own security and that of its allies, ensures freedom of maritime navigation, guards against the proliferation of weapons of mass destruction and copes with terrorism and other non-traditional security challenges. The United States wants to maintain its superiority in military force and its dominant leverage in regional security affairs. In the economic field, the United States expects to enhance its economic and trade ties with the region, increase its exports to the Asia-Pacific region with an emphasis on China, and draw investment from the region. Meanwhile, the United States wishes to spread its economic development mode and prevent the appearance of any multilateral economic

cooperation arrangement that excludes it. In the political sphere, the United States hopes to popularize its values and seek and consolidate its dominant position in the regional affairs.

The Asia-Pacific policy framework of the United States shaped during the Cold War and in the post-Cold War era has constantly adjusted to changes in the regional situation. Since Barack Obama took office, the U.S. government has continued to stress the role of its bilateral alliances in the region while enhancing its military presence, vigorously developing security partnerships with the relevant nations (India, Vietnam, Indonesia, etc.) and pushing forward the cooperation of the ASEAN Regional Forum and the enlarged ASEAN Defense Ministers Meeting in tackling non-traditional security problems. In the economic sphere, while attaching importance to developing bilateral economic and trade relations, the Obama administration has emphasized the reviving of APEC and has energetically advanced the Trans-Pacific Strategic Economic Partnership Agreement (TPP) negotiations. The United States is attempting to draw more Asia-Pacific economies into the TPP, trying to make it a high-level and broad regional trade agreement and guiding the development of APEC in this direction. In view of the robust momentum of East Asian regionalism in the past ten years, the United States has striven to contain it through stressing the Asia-Pacific inter-regional relationship. In the political field, the Obama government lays emphasis on its participation, its leverage and its leadership in Asian affairs in order to shape a regional order in its favor. Under the slogan of “comeback to Asia”, the United States has boosted its relations with Southeast Asian countries in a comprehensive manner. The United States joined the East Asia Summit and supported ASEAN in becoming the strongpoint of the developing regional structure.

China and the United States have major common interests in the Asia-Pacific region. In terms of security, both sides hope to

preserve the peace and stability of the region and have shared interests in combating terrorism, preventing the proliferation of weapons of mass destruction and ensuring the freedom of maritime navigation. In the economic sphere, both nations wish to facilitate the economic growth of the Asia-Pacific region and advance the liberalization of trade and investment and economic and technological cooperation. In the political field, the two countries support the improvement of relations, building of trust and enhancement of cooperation among the nations of the region. They also favor the building and improvement of an open, inclusive and win-win regional framework of cooperation. Sino-U.S. cooperation in the economic and security areas in the Asia-Pacific region is an important expression of their sound interactions as well as bright spots in their bilateral ties. Thanks to China's increased impact in the Asia-Pacific region, China's position in the U.S. Asia-Pacific strategy is ever more important and the United States relies more and more on China in dealing with Asia-Pacific affairs. Although the United States still stresses the role of the alliance system in its Asia-Pacific policy framework, the swiftly changing regional environment has ensured that no U.S. ally in the region can match China's positive role in the area's economic and security spheres.

On the other hand, China and the United States have significant differences in their Asia-Pacific policies. If common interests produce the driving force and potential of cooperation, then differences in interest and policy restrain the unfolding of cooperation. Thus, in order to facilitate sound interactions between the two nations, both countries must look squarely at and tackle each other's areas of disagreement.

China's concerns over the U.S.' Asia-Pacific policy are mainly reflected in the following aspects. In terms of security, the United States pursues the strategy of "guarding against" China or "hedging its bets." Starting in the mid-1990s, the United

States has tended to guard against China. It has focused mainly on the Taiwan Strait in the first decade of this century, and in recent years it has become concerned with China's national defense modernization and the challenges that it will pose to the United States' traditional superiority in region. The U.S. strategy of guarding against China constitutes the principal external security pressure for the country. In the economic sphere, the United States does not hope that cooperation in East Asia develops too quickly. The United States' desire to boost cooperation in the Asia-Pacific region challenges China's policy of vigorously pushing forward cooperation in East Asia. In the political arena, the United States' policy of preserving its dominant position and preventing China from growing strong are not in the interest of building an equal, cooperative and harmonious regional order.

