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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

National Intelligence Council

NIC 1379-83
18 February 1983

MEMORANDUM FOR: See Distribution
FROM : David D. Gries
National Intelligence Officer for East Asia

SUBJECT : Attached Rand Corporation Study:
Chinese Political Negotiating Behavior

The caption study is a precis of a longer study on Chinese Negotiating Behavior. The precis was prepared in the expectation that it might be of use to the State Department in advance of Secretary Schultz' visit to Beijing. The completed study will be available in early summer.

David D. Gries

Attachment
a/s

CHINESE POLITICAL NEGOTIATING BEHAVIOR

by

Richard H. Solomon

The Rand Corporation

January 1983

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CHINESE POLITICAL NEGOTIATING BEHAVIOR

Executive Summary

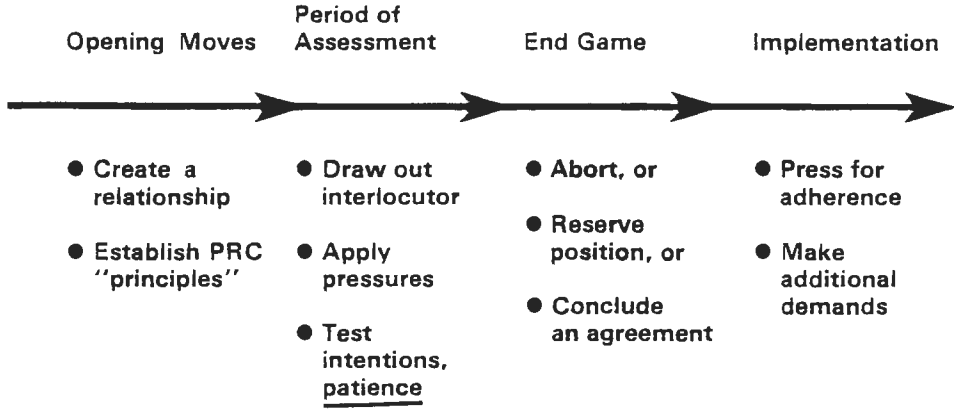
This RAND Corporation analysis assesses Chinese negotiating behavior on the basis of the experience of U.S. negotiators who participated in efforts during the past decade to normalize America's relations with the People's Republic of China (PRC).

GENERAL CHARACTERISTICS: Beijing's negotiators are highly disciplined in pursuing PRC interests, reflecting their Marxist-Leninist training. Yet as Chinese they are distrustful of impersonal or legalistic negotiations. The fundamental characteristic of their negotiating style is to identify a sympathetic counterpart in a foreign government and cultivate a personal relationship, a sense of "friendship," and then to manipulate feelings of good will, obligation, guilt or dependence in order to achieve their negotiating objectives. "Friendship" to the Chinese implies the obligation to provide support and assistance to one's "friends."

Chinese view political negotiation as reconciling the principles and objectives of the two sides and testing the counterpart government's commitment to a relationship with the PRC. They do not see it as a highly technical process of haggling over details in which the two sides initially table maximum positions and then seek to move to a point of convergence through incremental compromises.

To establish a framework for a relationship, a PRC official will press his counterpart at the outset of a negotiation to accept certain general "principles." Such political groundrules will then be used to constrain the interlocutor's bargaining flexibility and to test the "sincerity" of his desire to develop and sustain a relationship with China. Experience shows, however, that when a PRC negotiator wants to reach an accord, he can set aside the stress on "principles" and reach a concrete agreement that in fact may have little relation to--or may even seem to contravene--the principles stressed early in a negotiation.

Senior U.S. officials describe political negotiations with the Chinese as a "linear" or sequential process of relatively discrete stages:



OPENING MOVES: PRC officials will make a determined effort to establish a sympathetic counterpart as an interlocutor, cultivate a sense of personal relationship ("friendship") with him, and then press for acceptance of their principles as the basis of the relationship. They will also seek to structure a negotiating agenda favorable to their objectives.

PERIOD OF ASSESSMENT: Chinese officials are skilled in protracting a negotiation to explore the limits of their adversary's views and flexibility. They will resist exposing their own position until their counterpart's stand is fully known and his patience well tested.

Facilitating maneuvers: Chinese officials will seek to establish a positive ambience for a negotiation through meticulous orchestration of hospitality (cuisine, sightseeing, etc.), press play, toasts, and the official mood. They may seek to minimize confrontation or differences of view through subtle and indirect presentation of their position. They may communicate through trusted intermediaries. And when they seek to avoid breakdown of a negotiation they may resort to stalling tactics or reach a partial agreement while reserving their position on important issues where they do not wish to compromise.

