

Middle East Dialogue 2015...Glorious Past, Uncertain Future

DYNAMICS OF FOREIGN POLICY-MAKING IN CHINA, WITH A FOCUS ON THE MIDDLE EAST

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Abstract

Contrary to many western assumptions, this author believes that foreign policy decisions made by today's Chinese government are transparent and predictable. This is due to the common psychological basis of the entire nation, and built-in mechanisms of checks and balances inherited from thousands of years of civil officials practicing merit-based administration. The rationale of these decisions is the CCP's willingness to pay a "Price for Pride" on behalf of the nation. Since the one-party regime is here to stay for the foreseeable future, understanding these characteristics of China's foreign policy decisions paves the way for better cooperation between the US and China worldwide—particularly in the ME. This will allow the two countries to do many things in the region without pressing on each other's sensitivities, which understanding one another better will help facilitate.

Background

The typical argument against China's one party system among political scientists and IR scholars is that, due to the lack of transparency inherent to their non-democratic political system, the behavior of the Chinese government itself is unpredictable, thus rendering its foreign policy decisions also unpredictable.¹

I am challenging the above argument. The foreign policy decisions of China are predictable and rational once an observer understands the core psychological motivations and domestic considerations of these decisions. Furthermore, China's decision-making processes are fairly transparent once the structure and function of its decision-making bodies are understood. Despite being very different from a democratic government, they nevertheless have their own dynamic of checks and balances.

Contrary to a view on China that many theorists have endorsed, if we value transparency, predictability, and rationality in policy-making decisions, one can argue that the democratic system of the US is at times less ideal than that of China. Often times, foreign policy decisions in the US are not very transparent, less predictable, and sometimes defy rationality by comparison. This latter observation regarding the US is

¹ See for example Kenneth Lieberthal and Wang Jisi, "Addressing US-China Strategic Distrust", Brookings Institute, March 30, 2012.

mostly subjective to its interpreters, and as I am just one of them, I will not elaborate on this.²

To be clear, I am not commenting on any domestic policies made by the Chinese government, I only intend to discuss the nature of and processes behind foreign policy decisions made by the Chinese government, as run by the CCP.³ These decisions do not necessarily reflect the collective thinking of ordinary Chinese citizens, which is a completely different topic that this paper has no intention of addressing. Whether or not any decisions made represent the collective views of a population do not prevent them from being made transparently and predictably, however.

Based on these characteristics of Chinese foreign policies, it is very feasible for the US to work with the Chinese government on issues concerning the Middle East. These efforts can include not only reducing distrust between the two by augmenting mutual respect and understanding, but also increasing cooperation, and elevating China's roles and responsibilities in the region.

Predictability

There are two main reasons that the Chinese government's foreign policy decisions are predictable, which have value in appreciating on their own, but even more when the dynamics of both are understood to be operating together. First, once we understand China's motivations for making its policy decisions, we can not only understand the policies they produce better, but also predict possible reactions to international events by the Chinese government itself, as well as any new initiatives China might take.

Second, there will always be carefully contrived media campaigns lead by the Party's enormous but efficient media organs when a decision is in the making, particularly when the Party considers it a significant move that might surprise its domestic audience, as well as foreign observers. If we properly understand China's decision making process as predictable, we as observers can read into and dissect its media campaigns in order to anticipate the initiatives they are intended to support. This might sound elusive, but

² Discussing this point involves a complex analysis of the checks and balances of the US political system, and how politicians use and abuse it. For example, the President's choice of using Congress to make excuses for backing out on his promise to punish Assad's chemical weapon violations, and the cancelled trip to the ASEAN national leaders meeting due to a budgetary impasse. The fluidity of these decisions often varies from one politician to another, and is beyond this paper's scope, but on the surface do not appear to be entirely rational, transparent, or predictable.

³ I am not going to discuss the one party system's limitations on domestic economic development. I will note, however, that the system is rather dynamic through its ability to take in criticism and reform itself. If we compare the dire situation and failed predictions by typical naysayers such as Kristin Dross ("Dictatorship Pays in China", *The New Republic*, July 24, 2007, <http://www.cbsnews.com/news/dictatorship-pays-in-china/>, accessed on December 27th, 2013) to today's situation, we find not only that his pessimism failed in many cases, but also that the Chinese government absorbed many constructive suggestions, implementing reforms on multiple fronts to rectify things going in the wrong direction.

with some practice, and considering China's policy-making process in its appropriate systemic and cultural contexts, it is actually very straight-forward.

