The Obama Administration's Response to New Model Great Power Relations and US Reflection on the Engagement Policy towards China

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Abstract

After President Xi Jinping proposed a new model of big power relations to free China and the US from the so-called "Thucydides trap" of the established power and the emerging power colliding inexorably, the US responses have been evolving and often in contradictory. On the one hand, the Obama administration has responded positively because President Xi's call resonates with the long-standing US effort to integrate China into the existing international system. On the other hand, many in the US are reluctant to go along with such lofty rhetoric and prefer to work with China on concrete issues to avoid an implicit acceptance of China's conception of core interests. Seeing a rising China creating anxiety among neighboring states and attacking western values, some scholars and policy-makers in the US have found undesirable outcomes in their reflection on the past 40 years of engagement with China and, therefore, called for a return to containment. But containment is not a viable option for the US, just like dominance cannot be a viable objective of China either. China and the US have to work together to prevent their rivalry from boiling over into a new Cold War.

Keywords: The US- China Relations, Power Transition, New Model of Great Power Relations, Asia Pacific.

Özet

Başkan Xi Jinping Çin'i ve ABD'yi yerleşik güç ve yeni ortaya çıkan gücün değişmez bir şekilde çarpışmasına yol açacak 'Thucydides tuzağı'ndan kurtarmak için yeni güç ilişkileri modelini önerdikten sonra, ABD'nin yanıtı çoğunlukla çelişki içerisinde gelişmektedir. Bir taraftan, Obama yönetimi olumlu bir şekilde yanıt verdi çünkü Başkan Xi'nin çağrısı, ABD'nin Çin'i mevcut uluslararası sisteme entegre etme çabasıyla uyumluluk gösteriyor. Öte yandan, ABD'de pek çokları böyle iddialı bir retorik içerisinde girme konusunda isteksizdir ve Çin'in temel çıkarlar üzerine kavramsallaştırmasının örtülü bir şekilde kabulünden kaçınmayı ve Çin ile somut konularda çalışmayı tercih ediyorlar. Çin'i Yükselen bir güç olarak görmek, komşuları arasında bir endişe yaratmakta ve Batılı değerlere zarar vermektedir, ABD'deki bazı uzmanlar ve politika yapıcılar Çin ile geçen 40 yıllık angajmanın arzu edilmeyen sonuçlarını gördüler ve bu yüzden çevrelemeye geri dönme çağrısında bulundular. Ancak çevreleme ABD için geçerli bir seçenek değildir, dominant duruma gelmenin Çin için geçerli bir seçenek olmaması gibi. Çin ve ABD yeni bir Soğuk Savaş'a yol açabilecek rekabeti engellemek için beraber çalışmak zorundadırlar.

Anahtar Kelimeler: Çin, ABD, Yükselen Güçler, Uluslararası Sistem, Denge

MARMARA ÜNİVERSİTESİ

Introduction

Feeling scorned to see China creating anxiety among neighboring states and attacking western values, some in the US found undesirable outcomes in the more than forty years of engagement with China and called for a return to containment. But the Obama administration continued engagement policy and the long-standing US effort to peacefully integrate China into the US-led international system because containment is not a viable option for the US. Facing heavy pressure to stand up against China in response to the perceived failure of engagement policy, however, the administration became increasingly frank on the competition with China. Many in China, therefore, suspected the US did want to see China rising as a contender. President Obama's strategic rebalance toward the Asia-Pacific, with its subtext of containing China interpreted by many in the US and China, only compounded such anxieties about U.S. intentions. The Sino-US strategic mistrust intensified and chances of mishaps triggering an escalation increased, leaving a legacy of the US-China relationship fraught with friction and finger pointing when the Trump Administration took the office.

Reflections on the Engagement Policy toward China

American engagement with China started from President Nixon's historical visit in 1972. Calling for a shift from containment to engagement, Presidential candidate Richard Nixon state the rational in 1967 that "We simply cannot afford to leave China forever outside the family of nations, there to nurture its fantasies, cherish its hates and threaten its neighbors."[1] The engagement was thus based primarily on two premises. One was that as China became modernized, a middle class would grow. Increasing prosperity would bring about some form of political liberalization, if not democratization. The US and China would find growing value and interest convergence. The second premise assumed that the Western order built around rules and norms of nondiscrimination and market openness created conditions for China to advance its expanding economic and political goals within it. Beijing would see its interests best served by being a "responsible stakeholder" to adapt to the US-led order.[2]

The engagement policy committed US investment, technology, and know-how to assist China's modernization. The US market supported the Chinese export-led growth. The US Navy kept the West Pacific safe for China's trade to boom. Assuming that China would liberalize and peacefully integrate into the US led international system in the long-run, Washington largely subdued the concerns over human rights and political freedoms, and discriminatory trade policy in service to the grander vision.