Pressure tactics: PRC negotiators will resort to a variety of maneuvers to put an interlocutor on the defensive. They are skilled at making a foreign counterpart appear to be the supplicant or demandeur. They will play political adversaries against each other; and they may alternate hard and accommodating moods by shifting from "bad guy" to "good guy" officials. They may urge a foreign negotiator to accommodate to their position with the argument that if he does not his "friends" in the PRC leadership will be weakened by failure to reach agreement. And they will tend to put pressure on a sympathetic negotiator on the assumption that a "friend" will work with special effort to repair problems in the relationship. They will present themselves as the

injured party and seek to shame an interlocutor with recitation of faults on the part of his government or his failure to live up to past agreements or to the "spirit" of mutually-accepted "principles." They are skilled in using the press to create public pressures on a foreign negotiating team. And they will seek to trap a negotiator against a time deadline.

END GAME: When PRC officials believe that they have tested the limits of their adversary's position and that a formal understanding serves their interests, they can move rapidly to conclude an agreement. They may let a negotiation appear to deadlock to test their interlocutor's patience and firmness, and then have a senior leader intervene to "cut the knot" of an apparent deadlock. Once Chinese leaders have decided to reach an agreement, their negotiators can be quite flexible in working out concrete arrangements which often have no relation to--or may even seem to contravene--"principles" which were stressed early in a negotiation.

IMPLEMENTATION: Chinese officials will assess the manner in which a counterpart government implements an agreement as a sign of how seriously it takes a relationship with the PRC. They will press for strict implementation of all understandings and will be quick to find fault. Chinese officials sometimes give the impression that agreements are never quite final. They will seek modifications of understandings when it serves their purposes; and the conclusion of one agreement is only the occasion for pressing an interlocutor for new concessions.

NEGOTIATING LESSONS OF THE PAST DECADE: The following guidelines may sound simplistic, but in practice they have been violated by U.S. negotiators in dealings with the Chinese.

- Know the substantive issues cold. PRC officials will meticulously prepare for a negotiating encounter, and they will be well briefed by competent staff. They will take advantage of any shortcomings in their interlocutor's grasp of the issues.

- Master the past negotiating record. A Chinese negotiator will have the past record of exchanges under full control and will quote it back to his foreign interlocutor if he senses any effort to deviate from prior agreements or understandings. He may also attempt to distort the past record to serve his own objectives.

- Know your own bottom line. Repeated shifts in position will suggest to a PRC negotiator that his adversary's final position has not been reached.

- Present your position in a broad framework. Chinese leaders seem to find it easier to reach compromises on specific issues when they believe the counterpart government takes them seriously and views a relationship with the PRC in a long term and global perspective.

- Resist Chinese efforts to shame. PRC officials will be quick to find fault or to challenge the "sincerity" of a negotiating counterpart. Don't promise more than you can deliver; and be well prepared to respond to self-serving Chinese claims that they are the injured party in the relationship.

- Be patient! Chinese distrust quick deals. A PRC negotiator tends to adopt a somewhat passive, "I'm in no hurry" posture and will take months if not years to fully test an adversary's position. Assume you will be subjected to unpredictable delays and drawn out discussions in which your Chinese counterpart will give little elaboration of his own position.

- Avoid time deadlines. A Chinese negotiator will try to trap his counterpart against some time deadline in order to build pressure. He may express interest in concluding an agreement only at the eleventh hour when he is convinced his interlocutor's position is truly final.

- Minimize media pressures. PRC officials are skilled at manipulating the media by raising expectations about either success or failure of a negotiation, or in generating public pressures on a counterpart government (as through current suggestions that there may be an improvement in Sino-Soviet relations). Low key and leak-free exchanges are the best protection against press-generated pressures.

# # #

January 1983

CHINESE POLITICAL NEGOTIATING BEHAVIOR

by

Richard H. Solomon

The Rand Corporation*

This briefing memorandum is an assessment of the political negotiating style that senior officials of the U.S. government are likely to encounter in dealings with their counterparts from the People's Republic of China (PRC). The assessment is based on interviews with American officials who conducted negotiations with the Chinese during the 1970s in an effort to normalize U.S.-PRC relations, and on analysis of the official negotiating record and related materials such as Chinese press statements.

The experience of the past decade indicates that the Chinese conduct negotiations in a way that Americans find distinctive in its atmosphere and characteristics, even though individual elements of the process are not unique to the Chinese. PRC negotiators reflect a composite tradition that embodies their own culture and history, the Soviet-Communist influence, and partial adaptation to the diplomatic conventions of the West. The American negotiator will not be exposed to Marxist-Leninist rhetoric or concepts by his Chinese counterparts; yet they will use ideological formulations in internal documents and in press articles reflecting official PRC positions.