Psychological foundations

To appreciate that Chinese government's foreign policy decisions are rationale, we first have to understand the foundations of each policy decision. There are two main types: the first is psychological and political, and the second is material and economic.

Until 1945, China was a victim of imperialism. To understand China's attitude towards all foreign nations, which helps dictate its diplomatic decisions, we have to learn the modern history of China—from the Opium Wars in 1840, through the Boxer Uprising, until the Japanese invasion from 1931 to 1945. Collective memory of this “Century of Humiliation” (百年耻辱) determines much of China's contemporary approaches toward all nations, whether they be Japan, the US, Russia, or any European country. According to many Chinese today, when China was economically and militarily weak, many countries sent soldiers to China to take advantage of these weaknesses, despite China never having sent soldiers to any of these nations. China was entirely a victim of these foreign aggressions, none of which were at all fair or just. Because of those past transgressions, these nations have no right to tell China what to do in the present day.

This mentality of being an underdog that was taken advantage of for so many years in the international arena, with its own territories bullied by Western powers, underlies many Chinese foreign policy decisions. Partially due to this, China voted against military intervention in Syria. According to the statement issued by the Chinese government, this decision follows through with China's Non-Intervention principle regarding the internal affairs of other nations, recalling when China was weak, and all the imperialistic invasions relied on glorious reasoning to justify all of their interventions into China. Here, we can see China attempting to be entirely consistent with their narrative of a wronged victim now trying to persevere against the odds, choosing fairness over advantage when it comes to those it has no negative history with, even when it would otherwise favor China in its new found position of power.

We cannot presently deny that with the increasing economic strength of China, some sense of revenge and justice-seeking for the mistreatment China suffered in the past also plays a role in some of China's attitudes towards international affairs. This is evident in China's stance regarding Diaoyu/Senkaku Island, an island lost to the imperial Japanese navy in 1895. In the minds of Chinese leadership, well echoed in most nationalistic Chinese citizens—which are the same section of the population whom care enough to voice their concerns—it is about time Japan was taught a lesson, international laws be damned. International laws did not prevent the Japanese invasion of China some 130 years ago, meaning it is only fair that the islands “stolen” in those

wars by the Japanese ought to be taken back no matter what the laws have to say. In this regard, the Chinese government acted with more restraint than some scholars and army generals, soliciting legitimate scholarly inquiry in an attempt to prove through both the Chinese and world media that, historically speaking, the islands had been territory under Chinese jurisdiction.⁴

Similarly, for China, helping the Syrian regime stand up to the West is not about who is right or wrong in a humanitarian sense, but about China helping to prevent the imminent invasion and division of Syria. China also prevented what just happened in Libya from happening again in Syria, which brought back painful memories for China of western military powers taking control of their weak nation and toppling its government with ease. China's actions are easily understood as preserving its own pride while seeking revenge as an awakening economic power, one which is now demanding to be treated with the same respect and admiration it received before the 1800s, on par with how other nations treat the United States. Preventing others from being victimized as they had, as well as taking revenge as a nation against those who have wronged them, is never made explicit by the Party's theorists, but is a crucial component of the newly coined "Chinese Dream".

The CCP established the legitimacy of its rule beginning in 1945, right after WWII, based on the narrative that CCP leadership played an instrumental role against Japanese invaders. This narrative is frequently challenged, most prominently by those in the Chinese Nationalist Party across the Taiwan Strait. There is also abundant evidence that this narrative is one-sided and biased, much like most narratives by either victors or victims. It is nevertheless a well formulated story that will be difficult to unseat in the short-term. The CCP has also taken great efforts to further entrench it, instilling it into the majority of mainland Chinese minds through 9 years of obligatory education, mass media, and propaganda, leaving little room for it to be challenged.⁵ This narrative is actively maintained because it is crucial for the stability of the Party's leadership, particularly regarding all foreign policy decisions and the rationale surrounding them. Any wavering in how disputes with the Japanese are handled will automatically shake

⁴ For an example of the Chinese government's attitude, see for example, Yunbi, Zhang (24 January 2013), "Senior officials urge calm over islands dispute," *China Daily*, http://africa.chinadaily.com.cn/china/2013-01/25/content_16172578.htm, accessed on 5 November, 2014; for an example of Chinese scholars trying to leverage factual weight in China's favor, see http://www.chinadaily.com.cn/thinktank/2010-09/15/content_11303758.htm, accessed on 5 November, 2014.