On its part, the United States has various concerns related to China's Asia-Pacific policy. Washington is worried that the development of China's military force is aimed at weakening U.S. military superiority and curbing the U.S. ability to act freely in the West Pacific region. The United States is anxious that cooperation in East Asia, energetically promoted by China, will reduce its economic ties with the region and land it in an unfavorable position in the economic relations of East Asia. The United States is also afraid that China will seek a dominant position in the future East Asia regional order, an order which is being gradually shaped on the basis of economic cooperation. The United States is similarly concerned that it will be marginalized and that its allies in the region will increasingly distance themselves from the United States.

Though not all of the various worries of China and the United States concerning their respective Asia-Pacific policies are the reflection of the objective reality, these worries have impacted both of their respective policies to different degrees. Since the

Obama administration took office, it has stepped up its input in Asian policy under the slogan of “comeback to Asia,” and the importance of containing and competing with China have increased, which has aroused China’s serious concern and misgivings about the intentions of the United States’ China policy. Although competition between the two nations in the Asia-Pacific region cannot be totally avoided, it should not form the basis of their bilateral relations in the region. Otherwise, the two countries will sink into negative interactions in the region, which will be mutually detrimental to themselves and to the entire region.

III. Shape Correct Self-Cognition and Mutual Cognition

On the surface, Sino-U.S. interactions in the Asia-Pacific region are determined by interest and policy, but at a deeper level they are influenced by self-cognition and mutual cognition. The external behavior of states is largely shaped by the international power structure and the pursuit of material interest, but concepts and cognition also exert an important influence on policies. Robert Jervis, famous for his study on perception and misperception in international politics, holds that “it is impossible to explain how major decisions and policies are made, if one does not study the decision-makers’ views on the world and their understanding of other people.” Under a structuralist understanding of global affairs, “the characteristics of international life are decided by mutual faith and expectations between the nations.” Concepts shape interests and interests determine behavior. With this understanding, what correct self-cognition and mutual cognition should China and the United States form in order to facilitate their sound interactions in the Asia-Pacific?

In the security arena, China should realize that the fast increase of its overall national strength and the steady progress in the modernization of its national defense are

making the country an ever more important factor impacting regional security. It should realize that numerous countries in the Asia-Pacific region are paying more and more attention to the development of strength and security policy of China. Under these circumstances, it is essential for China to fully expound its strategic intentions and rationally display the transparency of its military power. China should know that there are two aspects of the U.S.'s role in Asia-Pacific regional security. It is important to affirm the United States' positive impacts and express the desire to enhance cooperation with the United States in promoting regional peace and stability; it is equally important for China to criticize, boycott and guide the United States' negative impact on the region. Along with the comparative decline of U.S. power, the United States can longer only expect to shape and influence other countries; its policies and external actions will increasingly be influenced and shaped by the outside. Due to the differences in the security interests between China and the United States, the latter will inevitably pursue a strategy of "guarding against" China. China, however, should not exaggerate the United States' measures to guard against China and easily call them "containing China." The highly interdependent interests between China and the United States, in particular their economic interests, have made it difficult for the United States to adopt a Cold War-style strategy of containing China. And China has become sufficiently strong that the United States can hardly implement its strategy of containing China.