The American official is likely to be most impressed by the "Chineseness" of his first visits to Beijing (Peking)--the self-assured and subtle manner in which officials handle substantive issues, and the cultured ambience created by the hospitality of his hosts, the banquet cuisine, and sightseeing trips to the Great Wall or Forbidden City. These aspects of the negotiating process will be purposefully manipulated by the Chinese to create a sense of their country's great tradition and future potential--and in partial compensation for its current political and economic weaknesses.

The following analysis will give the American negotiator a sense of what many foreigners find to be an esoteric and appealing atmosphere, yet an often trying pattern of manipulations in formal negotiating encounters with the Chinese. Above all, the U.S. official should draw confidence from the fact that his PRC counterparts will conduct

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*This analysis was produced by Rand as part of a project sponsored by the National Intelligence Council. The author, director of Rand's research program on International Security Policy issues, is a China specialist who was involved in negotiations with the People's Republic of China between 1971 and 1976 as a member of the National Security Council staff.

negotiations in a relatively predictable manner, one which has been dealt with effectively by other officials of the U.S. government in pursuit of American policy objectives.

GENERAL CHARACTERISTICS

The Cultivation and Use of "Friends of China"

Chinese officials are singleminded and highly disciplined in their pursuit of PRC interests; yet as Chinese they are distrustful of impersonal or legalistic negotiations. The most fundamental characteristic of dealings with the Chinese is their attempt to identify foreign officials who are sympathetic to their cause, to cultivate a sense of friendship and obligation in their official counterparts, and then to pursue their objectives through a variety of strategems designed to manipulate feelings of friendship, obligation, guilt, or dependence. This reflects the workings of a culture that has developed to a high level the management of interpersonal relations (guanxi); a society that stresses interdependency rather than individuality; and a political system that sees politics as the interplay between superior and dependent rather than the association of equals.

Thus, the Chinese will go to great lengths to collect information on the opinions and personal preferences of their official counterparts; not just attitudes on political issues, but personal likes as to food and music as well. They will then use such information to develop a sense of personal relationship. Dinnertime conversations and sightseeing banter are viewed by PRC officials as opportunities both to gain such information and to cultivate a mood of "friendship".

Friendship implies obligation. When Chinese officials speak of "friendship" or identify a foreigner as an "old friend," it should be remembered that in their tradition "friendship" implies obligations as much as good personal relations. Moreover, PRC officials limit their dealings with foreign "friends" strictly to formal occasions. Contemporary Chinese have highly mixed feelings about foreigners: On the one hand they admire and covet the power and economic progress that they see in the West--which they seek to gain through foreign "friendships." On the other hand, they resent China's backwardness, dependence on outsiders, and the feeling that they have been ill-treated in the past by those on whom they have relied for help in modernizing their country. Such resentment has been most evident in their attitudes toward China's former Soviet allies; yet one sees in other periods of the past century efforts by the Chinese to establish friendly relations with foreign countries and then bitter disappointment as their high hopes (and often unrealistic demands) for support and assistance have not been fully realized.

"We Chinese Are A Principled People"

Perhaps because of the highly personalized and, upon occasion, opportunistic quality of their own politics, and their ambivalent feelings about dealing with foreigners, the Chinese seek to establish their own ground rules in negotiations by emphasizing their commitment to certain general "principles." In different periods of history this has taken the form of a stress on Marxism, the principles of "peaceful coexistence," or political understandings such as were embodied in the Shanghai Communique signed with the United States in 1972.

Thus, a Chinese official can be expected to initiate a negotiation by either pressing his foreign counterpart to agree to certain general principles, or by invoking past agreements of a general nature with the foreigner's predecessors which he is expected to accept and abide by. A Chinese negotiator will judge the degree of commitment of his foreign counterpart to a relationship with China by his acceptance of relevant principles; and as a negotiation proceeds he will seek to constrain his interlocutor's room for bargaining maneuver by invoking "principle" in order to critique his counterpart's position.

Nonetheless, the experience of recent negotiations with the PRC reveals clearly that when Chinese officials want to reach a specific agreement they will set aside their stress on principle and reach a concrete understanding that in fact may have little relation to--or may even seem to contravene--the principles they stressed early in the negotiation.