⁵ We cannot help but compare these to the narratives of the Israelis and the Palestinians as the State of Israel and Palestinian refugees came about. Each side has contrasting focal points which do not allow for the two narratives to reconcile very well with each other, to put it lightly. In this case, however, the historical facts are more easily traceable and verifiable than the dispute between the Chinese Communist Party and the Chinese Nationalist Party during the anti-Japanese War period.

the foundation and legitimacy of the Party's rule, something only top CCP leaders wanting to be the Gorbachev of China would be foolish enough to try.

The above analysis can be tentatively summarized by the English word "Pride". In some sense, the Pride of the CCP leadership underlies almost all diplomatic decisions, and it is the Pride of the Chinese people that provides a solid foundation for maintaining Pride in their leadership. This also explains why Nationalist Party leadership in Taiwan, despite leading a democratic political system, demonstrates significant overlap in policy when the sovereignty of the Diaoyu Island is involved.

To use an example concerning the Middle East, Ambassador Wu Sike, China's special envoy there, said this during a public lecture given in December of 2013 on Shanghai Jiao Tong University's campus while facing over 700 students: "when we (China) voted in absentia regarding the UN security council resolution, we were crouching while other voters (western powers) were standing. Now, by casting a veto, we are finally standing up and speaking equally with western countries."

Economic foundations

The other factors acting as evidence for the rationality inherent to Chinese policy-making can be expressed by a "P" word as well: "Price", or more specifically, what is at stake when a decision is made. Americans tend to think that China makes decisions based on either short-term or long-term economic benefits. In practice, this is rarely the case. The CCP calculates the costs involved from a very different angle. First and foremost, the Party calculates the price it would pay if it failed to upkeep their Pride, as discussed above. When a nation of 1.4 billion people is deeply convinced by the Party's narrative that the Japanese are being belligerent in trying to nationalize Diaoyu Island, and it is taken as a sign of Japan showing its militaristic and aggressive nature once again (in Chinese, 本性难移), the CCP only has so many logical options, none of which are hard to discern. In the minds of them and their people, if China does nothing to prevent losing control of this tiny Island, China may be invaded again, bringing the humiliation inflicted upon the nation 170 years ago back to haunt them. This is too great a Price to pay, as any sign of Japan gaining the upper hand in this dispute might kick-start the process of delegitimizing the Party's rule, which was built on their leadership role in the anti-Japanese War narrative.

Another factor that causes the Party to calculate Price very differently from a full market economy perspective is the role of State Owned Enterprises (SOEs). Many times, the economic consequence of China's foreign policy decisions are shouldered by SOEs. In China's one party system, however, being State Owned is being Party Owned, meaning these SOEs are supposed to be in the same trench fighting the same battles with the Party's political leadership. In other words, economic decisions are to follow political

priorities, which above all are maintaining the legitimacy and solidarity of the Party's leadership. Many times this leads to decisions which on the surface are hard to comprehend—if viewed from a purely economic angle. If we consider the following, their logic comes full circle: when political victories are won, these SOEs are the first to reap their benefits, which sometimes include extremely high profits, not necessarily all directly from the business deals themselves, but from additional opportunities and funds allotted by the Party. We can assume that the private sector will reap benefits as well if a foreign policy decision is proven to be beneficial for Chinese businesses. This is not detrimental to SOE interests, since the two sectors do not see each other as engaged in zero-sum competition, but rather as working together cooperatively based on mutual interests. The fact that these private businesses are also among those benefiting from the same political victories actually encourages their support for the Party. This creates a win-win-win situation in which three parties—the SOEs, the private sector, and the Party itself—are all fighting together, and most of the time positive synergy is the result of decades of breaking in with each other.