For the United States, it should understand that the development of China's military power is an inevitable trend of the enhancement of China's overall national strength. At the same time, the vigor and speed of this development hinge on China's assessment of its own security environment, factor that is largely determined by U.S. policy and interaction with

China. Therefore, rather than constantly exaggerating China's military challenge (that will only increase its own anxiety), the United States should look squarely at China and try to reduce the sense of threat that China feels. Though in the view of the United States, the strategy of guarding against China is a rational option to cope with a rising China, its security policy should be put within the greater framework of policy on China, conforming to general developments in Sino-U.S. relations. Washington should also understand that its military superiority and freedom of military action in various places of the world will not be everlasting. They depend on changes in the balance of international forces on the one hand, and the resolve and ability of other nations to defend their own security on the other. It is rational and normal that the United States is concerned with its own national security; but it is neither rational nor normal for the United States to cling to its military superiority and its historic freedom to interfere overseas, a "freedom" that is driven by its hegemonic ambition.

In the economic field, the United States should recognize that China values economic cooperation in East Asia out of geopolitical, economic and political considerations. Against the backdrop of the robust development of regional cooperation in the post-Cold War era, China, as an East Asian country, naturally attaches importance to the development of cooperation in East Asia. The rapid and vigorous growth of the economies of East Asia has made China favorably recognize the returns of cooperation in the region. More than that, cooperation in East Asia is conducive to enhancing the overall position and influence of the region in the larger world, and better preserving East Asian interests. Even though China attaches more importance to cooperation in East Asia than in Asia-Pacific, this does not mean China excludes the latter for the sake of the former. Like other nations in East Asia, China promotes cooperation in East

Asia and supports cooperation in the Asia-Pacific, even though the two of them do not have the same priorities. President Hu Jintao indicated at the 18th APEC leaders' informal meeting in November 2010 that in the new situation APEC should inherit the goals and spirit of Bogor, take the initiative to adapt to the new situation, energetically cope with new challenges, "continue to push forward the liberalization and facilitation of trade and investment and speed up the integration of the regional economy." If APEC re-identifies a more realistic and broadly supported agenda, it can still play a unique part in promoting pan-Pacific economic cooperation. In fact, one should see the integration of East Asia and APEC as two circles with overlapping interests, not as two lanes running in opposite directions. For example, considering the success of some attempts at cooperation in East Asia, these attempts may be popularized within APEC and cooperation within the framework of a revived APEC could promote the process of the integration of East Asia. In this sense, cooperation in East Asia and Asia-Pacific may mutually promote each other.

For China, it is essential to look squarely at certain rational concerns of the United States with regard to economic cooperation in East Asia. In view of the bright outlooks and prospects for the economic development of East Asia, the United States desperately needs to boost its economic and trade ties with the region and hopes that cooperation in East Asia will not weaken U.S. economic ties with the region. In fact, although the economic and trade relations within the East Asian region are being enhanced, numerous East Asian countries still see the United States as an important economic and trade partner outside the region and are ready to maintain close economic and trade relations with the United States. Therefore, China should continue to emphasize the openness of cooperation in East Asia and welcome the development of bilateral and multilateral

economic and trade arrangements between the United States and East Asia. Meanwhile, China should explicitly support new attempts to push forward cooperation in the Asia-Pacific, for instance the Asia-Pacific free trade zone and the Trans-Pacific Strategic Economic Partnership.

With regards to the Asia-Pacific regional structure, the United States should keep pace with the times in its understanding. First, the United States must recognize that due to the changes in the balance of power among the countries in the region and in the forms of their interactions, changes in the regional structure are inevitable. Today's Asia-Pacific is not what it was ten years ago and Asia-Pacific in ten years from now will be quite different from what it is today. Second, in the new context, changes are taking place in the U.S. position and role. Washington cannot consider its long-term position of domination as something taken for granted and everlasting. The position of the United States in regional affairs should be that of a constructive participant, not a dominant leader. Third, the United States should recognize, from an enlightened perspective, the aspirations of China and other East Asian nations to strive for the establishment of a new Asia-Pacific order which is more equal and in which the Asian countries have a greater say. Finally, the U.S. position in the region must be determined not only by the United State's strength and interests, but also by the way the United States interacts with the countries, particularly the major countries, in the region.