The Opaqueness of the Chinese Political Process

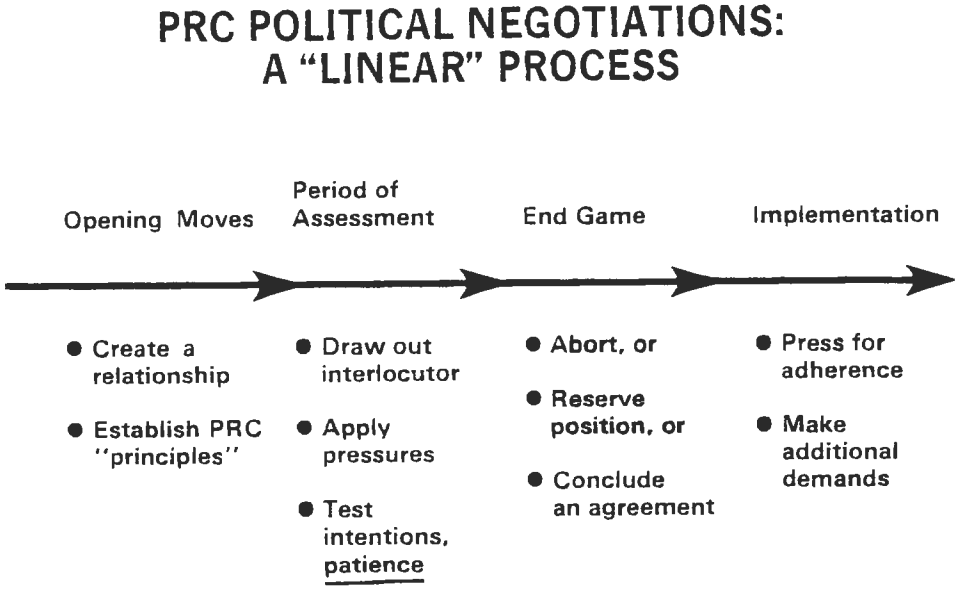
Because the Chinese see politics as a highly personalized process, rather than the working of institutions, they are very sensitive to signs of factional leadership conflict. They see their own governmental system as highly vulnerable to such conflict, and in dealings with foreigners they will go to great lengths to stress the unity of their contemporary leadership--even while admitting to the baleful effects on China of recent periods of political turmoil such as the "Cultural Revolution." Thus, the foreign negotiator will find that his Chinese counterparts will try to mask internal political processes from his understanding.

PRC negotiating positions reflect internal factional politics. Recent experience has shown that PRC negotiating positions are highly sensitive to the play of political factionalism in Beijing: A strong leader can promote a policy that a collective leadership would be unable to support; or a negotiating position may be withdrawn or hardened in the course of a negotiation as a result of factional conflict within the leadership. Thus, the U.S. negotiator faces the difficult task of assessing the measure of flexibility of his Chinese counterparts in terms of internal political processes that are--by the intent of his hosts--difficult to estimate. As a general rule, it can be assumed that

the more rigid and posturing a Chinese negotiator, or the more "irrational" a PRC negotiating position seems to be, the more that factional political pressures are influencing the negotiating process.

THE FORMAL NEGOTIATING PROCESS

American officials have described negotiations with the Chinese as a "linear" process of sequential and relatively discrete stages which unfold as the two sides explore issues of common concern.



In the initial period of opening moves a Chinese negotiator will seek to gain his counterpart's commitment to certain general principles favorable to his objectives, while also seeking to build a personal relationship with him.

There will follow an often lengthy and diffuse period of assessment in which the Chinese official will seek to draw out his foreign interlocutor, test his intentions and his commitment to a relationship with the PRC, and assess the limits of his political flexibility on matters under discussion. In this phase, which may last for months if not years,* the "boundaries" of the negotiation may be ill-defined. PRC

*The Chinese initiated talks with the United States on normalizing relations at Geneva in 1955. These discussions were moved to Warsaw in 1958 and continued without progress for fourteen more years, until 1970, when PRC (and U.S.) terms and objectives changed enough to make agreement possible. Full normalization was finally accomplished in late 1978, more than twenty-three years after negotiations on the issue began. In 1981-82 the U.S.-PRC negotiation on American arms sales to Taiwan went on for fourteen months before agreement was reached.

officials will be evaluating statements of the U.S. government made in contexts other than bilateral exchanges; or they may hold a series of meetings with senior U.S. officials on apparently unrelated topics (through high level visits to Beijing, the United Nations, or by way of ongoing ambassadorial contacts in Washington and Beijing) through which to influence and assess any evolution in the U.S. position.

Chinese highly value patience as a political virtue, and the "can do" enthusiasm of the American style of problem-solving may be easily misinterpreted by them as impatience. A PRC negotiator will watch for signs of impatience in his foreign counterpart as an indicator of how anxious he is to conclude an arrangement--and thus how likely he is to accede to Chinese terms.

Finally, they may unexpectedly precipitate the end game phase of a negotiation and seek to rapidly conclude a formal arrangement when they feel they know the limits of their interlocutor's position and where such an arrangement is seen as serving PRC interests. Their initiation of an "end game" is usually signaled by a shift from discussion of general principles to an evident interest in concrete arrangements. They may table a draft agreement that is very close to their opposite party's final position in order to rapidly conclude a deal.

The Chinese view the political negotiating process as an attempt to reconcile the principles and objectives of the two sides and the testing of their interlocutor's commitment to a relationship with the PRC. They do not see it as a highly technical process of haggling over details in which the two sides initially table maximum positions and then seek to move to a point of convergence through incremental compromises. Indeed, they disparage haggling and can show remarkable flexibility in concrete arrangements once they have decided it is in their interest to conclude an agreement.