Looking at this phenomenon from another angle, we can say that near-term and/or straight forward economic or material benefits are not the determining factors considered by Chinese decision makers. This is due to differently oriented economic systems of China, largely stemming from Chinese culture, which values long-term benefits gained through near-term pain and often achieved by sacrificing short-term satisfaction. We can sum up the rationale of China's foreign policy making as a willingness to *Pay a Price for Pride*, since it is Pride that upholds the Party's rule. When coupled with an often shady balance sheet kept by many of the SOEs run by the very same Party, no checks on any potential losses are worried about.

Transparency and Rationality Predictability and responsiveness

To claim that a non-democratic political system is transparent seems counterintuitive. It is not, however, when we examine China's domestic policies and inner party sectarian struggles. Overall, the decision-making process that produces China's foreign policies is efficient, and more often than not, based on policy suggestions and reports generated by a system of research entities. The selection process of what is considered is mostly merit-based. Extensive discussions are conducted when major disagreements exist, leading to either agreement among top leaders, or voting among them to compromise as a last resort.⁶ Variations exist only because of relatively superficial differences in the

⁶ See Sun Yun's Brookings paper. Though as a scholar myself who works in the system, I do not agree with many of her judgments, the paper gives a succinct overview of the state of the system about 5-8 years ago. Now the process has been significantly improved, in some ways along Sun's suggested trajectory, such as the recently established State Security Committee. This change is actually solid proof that the Chinese government heeds to all constructive suggestions, though due to the Pride factor discussed previously, it always chooses to make changes

styles of governance employed by acting leaders. For example, the governing styles of Hu Jintao and Xi Jinping are very different from each other, but the mechanisms underlying either of them are more or less the same because of how systemically and culturally entrenched they are.

Another reason for describing China's decision-making process as transparent is its willingness to gather feedback from the governments and important media sources of western powers, particularly the US, to gauge the potential consequences of future decisions. For example, the Party typically uses its contacts in Hong Kong media to leak potentially important future decisions to western countries whose reactions are gauged by the leadership for possible consequences if the decisions were actually made later. Hong Kong was originally kept as it was by Mao Zedong in the late 1940s to be a channel for much needed western goods and products, as well as a window/backdoor for Sino-Western communications. Today, Hong Kong is no longer that important for its economics and trade, but it is increasingly important for its position as a quasi-free media harbor that acts as a test field for limited political reforms in the mainland. Recent examples of using Hong Kong's media to leak domestic decisions include the arrest and trial of Bo Xilai, Zhou Yongkang and Xu Caihou, as well as decisions on the Shanghai free trade zone, and Hong Kong & Shanghai stock market connections.

Hong Kong media is but one means for the leadership to collect western feedback, however. The Xinhua News Agency, together with all the information sections of Chinese diplomatic missions, act as eyes and ears for the Party to gather feedback on any foreign policy decisions China makes. The process is fairly efficient compared to other non-democratic nations in the world.

Efficiency and built-in checks and balances

The executive branch of China's foreign relations includes the Ministry of Foreign Affairs, various track II diplomacy entities that are comparable to western NGOs on the surface but are still run by the inner circle of the second generation revolutionaries that founded the CCP⁷, as well as hundreds of think tanks who are either independent or affiliated with universities, municipal governments, SOEs, or private businesses.

quietly, and most of the time long after the suggestion is out of the public eye. A more poignant case in point is a recently begun campaign to lower the PM 2.5 indexes to reduce pollution in most large cities. Attention to PM 2.5 started over two years ago due to the US Embassy in Beijing monitoring this aspect of air pollution and publishing their findings on the Embassy's website. The initial reaction of the Party controlled media was criticizing these activities of the US diplomats, hinting that it was merely an attempt to interfere with China's domestic policy. However, over a year later, the public opinion, including those of all the high level officials who work in the city, eventually succeeded in pressuring the media to fully acknowledge the fact, which began pushing for measures to lower pollution in the city.

⁷ For example, the Chinese People's Association for Friendship with Foreign Countries, is an important NGO currently lead by Li Xiaolin, daughter of a former president of China.