If the United States should show more flexibility in its understanding of the regional structure, then China should also have more sensibility in this respect. First, it is essential to understand the mentality of the United States, a country that is faced with the rapid rise of an emerging power. In other words, the United States is worried about whether its long-term leverage in East Asia will be eroded, weakened or ultimately squeezed

out of the regional affairs altogether. Therefore, China should constantly reassure Washington; in the words of the China-United States Joint Statement, China “welcomes the efforts of the United States, as an Asia-Pacific country, for peace, stability and prosperity of the region.” Second, it should be understood that the U.S. outlook on the Asia-Pacific region can be impacted and shaped by other countries of the region. Since World War II, the United States, through economic and security support, has influenced and shaped the regional outlook of some nations in the region. In the new regional context, the United States is no longer capable of unilaterally providing Asia-Pacific countries with regional arrangements, but increasingly must join the arrangements initiated by other countries in the region and, through interactions with other countries in the region, jointly build up the regional order. In this process, the aspirations and ideals of other countries will impact the United States’ views on the overall regional order. Finally, it should be understood that China’s actions will to a great extent influence the building of the new regional order. So long as China plays the role of a responsible power in earnest, provides other countries in the region with public resources in security arena in addition to the economic sphere, other countries’ expectations of and reliance on the United States will continually decrease. The result will be a more equal regional order in which the Asian nations have more influence.

IV. Strive for Sound Interactions

The nature of interactions between China and the United States in the Asia-Pacific region will largely determine whether the emerging power of the 21st century (China) and the current hegemonic power (U.S.) will establish constructive relations. At the same time, this bears importance upon the realization of the

target of “building a more stable, peaceful and prosperous Asia-Pacific region for the 21st century through cooperative efforts.” In order to have sound interactions in bilateral diplomacy, China and the United States must engage in frequent and sustained dialogues as the “grabbing hand”, pragmatic coordination and cooperation as the main axis and effective management of differences as the means to guard against risks.

Dialogue is the “grabbing hand” in Sino-U.S. sound interactions and its function should be oriented to facilitate the forming of correct self-cognition and mutual cognition, design bilateral coordination and cooperation, discover differences and probe how to manage these differences. Dialogue should be undertaken at various levels, including the leaders’, strategic and working levels. Dialogues at the first two levels are aimed towards discussing mainly macro-strategic issues with the principal purpose of enhancing trust, and dialogues at the latter level are meant to discuss intermediary and micro-policy issues, improve communications and coordination in their policies, and tackle differences. Dialogues should be frequent and sustained, sincere, frank and in-depth. Dialogue is not negotiation and does not seek short-term results; rather they should be conducive to facilitating communication, reaching consensus, and ultimately leading to concrete policy results.

At present, leaders of China and the United States, through mutual visits, phone conversations, and bilateral meetings on the sidelines of multilateral events, have set up channels of relatively frequent interaction, which is helpful in keeping contacts and dialogues at the leadership level. The Sino-U.S. Strategic and Economic Dialogue, held annually, and the Sino-U.S. Strategic Security Dialogue set up within this framework (inaugurated in May 2011) are both important platforms for Sino-U.S. dialogues at the strategic level. The Sino-U.S. Asia-Pacific Affairs Consultation, first held in June 2011 at the initiative of

China, is the principal mechanism for unfolding dialogue at the policy level. China's suggestion was originally aimed to "exchange opinions on the regional situation and each other's policies, plan and promote bilateral cooperation in the region, properly handle relevant contradictions and differences, and forge a pattern of sound Sino-U.S. interactions in the Asia-Pacific region." In the first round of consultations, the two sides exchanged views on the overall situation of the Asia-Pacific region, their respective Asia-Pacific policies, Sino-U.S. communication and cooperation in the region, and the issues of the Korean Peninsula and the South China Sea. Both sides held that the atmosphere of the consultation was sincere, frank and constructive and the consultation was positive and helpful. This mechanism of consultation is a step forward in enhancing the communication and coordination between the two countries on Asia-Pacific affairs. It is expected to play a positive role in pushing forward sound interactions between them in the Asia-Pacific region.