OPENING MOVES

Identify the right interlocutor. Given their stress on the personal element in politics, the Chinese may go to considerable lengths to establish as a negotiating counterpart an individual whose views and political positions they believe are favorable to them. Thus, in early 1971 they indicated through diplomatic channels a clear preference for national security advisor Kissinger as the official they hoped President Nixon would send secretly to Beijing. In 1974 they invited Secretary of Defense Schlesinger to the PRC, knowing of his critical views of detente. In 1978 they sought to establish national security advisor Brzezinski as a voice in the normalization negotiations as they found his views more to their liking than those of Secretary of State Vance. And in early 1981 they quickly sought to establish Secretary of State Haig as their interlocutor in the Reagan administration as opposed to national security advisor Allen.

Establish a favorable agenda. If the Chinese have a clear set of priorities for a negotiation they will press insistently to establish an agenda favorable to their objectives. In 1981, for example, they refused to discuss matters of U.S.-PRC security cooperation until an agreement had been reached on U.S. arms sales to Taiwan.

Gain commitment to PRC "principles." PRC officials will seek to establish a favorable framework for realizing their objectives at the outset of a negotiation by pressing their counterpart to agree to "principles" of a very general nature. Then, as a negotiation proceeds, they will challenge positions put forward by the other side as inconsistent with the mutually agreed-upon principles. The Shanghai Communique, signed by President Nixon and Premier Zhou Enlai in February 1972, thus became a framework for the subsequent six years of normalization talks; and PRC officials now criticize U.S. arms sales to Taiwan as inconsistent with the principles agreed to in the Shanghai Communique of "respect for the sovereignty and territorial integrity of all states" and "non-interference in the internal affairs of other states."

The power of words and symbols. The Chinese are meticulous note-takers, and they will throw back at a negotiator his own words, or those of his predecessors, when they sense any deviation in policy from prior negotiating exchanges which serve their interests. They are also subtle and eliptical in presenting their positions,* and are masters in the use of political symbolism. They used "ping pong diplomacy" and the gift of panda bears in the 1971-72 period to express their interest in normalizing relations with the United States. And the Shanghai Communique became a symbol of the normalization process. Chinese negotiators are skillful in using such symbols and agreed-upon principles to constrain their negotiating adversary's room for maneuver.

PERIOD OF ASSESSMENT

Once a framework for a negotiating relationship has been established, the Chinese will go through an often lengthy period of assessing their counterpart's objectives and positions. They are highly effective in drawing out an interlocutor. Negotiating sessions in Beijing predictably begin with the Chinese official saying, "Our custom

*During Henry Kissinger's first, secret trip to Beijing in 1971, Zhou Enlai hinted at conflict within the Chinese leadership by omitting the name of Defense Minister Lin Biao from a list of officials who wanted to thank Kissinger for gifts he had brought to them from the United States. In 1972 Zhou indirectly suggested to President Nixon that he was seriously ill by quoting from a poem by Chairman Mao which commented on the evanescence of life. (Zhou died of cancer in early 1975.) And in 1973 Mao Zedong obliquely indicated to senior U.S. officials that he did not support his wife's political ambitions by telling Kissinger that China's women were too numerous and caused "disasters."

is that our guest always speaks first." And they will press for full revelation of the foreigner's position before exposing their own. Efforts to draw them out early in a negotiation will produce very general or banal statements until they believe they know their interlocutor's position fully.

All conversations with lower level officials are reported "upward" to their superiors, and are analyzed in detail by senior leaders. Hence, the U.S. negotiator should assume that a conversation with, let us say, the Foreign Minister early in a visit to Beijing will have been reported fully to the Premier. Hence, positions do not have to be repeated through a series of meetings. Indeed, American negotiators have described official visits to Beijing as an "unfolding dialogue" in which one passes layer by layer into ever higher levels of the PRC leadership, much as one moves ever deeper into the courtyards of the Forbidden City until the Emperor's throne is finally reached. In this way the Chinese gain the initiative in assessing the views of a foreign negotiator and have time to prepare their responses; and they thus protect their senior leaders against ill-informed or confrontational encounters with lower level foreign officials.

Facilitating Maneuvers

The Chinese unquestionably prefer to negotiate on their own territory as it facilitates their internal communications and decisionmaking procedures, and because it maximizes their control over the ambience of a negotiation. They will purposefully orchestrate all aspects of the environment--press play, the mood of their officials, banquet toasts, the quality of the cuisine, and sightseeing excursions--to create a context favorable to their purposes.