For over two thousand years, China had a tradition of selecting talent through imperial examination (科举, Keju). Today's version of that would be the college entrance exam (高考, Gaokao). This sophisticated and time honored tradition managed the Chinese Empire for several thousand years due to its successful emphasize on meticulous documentation, as well as structured hierarchical checks and balances to ensure all levels of cadres are loyal to but one person, the imperial emperor. The current CCP management apparatus has inherited this tradition despite the turmoil of denying the system's value, which began with the New Culture Movement of 1919.

The foundation of the CCP diplomatic core team was built by the first CCP Premier Zhou Enlai. He himself received both traditional education preparing for the imperial examination and modern education preparing him to continue his later studies in Japan and France.⁸ In today's system, we can still observe the legacy of the Keju system working well. The CCP in its early years, even before an iron clad partnership between Zhou Enlai and Mao Zedong was formed, had top leaders manage foreign relations with the outside world using a system called "democracy first, centralized decisions later." In it, all concerned parties can express their views fully, then submit their suggestions in writing while conforming to a fixed succinct style, which are then passed along an upward chain of officials. Since almost all of the officials have been promoted from base level management roles through merit-based systems, they themselves are very much qualified to judge the quality of any ideas and proposals made in these documents and policy papers.⁹ The documents would gather comments by all layers of officials along its path, beginning with those at lower levels and ending with their superiors. In this system, even if one or two officials along the chain failed to fairly judge the quality of the policy proposal, the rest (sometimes a dozen or more) would catch their lapses in judgment and make up for it through the sheer number of qualified candidates involved weighing in on any issue. The documents would stop at a level fitting the suggestions' level of importance, where a final decision was made on whether it in its present form

⁸ Zhou Enlai received the best private education of his time during his high school days at Nankai School, whose prominent alumni include the former Prime Minister of China Wen Jiabao, former president of Tsinghua University Mei Yiqi, and many more. Zhou, much like most of his generation of Chinese revolutionists, is a representative example who bears the same psychological motivations of Xi Jinping's father: regaining China's glorious past in the modern world. Zhou's desire to strengthen China was so strong that when he left for Japan for further studies, when he was just 18 years of age, he wrote a poem expressing his determination to find a way end China's bullying by western powers, in which he said that if he failed to find a way to achieve this, he "would walk to the sea and commit suicide" (难酬蹈海亦英雄). This author was fortunate enough to not only be a graduate of Nankai School himself, but also to be mentored at Peking University by one of Zhou Enlai's protégés, Professor Ye Yiliang (叶奕良). He was the top Persian and Pashto interpreter who served Mao Zedong as well as Zhou Enlai, Chen Yi (陈毅), and Hua Guofeng (华国锋). Ye understood well and inherited the mentality of Zhou's generation, knowledge of which I was directly imparted during my time with him.

⁹ For extensive arguments concerning this system and its basis in merit, see various publications by Eric X. Li, such as "The Life of the Party." *Foreign Affairs*. Jan. 2013, accessed on Web. 5 Nov. 2014 at <http://www.foreignaffairs.com/articles/138476/eric-x-li/the-life-of-the-party>.

should be adopted. If the suggestion was accepted, the most senior official deciding that, most likely the last to view and comment on the document as well, would provide information and directions outlining who should take care of the implementation, and what type of resources should be allotted to it. Depending on the matter's importance, the document could reach all the way to the desk of the President. When he could make a decision call, he would, and on hard to decide issues, he would bring the document to the Standing Committee of the CCP Political Bureau, where either full agreement needed to be reached, or a vote was called to decide upon the issue. According to scholars who know the process well, in terms of foreign relations decisions, calling for a vote among these top seven (last term was nine) leaders has been extremely rare, again reflecting consensus among top leaders regarding China's own territorial sovereignty and relationship with foreign countries and international organizations. This is due to how foundational the *Price for Pride* rationale is within all aspects of the policy-making apparatus. The whole process for every significant decision is well documented, each layer of commentators expected to take their share of responsibility for any documents bearing their comments and signatures. As a process, it is very similar to elevating an issue in the US legal system through a process of continued appeals, only more divergent parties are involved with specifically relevant expertise, and in ever greater numbers as an issue requires it, arguing for and against a decision from the bottom up until a fitting conclusion is reached.