Taking advantage of the engagement policy, many Chinese, escaping from the terrors of the Cultural Revolution, were anxious to see China open to the modern world and eager to connect and learn from the developed economies, virtually all of which were in some way democracies. Pragmatic Chinese leaders made use of the US investment, technology, and market to concentrate on modernization programs and avoided direct confrontation with the US even after the US put sanctions in the wake of the Tiananmen crackdown in 1989. Following *taoguang yanghui* policy to keep a low profile and "learning to live with the hegemon," China made adaptations and policy adjustments based on the reality of the US dominance in the international system.[3] This interaction, in which the Chinese sought to work with Americans for China's modernization and Americans hoped that exchanges could shape China's modernization in ways that served American interests, was a continuation of longstanding pattern started from the nineteenth century, in which the Americans urged to mold China in its

[1] Richard Nixon, "Asia After Vietnam," *Foreign Affairs*, 46:1, 1967, pp. 113-125

[2] Robert Manning, "America's 'China Consensu' Implodes," *National Interest*, May 21, 2015, http://nationalinterest.org/feature/americas-china-consensus-implodes-12938

[3] Jia Qingguo, "Learning to Live with the Hegemon: Evolution of China's Policy toward the US since the End of the Cold War," *Journal of Contemporary China*, vol. 14, no. 44, August 2005, p. 395.

own image coexisted alongside the Chinese desire to use American technology and know-how to serve China's modernization. “The missionary impulse was as deeply ingrained in America's DNA as the search for wealth and power is in China's.”[4]

The engagement was sustained for eight U.S. administrations by China’s relative liberalization and immense economic growth despite periodic instabilities, problems, and crises because leaders in both nations were convinced that their fundamental, shared interests required cooperation and the costs of conflict outweighed possible gains. The Tiananmen crackdown raised questions about the engagement but the relationship improved enough over the ensuing years to allow the pro-engagement coalition to imagine that, with more time, China might evolve into a more open society. The strategic use of liberal norms by pro-engagement coalition to argue that open trade could not only induce China to abide by the rules of the liberal world order abroad but could also make China prosperous and therefore democratic at home was the key for the Clinton administration to reverse course of U.S. sanctions in favor of engagement.[5]

The premises that guided the engagement, however, were called into question because, in the eyes of some Americans, China continued to "nurture its fantasies, cherish its hates and threaten its neighbors." The engagement “from the Nixon-Kissinger era onwards resembles a forty-five-year science experiment-an experiment that has failed. The underlying hypothesis was that an accommodating approach to the PRC would inevitably lead to a more liberal China that followed the established rules of the international system. It seemed so logical, as it was under that system that China would so handsomely benefit. After four-plus decades, there is scant evidence this hypothesis is correct.”[6]

In particular, many Americans were concerned to see the revival of neo-Maoist after President Xi came to power. Advocates for civil and political rights were arrested; civil society groups harassed; controls on free expression in academia, the media and civil society tightened; and “universal values” attacked. Xi’s “Chinese Dream” rallied Chinese people not to the promise of greater openness and constitutionalism, but greater wealth, power, national unity and global clout. The passage of China’s foreign NGO law in 2016, which placed foreign NGOs under the supervision of the Ministry of Public Security, was seen as one in a series of regulations meant to control “hostile foreign forces.” The Annual Report of the Congressional-Executive Commission on China (CECC) published in October 2016 found that despite the expectations that economic engagement with China would lead to political reform, the Chinese government failed to implement the substantive reforms and persisted in violating international human rights standards and its own domestic laws, with especially grave consequences for civil society, religious believers, human rights lawyers, and labor activists.[7]