When the Chinese wish to develop a relationship with a foreign government, they use a variety of diplomatic and negotiating ploys to facilitate agreement and minimize differences. They may use a trusted intermediary to convey positions to a foreign government in advance of a negotiation in a deniable or face-saving manner, and in order to "load" the agenda of their foreign counterpart. Accordingly, they used the Pakistani government in 1971 to communicate their initial positions to the Nixon administration in advance of Henry Kissinger's secret visit to Beijing. They can show magnanimity when they want to strengthen a relationship, as in 1980 when they offered Secretary of Defense Harold Brown the sale of certain rare earth metals which they knew the U.S. government needed.

They can express differences by indirection and subtlety of language to minimize confrontation, or draw out their interlocutor with ambiguous yet suggestive formulas. For example, in 1973 the Chinese began to emphasize that normalization had to be completed according to "the Japanese formula"--without spelling out in precise detail what this "formula" entailed. They may resort to stalling tactics to protract a negotiation when premature closure would be unfavorable to their interests or lead to a deadlock. Or they may reach a partial agreement

on issues where compromise serves their ends, but explicitly reserve their position on irreconcilable differences for negotiation at a later time in more favorable circumstances. For example, in late 1978 the Chinese agreed to the U.S. formula for establishing diplomatic relations on all points except continuing American arms sales to Taiwan. On this issue they publicly indicated that--while agreeing to normalize--they could not accept the U.S. position and reserved the intention to negotiate the difference of view at a later date.

Pressure Tactics

Chinese skill in creating a positive ambience for a negotiation is perhaps only matched by the range and variety of the pressure tactics they are known to employ once a relationship has been established. Chinese hospitality is contrasted by their subtle use of the calculated insult, as in 1975 when they accorded a visiting American Communist delegation more favored treatment than an official party preparing for President Ford's trip to China at the end of the year. Their meticulous organization of a foreign official's visit makes the occasional use of purposeful unpredictability--as in suddenly cancelling a scheduled meeting without explanation, or refusing to confirm a senior U.S. official's call on a counterpart PRC leader until the last minute--all the more unsettling. And their solicitude for the comfort of their guests is countered by their occasional resort to fatiguing late night negotiating sessions as a way of pressuring and disorienting a foreign official.

Many of the ploys used by the Chinese in the U.S.-PRC negotiations of the past decade have the quality of implying that the relationship established with the Shanghai Communique is in jeopardy, or that the American side is guilty of not living up to its commitments in developing the relationship:

- "You need us; we don't need you!" The Chinese are particularly adept in making their interlocutor appear the supplicant or demandeur in a negotiation. They will maneuver a dialogue so that the foreigner seems to be asking for something from China--thus putting him in a defensive bargaining position. Conversely, they will go to great lengths to avoid appearing to need a relationship with a foreign government. Thus, in 1971 they tried to make it appear that President Nixon had asked to visit China, when in fact Premier Zhou Enlai had extended him an invitation and there was mutual interest in developing the relationship. And in 1981 the Chinese strongly resisted the argument that they needed American arms for their defense, fearing that the price of a dependent security relationship with the United States would be unrestricted American weapons sales to Taiwan.

- Beat up on one's friends. When the Chinese want to pressure a foreign government they will put the heat on an official who is viewed as sympathetic to the relationship, assuming that a "friend" will work to resolve problems in a way that no unsympathetic official would do. Thus, in 1975 Secretary of State Kissinger was subjected to calculated pressures as the Chinese attempted to move the U.S. to normalize relations; and in 1980 Vice Presidential candidate Bush was strongly pressured to bring about a modification of Presidential candidate Reagan's China policy.

- Play adversaries against each other. Over the past decade there have been repeated examples of the PRC seeking to influence their interlocutors in the U.S. government by playing their political opponents against them. When the Chinese were unsure about the Nixon administration's intentions toward them in 1970, they put out feelers to sympathetic Democratic politicians in Congress. And, as noted earlier, they have tried to play on presumed interpersonal rivalries--Schlesinger versus Kissinger, Brzezinski against Vance, Haig versus Allen.

- "Your Chinese friends are vulnerable." There have been several instances in which PRC officials have implied that unless the U.S. showed flexibility in negotiations, Chinese leaders sympathetic to the relationship with the United States would get into political trouble. This was hinted at regarding Zhou Enlai's standing in 1972 by a PRC ambassador abroad when normalization issues were being discussed. And Deng Xiaoping repeatedly told American visitors in 1981-82 that "the Chinese people will not support me" if the Taiwan arms sales issue was not satisfactorily resolved. Subsequent analysis of these ploys indicates that the Chinese were not bluffing; but it is difficult to assess the validity of such arguments at the time they are made, and such considerations can never be the primary factor in determining U.S. policy.