I hope that after the above discussion, we can now agree that there is a widely known and consistently powerful psychological foundation for China's foreign policy decisions,¹⁰ which has well defined and clearly discernable principles behind it, meaning these decisions are predictable as well as merit-based in entirely rational ways we can discern with a good deal of accuracy.¹¹

Assumptions for Sino-US Cooperation

Once the nature of China's policy-making is defined and understood, it is clear that the US government can and should work with the Chinese government on foreign relations related issues.

The Chinese Communist Party's rule is here to stay, at least for a while

¹⁰ Sometimes I compare this mentality to those of my Israeli friends, known for bringing up the Holocaust when discussing the "never again" mentality of Israel's absolute security.

¹¹ "Silent Contest" is a documentary film recently released in China by the PLA National Defense University,. It is filled with conspiracy theories that blame the US for China's corruption, and was quickly removed from China's internet due to its objectionable content and quality by a large number of Chinese experts in this field. This is a testament to the efficiency and responsiveness of the country's management mechanisms regarding China's foreign policy related issues.

Some western scholars argue that a humming economic engine is the only reason that the CCP can maintain a ruling position, and the Party will accordingly lose its legitimacy and thus its control of China should the economic bubble burst, since the main obstacle of realizing the Chinese Dream is actually China's lack of inner peace. I myself was convinced of this point only two years ago. Today, I think the argument for it is only partially correct. What happened in 1989 at Tiananmen Square or what took place three years ago at Tahrir Square is not likely to happen in today's China.¹²

The one party political system will likely remain for some time for several reasons. Fittingly, the most important reason is that Chinese authorities learned a valuable lesson from the contributions of social media to the collapse of multiple Middle Eastern regimes. Consequently, social media in China today is inundated by a large army of opinion leaders sided with the regime, while challenging voices are guided to places like Weibo, a closely monitored twitter like platform, and WeChat, a relatively open but closed circuit platform for content sharing among acquaintances.¹³ These two virtual channels consume most of the energy of all potential dissidents so that they can no longer organize any meaningful real-world events. The lack of well-known and respected leaders there also makes any social movement that would challenge the regime relegated to a pipe dream.

Multiple incidents that took place across China, which could have otherwise developed beyond isolated events of social unrest by fermenting into large scale social upheavals comparable to the 1989 Tiananmen Square Movement, are effectively cooled off by the "cloudization" of the means of reporting and handling these events, which have become as dispersed as the technological means facilitating them. China's internet infrastructure is advanced, and the government's experience in controlling information flow over the internet is vaster than any other country in the world. Due to the rapid pace of events showing up on the virtual sphere, the government has also developed methods of being extremely fast in its responses. Individual cases are handled the moment they appear (which is the moment they are reported by involved people to the internet). The reporting and the handling of any incidents that would otherwise ferment into big challenges to the regime all begin and end immediately in the cloud, to borrow an internet 3.0 term. Anti-government forces do not have the time and space to accumulate and consolidate into a meaningful force, and solutions and alleviating measures are

¹² As of this writing, the Hong Kong demonstration has still failed to evolve in a violent direction as many foreign media outlets predicted.

¹³ The WeChat platform is popular among alumni networks, social circles, etc., that limits a group number to be a few hundred, which matches the size of real world social circles. This structural limitation helped to prevent any viral effect of the content within the platform. WeChat is relatively new compared to Weibo, thus experience managing Weibo by the Party has been applied to the WeChat sphere, preventing it from being an effective social mobilization tool.

implemented by localized task forces of the regime in a very responsive and efficient manner. Cloudization lets the air out of the acid bubble before it can inflate into anything of note and rise beyond the regime's control, only to rain down upon it at an unfavorable time as it has in the ME.¹⁴

According to some, thousands of years of a passive mentality that yearns for an all powerful and wise "emperor" on the throne within Chinese culture also contributes to the stability of today's Party rule, which produced a timely emperor-like figure whose charisma has just started to be accepted by the masses. In the mean time, the anti-corruption campaign of this new leader has truly satisfied the curiosity of Chinese citizens while releasing some of the otherwise toxic air out of their anger and dissatisfaction with the practical problems of their lives—problems described by head leaders as problems only existing because of fast development towards a better future for them as a people—such as pollution, losing lands to developers, and never ending cases of contaminated food.