Seeing the premises of where China turned out were opposite from where China turned out, Christopher Ford labels the engagement a “liberal myth” and “a strategic miscalculation in the history of American diplomacy.” This liberal myth prevailed in the late 1970s partly because it was seized upon by U.S. political leaders for a strategic counterweight against the Soviets. After the end of the Cold War, the myth was sustained by the US business community entranced

[4] Zachary Fredman, Book Review of Norton Wheeler, *Role of American NGOs in China's Modernization: Invited Influence*, Routledge, 2014, the H-Diplo(macy), June, 2015, https://networks.h-net.org/node/28443/reviews/73557/fredman-wheeler-role-american-ngos-chinas-modernization-invited

[5] Chi-Hung Wei, “Engaging a State that Resists Sanctions Pressure: US Policy toward China, 1992−1994,” *Millennium*, 43:2, 2015, pp. 429-449.

[6] Grant Newsham Kerry Gershaneck, “How to Get Tough with China,” *The National Interest*, April 25, 2016, http://nationalinterest.org/feature/how-get-tough-china-15928,

[7] The Congressional-Executive Commission on China 2016 Annual Report, October 6, 2016, http://www.cecc.gov/media-center/press-releases/cecc-releases-2016-annual-report

by the partly real and partly simply imagined riches of "the China market" and eager to encourage profit-seeking engagement with China's increasingly dynamic economy. As a result, "rather than improving its behavior and becoming a prosperous and increasingly democratic, rights-observing country, China has increasingly been becoming an ever-richer, more powerful, and better-armed crony-capitalist and domestically repressive *revanchiste* regional bully."[8] James Mann regarded the engagement as "America's dangerous China fantasy" because "economic development, trade and investment have yielded greater political repression and a more closed political system.[9]

Souring on hopes that Beijing could be brought without much rancor into the US-led international order, many Americans became concerned that China was striving to become the dominant military power in East Asia and a rival to American power. Aaron L. Friedberg, a long time China alarmist, wrote that with the United States constrained by tight budgets and preoccupied with other problems, China had been pushing hard, and with some success, to change the status quo and shift the balance of power in its favor. Beijing's ultimate aim was to displace the United States and resume its traditional position as the preponderant power in Asia.[10] Robert Boxwell held that "By making too many concessions to China, the West has given 'wings to a tiger'." Needing all the economic help it could get, Beijing was not interested in playing by the West's rules, despite those rules lifting hundreds of millions of Chinese out of poverty. "The West's choice is to snap out of the combination of naivety, willful ignorance and short-term greed called engagement, or continue the appeasement, giving wings to the tiger.[11]

In the meantime, conspiracy theories gained ground and portrayed China's opening to the U.S. as a devious hoax by wily Chinese leaders raised in an ancient culture based on the primacy of deception and secrecy to wrap the innocent Westerners, especially the simple-minded Americans with their lack of guile and their lack of history, around their pinkie fingers. Michael Pillsbury revealed China's hidden agenda to overtake America when the People's Republic celebrates the 100-year anniversary in 2049. If successful, China would reshape the world into one that would nurture autocracies, rewrite history to defame the West and praise China, sell its own highly polluting development model to other countries, and constrain the political space for international organizations. Once a "Panda hugger," as he called the group of "happy barbarians gleefully ignorant of the deeply subversive" aims of China, Pillsbury changed his view after he discovered that the Chinese spoke in a "secret code" difficult for outsiders to decipher. In light of the Confucius maxim that "there cannot be two suns in the sky," Chinese strategists saw the world as having a hierarchy with a sole ruler at its apex. The United States was at a disadvantage because Americans did not know about a Chinese concept of *shi* (an alignment of forces/propensity of things to happen/creation of an opportunity) and the Chinese game *weiqi* that could discern the basic Chinese strategy of "deceiving an opponent into complacency, whereby he expends his energy in a way that helps you even as you move to

[8] Christopher Ford, "The Death of the 'Liberal Myth' in U.S. China Policy," New Paradigms Forum, November 20, 2014, http://www.newparadigmsforum.com/NPFtestsite/?p=1896

[9] James Mann, "America's Dangerous 'China Fantasy'," *New York Times*, October 27, 2016, http://www.nytimes.com/2016/10/28/opinion/americas-dangerous-china-fantasy.html?_r=0