Coordination and cooperation are the essential elements of Sino-U.S. sound interactions. These interactions are based on common interest and take common goals as their direction. Coordination and cooperation are mainly reflected in three aspects: agenda setting, policy means and action steps. Agenda setting refers mainly to identifying the sphere of the issues of cooperation. Due to different perspectives and the extent of various concerns, the two sides have divergent views on the priority of goals of cooperation. Therefore, consensus must be reached through consultations. Coordination in policy seeks to identify effective policy measures in order to achieve the set goals. After the identification of common cooperation goals, the two sides tend to have divergent policy priorities, for example, diplomatic, economic and security policy options and the application of pressure and guidance. If no agreement is reached, no effective cooperation can be realized. The coordination of

action steps is crucial to the unfolding of concrete cooperation, which is related to the roadmap of action and the division of roles on both sides.

The management of differences is an important link in ensuring sound Sino-U.S. interactions in Asia-Pacific; because the two nations frequently diverge on regional affairs, the effective management of differences may avoid the occurrence of friction and conflict and prevent the two countries from developing negative interactions in the region. The management of differences is defined by two converging aspects: first, averting an increase and escalation of differences, and second, the narrowing down of existing differences. When differences come up, it is imperative first to prevent their widening, and to avert the occurrence of diplomatic and security crises and conflicts. Second, efforts should be made to narrow down and eliminate differences. Timely communications, sober dialogue, and adequate internal coordination are crucial for the effective management of differences.

In order to have sound Sino-U.S. interactions in Asia-Pacific, the two sides must overcome a series of interfering factors in the bilateral and domestic aspects. In bilateral interactions, it is important to shake off the restraints of “zero-sum game” mentality. In the new context, China and the United States have entered into an era in which their interests mutually impact each other and their policies mutually shape one another. For the two countries, in guiding policies toward one another, cooperation should be the principal line, competition an auxiliary line and conflict a red line. This requires the establishment of new ideas about cooperation for a win-win result. Second, both sides must maintain the credibility of words and deeds. Without credibility, no sustained sound interactions can be achieved. Dialogue must be frank and sincere and must not misguide and cheat the other side. Policy action must conform

to policy statements and there must be no double-dealing. In a situation in which there is inadequate mutual strategic trust between China and the United States, it will be a challenge to build up mutual confidence. Here, a reference may be made to the tactic of “tit for tat” in the theory on cooperation. Its four suggestions for cooperation — “no jealousy, no betrayal first, sure response to cooperation and betrayal, no trifle tricks” — are crucial to the shaping of the code of conduct for sound Sino-U.S. interactions in Asia-Pacific. Finally, it is essential to avoid shortsightedness and shortsighted behavior. Sino-U.S. interactions in Asia-Pacific are long-term considerations and bear upon the overall situation, which requires both sides to have long-term perspectives. Neither side should seek short-term advantages in isolated issues that will jeopardize the overall direction.

From a domestic angle, coordination among different government sectors and departments is crucial. Due to different perspectives in thinking and even different interests among them, different departments may have divergent policy positions on the same issue. This is common for both sides. The crux of the matter is to have adequate internal coordination to prevent the various departments from going their own way. This coordination will demonstrate to the other side the credibility of policy formulation and implementation. Moreover, it is also important to correctly guide the public and the media. Today, when diplomacy draws more and more attention from the public, the government should not only provide the public with timely and accurate information, but also guide the media in objective and rational reporting on the events in order to create favorable public opinion foundation and contribute to a media environment that encourages sound Sino-U.S. interactions in Asia-Pacific. ^①