Cloudized communication and persuasion

When we accept that China's foreign policy decisions are made in relatively transparent ways with built in checks and balances, they become predictable and responsive. Because the current political system is unlikely to change any time soon, it is up to the US and China to make efforts to communicate better and persuade each other of their own agendas, interests, and concerns. There are plenty of policy papers discussing how such efforts can bear fruit.

The types of communication and persuasion available are also scattered across all fronts where the two nations meet, such as the economic, academic, military, political, diplomatic, as well as virtual spheres facilitated by the internet. An effort to consolidate and coordinate these divergent activities by a single entity, even the governments on either side, may be proven fruitless. It will be particularly challenging given the open nature of cloudized communication and information flow affecting potential decisions by either side as well, given how starkly contrasted their approaches to handling that are. Neither side is entirely in control of its means of interfacing with the other in the internet age. China's attempts have thus far been consistent and reliable, however, as have those of the US, meaning that though their sentiments on how to deal with cloudization

¹⁴ I see this phenomenon as comparable to the Obama administration's handling individual terrorist cells around the world using drone attacks and special task forces made up of a very limited number of soldiers. I coined the term "cloudization" to describe the dispersed nature of the problems as well as their solutions. This concept traces its origins to the internet economy, which is changing the way we think about politics and wars, as well as the nature of terrorism, and now national terrorism (counter strikes lead not by a nation but by means of unconventional warfare). It has been implemented best by the state of Israel, and now by the US (part of the overall "Israelization" process of the US, another topic beyond the scope of this paper).

may differ, and cloudization will undoubtedly affect their ability to work together, so long as neither attempts to police the other in how they handle that—which would be in clear violation of their mutually respected sovereignty which either are intent to maintain—there is little reason to believe that this clash of cultures would prevent productive cooperation, however, particularly not on China's end of it. Nevertheless, for US think tanks and policy-makers, based on the above discussed efficiency and responsiveness inherent to the Chinese system, it is reasonable to believe that the chaotic nature of cloud-based ideas will be sorted out should it prove problematic, allowing good ideas to continue propagating upward towards top leaders if they are relevant to policy. No matter how they get there, the best will be adopted and implemented, as long as they do not conflict with the "Price for Pride" principle argued here.

Mutual respect

On the strategic level, each country should start with being accommodating and respectful of each other's sensitivities.

China is a nation with several thousand years of history and culture, the majority of which was ruled by a centralized political system that worshipped the ruling emperor. Today's one party system can be treated as a continuation of this time-tested political culture, which is a blessing in disguise for anyone looking to work with China if they appreciate how it works. This might change and develop into something more traditionally democratic, but the speed of any change needs to follow its natural course to avoid being outright rejected to protect China's Pride. Being overly critical of it from the outside and trying to meddle with this process would be the most irritable thing the US could do to China, especially in the eyes of the ruling CCP. The US should be well aware of this in its dealings with China, and try to avoid interfering with their affairs in heavy handed ways, as it is a touchy issue for them. It is clear that the US is doing better lately in how it handles this, however. On human rights issues in particular, they're doing well not to directly address the Chinese government in what would only be perceived as hostile and unwanted criticism.

The US is a country that has been on the rise since its inception some 200 years ago, and has almost never suffered fate-altering disasters that would otherwise wreak havoc on its development. Its relatively recent diminishing economic advantages relative to other developing countries—especially to China—is something new for everyone; Even the US itself is in the process of fully grasping that. With diminishing economic power comes diminishing political and military hegemony around the world. China, the largest debt holder of US treasury bonds, should learn to respect the natural sensitivity the US has regarding its historically unprecedented vulnerability, and refrain itself from challenging this Achilles' heels.

Potential areas of cooperation in the ME

There are multiple initiatives in the Middle East that will benefit from closer cooperation between China and the US. One is the obvious Middle East Peace initiative. Another is solving Syria's humanitarian crisis. A third is the Iranian Nuclear Issue. And now, the most prominent project is an anti-ISIS campaign. The two countries need to think creatively so that China can play a bigger role and balance the US's single handed commitment to the region. This paper will not delve into the tactical details of how the two countries can work together to achieve better solutions for everyone involved. Plenty of entities are doing just that.