[10] Aaron L. Friedberg, "The Sleeper Issue of 2016 Is China: Why are we so worried about the Islamic State when Beijing is the real challenge?" *Politico*, May 11, 2015, http://www.politico.com/magazine/story/2015/05/2016-elections-beijing-117831_full.html#.VVaFD7d0yM-

[11] Robert Boxwell, "By making too many concessions to China, the West has given 'wings to a tiger'," *South China Morning Post*, April 5, 2016, http://www.scmp.com/comment/insight-opinion/article/1933643/making-too-many-concessions-china-west-has-given-wings-tiger

encircle him." Beijing managed to dupe the naïve Americans into helping China develop its economy and advance its scientific capabilities, therein planting the seeds of the America's own destruction.[12]

David M. Lampton, thus, warned a tipping point coming because some critical underlying supports for positive U.S.-China ties were eroding, moving from engagement, to a light hedge, to a heavy hedge, and increasingly toward deterrence. While important components of the American policy elite increasingly saw China as a threat to American primacy, increasing fractions of the Chinese elite and public saw America as an impediment to China's achieving its rightful international role and not helpful to maintaining domestic stability. One underlying cause for the change was the serious erosion of the diffuse sense in America that China was going in a positive direction in societal and governance trends, economic policy, and international citizenship. There was widespread public perception that the Sino-American economic playing field had been unfair to Americans, with the assertion that the American economy was hollowed out, in part due to overt and covert technology transfer to China.[13]

A Chinese scholar confirmed that the grand consensus (大共识) or the convergence (契合) of fundamental strategic interests between China and the US, including what type of country each wants to be, how to reach national objectives, and what type of country each hopes the counterpart to be, and how to tread the counterpart, had come to collapse. During the past 35 years, the core of the US strategy toward China was engagement, integrating China into the US-led international system, which was to serve US strategic and economic interests by shaping the direction of China's development toward market economy, political democratization, and the supporter of the US leadership in international affairs. It was to make China like America and pro-America. During the same period, China's strategy was integration/fusion (融入) into the Western-led international system for modernization. The grand consensus, one wanting to be integrated and the other wanting to integrate, helped overcome one crisis after another, including the embassy bombing in 1999 and mid-air collision in 2001. The two countries handled the crisis case by case (就危机论危机) without suspicion of the other side on its fundamental strategic intention (根本战略意图). The grant consensus, however, was loosening because more and more Americans found that the premises of the engagement were wrong while many Chinese wanted to say "no" and "unhappy" to the US. The conspiracy books on the US-led currency war, energy war, and food war became popular. Instead of following and emulating the US, Chinese scholars and journalists now regard the US as a more or less equal and ordinary country and discussed repeatedly about de-Americanization.[14]

Calling for Containment

As a result, many in the US sought to flip "the current hedging strategy from its emphasis on engagement with limited containment to containment with limited engagement,"[15] assuming

[12] Michael Pillsbury, *The Hundred-Year Marathon, China's Secret Strategy to Replace America as the Global Superpower*, Henry Holt and Co., 2015.

[13] David M. Lampton, "A Tipping Point in U.S.-China Relations is Upon Us," US-China Perception Monitor, May 11, 2015 http://www.uscnpm.org/blog/2015/05/11/a-tipping-point-in-u-s-china-relations-is-upon-us-part-i/#_ftnref5

[14] Da Wei, "Can China and the US Re-establish the Grand Consensus?" *The Paper*, July 27,2015 http://www.thepaper.cn/newsDetail_forward_1357483_1

[15] Elizabeth C. Economy, "The Debate on US-China Relations: Make Room, Make Way, or Make Hay," *Real Clear World*, May 22, 2015, http://www.realclearworld.com/articles/2015/05/22/the_debate_on_us-china_relations_make_room_make_way_or_make_haycidotr-partner_site-rcw_111210.html

that reshaping China's international environment was a far more effective way to influence Beijing's policy choices than to change the nature of Chinese government or waiting for a democratic future in the country. As Michael Auslin suggested, "At least since Lord Macartney's famously failed expedition to China in 1793, the West has been trying to change the Middle Kingdom, only to end up frustrated. Pressing China to adopt liberal norms will always falter on the rocks of the Communist Party's self-interest."[16] Building upon a deeply-ingrained US belief as a result of WWII that appeasing aggression only going to make the inevitable conflict more likely, the argument urged the US to contain China's aggressive demands. As Orville Schell argued, "while we welcome China's 'rise,' we will not accommodate unreasonable claims around the world and, if necessary, are even prepared for a latter-day strategy of 'containment,' which Western democracies used to circumscribe the Communist bloc during the Cold War."[17]