- Bad guy-good guy. While not unique to the Chinese, there is a tendency for lower-level PRC officials to present a negotiating position in a much sharper manner than will a senior leader who may enter a negotiation only late in the day when the interlocutor's views have been fully tested. For example, former Vice Foreign Minister Qiao Guanhua presented positions much more rigidly than did Premier Zhou, who would directly involve himself in a bargaining situation only when agreement seemed near. And former Foreign Minister Huang Hua played the role of the "heavy" in negotiating the Taiwan arms sales issue, with Deng Xiaoping the senior compromiser.

- "Kill the chicken to warn the monkey." A traditional Chinese negotiating ploy is to prove to an adversary one's seriousness of intent by taking some action of limited cost which will make credible a more costly negotiating threat that one wants to

avoid. Thus, in early 1981 the PRC downgraded diplomatic relations with the Netherlands government in response to the Dutch sale to Taiwan of two submarines to make credible the threat to downgrade relations with the United States if American arms were sold to Taiwan without prior understanding with the PRC.

- "You are the guilty party!" Chinese negotiators will seek to portray themselves as the injured party by identifying faults, weaknesses, failures to perform, or other asserted errors on the part of their interlocutor's government--thus putting their negotiating counterpart on the defensive. In 1975, for example, Deng Xiaoping repeatedly asserted to Henry Kissinger that "the U.S. owes China a debt" on normalization because of the intention expressed by President Nixon in 1972 to establish diplomatic relations by the end of his second term.

- Word games. As discussed earlier, Chinese negotiators will use very general agreements in principle, or prior commitments of a government, to pressure a foreign counterpart on specific issues. They will claim that some action of the interlocutor's government "violates the spirit" of a prior agreement, or that one administration is going back on the words of its predecessors. For example, in 1977 the Chinese rejected Secretary of State Vance's proposal for a U.S. governmental presence in Taiwan after normalization by quoting back to him words of his predecessors that such an official presence was not required.

  While Chinese negotiators, in contrast to Soviet officials, seek to preserve their credibility by avoiding hollow bluffs and outright lies, they are known to twist the meaning or intent of prior statements or understandings to serve their purposes. Accordingly, the U.S. negotiator should be forearmed with a full understanding of the negotiating record as a basis for countering sometimes distorted Chinese assertions about prior agreements.

- Press play. PRC officials have demonstrated considerable skill in manipulating the press as a component of the negotiating process. They know that the high level of media attention given American negotiating teams provides them opportunities to build public pressures on an American negotiator. Thus, when journalists accompany a senior official into his first negotiating session with, let us say, Deng Xiaoping, Deng can be expected to make some apparently casual comments within earshot of the press to set the mood for a negotiation.

  Deng and other officials have effectively used the "trap of visibility" to raise the concerns of their U.S. interlocutors about the appearance of a deterioration in the U.S.-PRC relationship for its effect on U.S.-Soviet relations. Through statements to the press they have raised public anticipations

about progress in the relationship to put pressure on a negotiator--who will be concerned that unrealized expectations will be interpreted to mean that he has failed in his mission. And they have shown skill in deflating public pressures on themselves--as, for example, in Deng's public proclamation of peaceful intent toward Taiwan just before his 1979 visit to Washington.

Chinese negotiators have sought to foreclose certain U.S. negotiating positions by rejecting them publicly prior to a bargaining session. And they have sought to make credible their own "unshakeable" positions through public disclosure in order to play on the assumption of their negotiating counterparts that such visible commitments "lock the Chinese in" because of their concern with maintaining credibility (even though there are many examples of PRC negotiators backing off their "principled" positions).

- o Time pressures. A major Chinese negotiating tactic is the effort to play time pressures against an interlocutor. A Chinese official will tend to adopt a somewhat passive posture in formal discussions in order to draw out his foreign counterpart and to convey the impression that he is under no pressure to reach agreement. "We are a patient people" is a familiar Chinese self-characterization, and even when PRC officials are under internal pressures to complete an agreement--as they were in the negotiations on establishing diplomatic relations in 1978--they will observe that, "We are in no hurry, but if the U.S. side is interested in reaching an agreement we are prepared to listen to your proposals."

  In practice, the Chinese have shown themselves to be vulnerable to the time pressures that are inevitably a part of the political process. The skillful negotiator will estimate the constraints of time operating on his PRC counterparts and structure a negotiation so that he is not trapped against a time deadline.

END GAME

Once the Chinese believe they have fully assessed the limits of their interlocutor's flexibility, they can move rapidly to conclude an agreement if it serves their interests. A PRC negotiator may let a negotiation deadlock and drag on for some time to see if his counterpart will modify his "final" position. A senior leader may then intervene to "cut the knot" of an apparent deadlock. In 1978, for example, the Chinese skillfully conveyed to Japanese Prime Minister Ohira the impression that his effort to negotiate an air transport agreement had failed. In a late night session with his staff in an apparently bugged guest house room, Ohira told his aides that he was prepared to return to Tokyo without an agreement. The next morning, two hours before his departure from Beijing, the Chinese suddenly reversed themselves. They

reconvened the negotiating team and tabled an acceptable compromise that contravened the "principles" they had stressed during several months of negotiation.