In a New York Times Op-Ed article, Ben Fishman argues that Israel and the Gulf states are strategic partners, and they need to start working together to achieve peace with the Palestinians. In particular, they should approach Washington together with their initiatives.¹⁵ I would hasten to add that Beijing should be approached too if we consider China's extremely high trade volume with the Gulf states, as well as its close technological ties with Israel. In the mean time, Beijing is more eager than ever to see peace in the Middle East, and to play a constructive role in the region's stability. Beijing has a lot to learn from the US, as long as the US is willing to teach in a sensible way, and allows China to challenge potential deadlocks in the US's way of approaching these issues.

The upheaval of Arab countries to some extent is the result of the cloudization of the world economy. In a country like the US or China, due to a well-developed internet based ecommerce infrastructure,¹⁶ unemployment numbers no longer reflect the real pain the society is suffering from. For example, a 10% so-called unemployment rate in the US or China does not take into consideration the millions of people who are considered unemployed but can still make ends meet due to their role in the new internet and knowledge based economy, especially the new sharing economy. They could be a seller, a distributor, or a service sector worker¹⁷ who does not have an employment title but still leads a comfortable life and feels no need to walk into the street to protest the government—whether it is a democratically elected one or not. The recent successful IPO of Alibaba (NYSE stock symbol: BABA), is not only an example of how big this type of economy can be and how many employment opportunities it can provide, but also how closely and deeply intertwined the US and China related sectors

¹⁵ "The Mideast's Unlikely Allies," <http://www.nytimes.com/2013/12/24/opinion/the-mideasts-unlikely-allies.html?smid=pl-share>, accessed on Dec. 27th, 2013.

¹⁶ This includes online stores, procuring centers, storage, reliable distribution chains, dispersed manufacturing and sourcing structures, etc..

¹⁷ For example, those who work in the internet gambling sphere, the porn industry that has been revolutionized by the internet, etc..

are, and how smart money and brains are working together on both sides of the Pacific, which to some extent includes the venture capitalists of Israel.

Even though internet based social networking sites helped those dissatisfied with their government in Arab Spring's to socially mobilize, the internet economy remains underdeveloped in these countries. We can easily discern a direct relationship between how great a role internet related commerce plays in a society, and how unlikely a country's government is to be met with what happened in the Arab Springs. In a traditional economy, a 20-25% unemployment rate inflicts real pain on a society, which leads to these horrible situations. This is simply not the case in countries where significant portions of the population are considered unemployed in the traditional meaning of the word, but are very busy working on platforms such as Ebay and Taobao. The development of these online platforms caused the rise of new sectors for offline working opportunities as well, such as manufacturing jobs for consumer electronics. When we follow the chain of Apple's iPhone design, production, and distribution, as well as its social media based advertising campaigns, and the plethora of healthy competition from other manufacturers and copycats, we cannot help but realize the power of the new economy and the tremendous number of work forces it can absorb. The sad part is that this is all happening on the two opposing shores of the pacific, with the Middle East in the middle simply participating as consumers.

To change this passive situation in the ME, the US and China should work together and share a lot with the ME region in doing so.¹⁸ The US has been a strong partner in building institutions within many countries around the world. In contrast, China itself has been a beneficiary of US institution building efforts, but has itself been weak in supporting them elsewhere. One of China's accomplishments has been to pull a large number of its own population—conservatively estimated at more than 300 million—out of poverty in the past three decades. That's a huge feat, maybe even a first in human history. China's forte, therefore, is in economic development and innovation, not in laying the foundations for it to begin. China may as well complement the US's institution building efforts from an economic perspective, as well as a humanitarian one. Eventually, it is job opportunities and upward mobility for the young and restless that will persuade them to stay away from extremist organizations, not policing them in their poverty.

¹⁸ For example, this author's Center for Middle East Peace Studies is working on a joint effort with some of the leading ecommerce entities and private funding sources in China to help some Middle Eastern countries setup their own infrastructures for ecommerce, which could potentially provide hundreds of thousands of young Arabs across the region with employment opportunities.