The containment sought ideological confrontation and power balance. Calling for democracy-promotion and explicit support for regime change in China, one AEI publication argued that the US should do all it could to hasten the day of the fall of the communist regime through all peaceful means. "China's isolation on the issue of political liberty was an opening for a return to a strategy of peaceful evolution."[18] A Council on Foreign Relations report proposed a grand strategy that "centers on balancing the rise of Chinese power rather than continuing to assist its ascendency." Because America's effort to integrate China into the liberal international order had generated new threats to US primacy in Asia and could result in a consequential challenge to American power globally, Washington should abandon diplomatic idealism and place "less strategic emphasis on the goal of integrating China into the international system, and more on balancing China's rise."[19] This strategy resonates John Mearsheimer's long-standing call for America to contain a rising China by surrounding it with powerful American military capabilities, creating NATO-like adversarial alliances, isolating it economically, and imposing costs when it did things the U.S. did not like.

The containment focused on the Asia-Pacific because many Americans were concerned about China's ambition to seek dominance and push the US out of the world's most dynamic region. The US fought the Pacific War against Japan and the Cold War against the Soviet Union to prevent such an outcome. As the military ally of many regional countries in dispute with China over maritime territories, the US had a treaty obligation to defend them when attacked. Because no single country or combination of countries in Asia by themselves could restrain China, it was up to the Americans to hold the line with China declare that it possessed would defend its own core interests in Asia.[20] China's push in the South and East China Sea disputes was belabored as the litmus test for the United States' ability to preserve the status quo. Calling for the US to widen the aperture of its hedging policy toward China and shape the environment of China's international security activism, the containment urged to maintain key advantages

[16] Michael Auslin, "China's Confidence Can Be Shaken Firm opposition to its expansionism in the South China Sea might make Beijing think twice," MAY 14, 2015, http://www.wsj.com/articles/chinas-confidence-can-be-shaken-1431621333

[17] Orville Schell, "Can the U.S. and China Get Along?" *New York Times*, July 10, 2015, http://www.nytimes.com/2015/07/10/opinion/can-the-us-and-china-get-along.html?smprod=nytcore-iphone&smid=nytcore-iphone-share

[18] Daniel Blumenthal and William Inboden, "Toward a Free and Democratic China," *Weekly Standard*, May 15, 2015, http://www.chinaaid.org/2015/05/the-weekly-standard-toward-free-and.html

[19] Robert D. Blackwill and Ashley J. Tellis, "Revising U.S. Grand Strategy Toward China," *Council on Foreign Relations Special Report*, April, 2015, http://www.cfr.org/china/revising-us-grand-strategy-toward-china/p36371

[20] Grant Newsham Kerry Gershaneck, "How to Get Tough with China," *The National Interest*, April 25, 2016, http://nationalinterest.org/feature/how-get-tough-china-15928,

over Chinese military in the Western Pacific to limit the destabilizing effects of China's power projection capabilities. "Because China's objective is regional hegemony, the question for U.S. policymakers is no longer whether to push back against Chinese assertiveness, but rather how."[21]

Amidst the growing chorus urging containment, the Obama administration faced heavy pressure to "stand up" against China. As the pressures built up, although the Obama administration never accepted the containment argument, many in the administration became increasingly skeptical regarding Chinese threat to the interests of the U.S. and its allies. The administration became increasingly frank on differences and competition with China. Vice President Joe Biden told the Chinese delegation at the 2015 Strategic and Economic Dialogue that "We welcome fair and healthy competition. Quite frankly, you've awakened us. We got a little slow. We were a little too comfortable in the last part of the 20th century. It awakened the competitive spirit that's stamped into the DNA of every American, naturalized as well as native-born. And a lot of them are Chinese."[22]