When the Chinese have decided to reach agreement, they are quite flexible in working out the specific elements of an accord. Analysis of the many normalization agreements reached by the PRC in the 1970s shows striking variation in language on the critical issue of the status of Taiwan. Very few of the foreign negotiating teams met Beijing's demand for explicit recognition of PRC sovereignty over the island.

If the Chinese decide that agreement does not serve their interests, they can abort a negotiation or drag it out over months or even years until changed circumstances make agreement seem possible or desirable. Upon occasion they have hardened their terms late in a negotiation to prevent agreement (due to internal political or bureaucratic resistance, or to test the firmness of their interlocutor's final position).

IMPLEMENTATION

Many foreign negotiators comment that reaching agreement with the Chinese does not mean the end of negotiation. The process does not have a clear sense of finality about it as PRC officials do not hesitate to reopen issues that their foreign counterparts thought had been resolved. They will seek modifications of formal understandings when it serves China's interests. And they seem to view the conclusion of one agreement as the occasion for pressing for new concessions.

At the same time, Chinese officials will vigilantly assess the manner in which a foreign government implements an agreement, viewing compliance as a test of how seriously or "sincerely" the counterpart officials take their relationship with the PRC. They will be quick to find fault, while blithely urging "understanding" of any lapses in performance on their own part.

LESSONS LEARNED

The experience of the past decade suggests the following guidelines for successfully conducting negotiations with the Chinese. While many of these points sound simplistic, in practise they have been violated by U.S. officials in their dealings with the PRC:

- Know the substantive issues cold. Chinese officials are meticulous in preparing for negotiating sessions, and their staffs are very effective in briefing them on technical issues. They will use any indication of sloppy preparation against an interlocutor.

- Master the past negotiating record. PRC officials have full control over the prior negotiating record and will not hesitate to use it to pressure a counterpart.

- Know your own bottom line. A clear sense of the objectives of a negotiation will enable a negotiator to avoid being trapped in commitments to general "principles" and in resisting Chinese efforts to drag out a negotiation. Conversely, incremental compromises will suggest to the Chinese that their interlocutor's final position has not yet been reached.

- Present your position in a broad framework. The Chinese seem to find it easier to compromise on specific issues if they have a sense of the broader purposes of their interlocutor in developing a relationship with the PRC. They distrust quick deals but appreciate presentations which suggest seriousness of purpose and an interest in maintaining a relationship with China for the long run.

- Be patient. Don't expect quick or easy agreement. A Chinese negotiator will have trouble convincing his superiors that he has fully tested the limits of his counterpart's position if he hasn't protracted the discussions. Assume you may be subjected to unexplained delays or various forms of pressure to test your resolve.

- Avoid time deadlines. Resist negotiating in circumstances where you must have agreement by a certain date. The Chinese will assume that your anxiety to conclude a deal can be played to their advantage.

- Minimize media pressures. PRC negotiators will use public expectations about a negotiation to pressure their interlocutor. Confidential handling of negotiating exchanges, the disciplining of leaks, and minimizing of press exposure will be taken by the Chinese as signs of seriousness of purpose. "Negotiation via the press" will evoke a sharp Chinese response.

- Understand the PRC political context, and the style of your Chinese interlocutor. Despite the difficulties of assessing the domestic PRC political scene, an evaluation of internal factional pressures and the style of your counterparts will help in understanding Chinese objectives and negotiating flexibility and in "reading" the signals or loaded language of a very different culture and political system.

- Understand the Chinese meaning of "friendship." Know that the Chinese expect a lot from their "friends." Resist the flattery of being an "old friend" or the sentimentality that Chinese hospitality easily evokes. Don't promise more than you can deliver; but expect that you will be pressured to honor past

commitments. Resist Chinese efforts to shame or play on guilt feelings for presumed errors or shortcomings.

- Don't try to emulate the Chinese style. Most American officials find their initial dealings with the Chinese to be elating experiences (especially when compared to negotiating with certain other countries). It is easy to feel you understand the Chinese, and it is natural to want to emulate their subtle and cultured style. Be true to your own style even while you appreciate the way the Chinese "play the game"; and understand them well enough to read their purposes.

# # #

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126462	CABLE BEIJING 02468	1	2/23/1983	B1

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126463	CABLE BEIJING 02655	5	2/25/1983	B1

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126464	CABLE BEIJING 02674	2	2/26/1982	B1

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126465	CABLE BEIJING 02676	2	2/26/1983	B1

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126466	CABLE STATE 054010	1	2/28/1983	B1

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126467	CABLE BEIJING 02988	7	3/3/1983	B1

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