Orville Schell discerned the dark "sentiment" and terrible "mood" among people who worked on U.S. policy toward China. "Everywhere we found officials still committed to finding ways for the two countries to work together, but all evinced a beleaguered perplexity about why China was deporting itself so pugnaciously. If this sourness of attitude remains unattended, it will inevitably constrain the U.S. and China not only from being able to collaborate on critical global problems now, but from building a more workable future."[23] In this case, although the TPP was not designed to contain or compete with China, President Obama presented in this way when he said that "If we do not help to shape the rules so that our businesses and our workers can compete in those markets, then China will set up rules that advantage Chinese workers and Chinese businesses."[24] One observer found that "the Obama administration's approach to the TPP suggests that the United States is less than welcoming of China's integration."[25] The Obama administration also lobbied its allies to boycott the China-inspired Asian Infrastructure Investment Bank (AIIB) in 2015. Although the action was caught flat-footed when 49 countries, including many of US allies, applied to become founding members, the action was regarded as "active hostility toward China, evidencing a strategy to isolate and weaken her; that is, to prevent China from challenging U.S. global supremacy."[26]

Identifying China as a key challenger and China's maritime expansion and territorial claim as a source of regional unrest, the Pentagon took a lead in the new round of confronting China partially for the purpose of justifying the large military budget. China's massive land reclamation projects in the South China Sea were presented as a broad military push to challenge the US fundamental interests. David Shear, assistant defense secretary for Asia and

[21] Zack Cooper and Mira Rapp-Hooper, "Shangri-La Won't Be A Fairyland For Beijing," *The National Review*, May 21, 2015, http://warontherocks.com/2015/05/shangri-la-wont-be-a-fairyland-for-beijing/

[22] Monica Sanchez, "Biden Thanks China: 'You've Awakened Us,' We Were 'Too Comfortable'," *MRCTV*, June 23, 2015, http://www.mrctv.org/blog/biden-thanks-china-you-ve-awakened-us-we-were-too-comfortable

[23] Orville Schell, "Share and Be Nice," *China File*, May 12, 2015, http://www.chinafile.com/reporting-opinion/two-way-street/share-and-be-nice

[24] "Obama Warns China Will Fill Void If Trade Authority Fails," Bloomberg News, April 17, 2015, http://www.bloomberg.com/politics/articles/2015-04-17/obama-warns-china-will-fill-void-if-u-s-can-t-reach-trade-deals

[25] Amitai Etzioni, "'Integrating China' into the Existing Order: Why urge China to join the international order, and then make it hard for it to do so?" *The Diplomat*, July 1, 2015, http://thediplomat.com/2015/07/integrating-china-into-the-existing-order/

[26] Stephen Harner, "Has Washington 'Lost It' Toward China? Clearly and Ominously, Yes," Forbes magazine, April 20, 2015,

Pacific affairs, testified that "China's land reclamation could enable it, if it chose, to improve its defensive and offensive capabilities, including: through the deployment of long-range radars and aircraft to reclaimed features; ability to berth deeper draft ships at its outposts and thus to expand its law enforcement and naval presence further south into the South China Sea."[27]

Soon after taking office, Secretary of Defense Ash Carter requested his staff to look at options that included flying surveillance aircraft over and sending U.S. naval ships to within 12 nautical miles of the artificial islands in the South China Sea.[28] U.S. military aircraft and ships had kept a distance from the islands to avoid an escalation. Harry Harris and his U.S. Pacific Command waged a persistent campaign to raise the profile of China's land grab and proposed a muscular U.S. response to stop what he called the "Great Wall of Sand." But the appeals met resistance from the White House, which was not ready to showdown with Beijing militarily and was afraid of escalating tensions in the region. A former China country desk officer in the office of the Secretary of Defense complained that Washington seemed temporarily paralyzed as it mulled the risks of "provoking" China by conducting normal freedom of navigation (FON) passages through that part of the global maritime domain.[29]

Secretary Carter convinced the White House. The U.S. Navy for the first time allowed journalists on board an operational mission of the P8-A Poseidon, America's most advanced surveillance and submarine-hunting aircraft, over the contested waters in May 2015. It also for the first time declassified and allowed the CNN to air the video of China's building activity and audio in which the Chinese navy issued warnings as the U.S. surveillance plane swooped over a contested military installation constructed on a manmade series of islands.[30]

Showing displeasure over China's actions in the South China Sea, President Obama broke with a longstanding precedent by failing to meet General Fan Changlong, the vice-chairman of China's powerful Central Military Commission (CMC), a military heavyweight at the forefront of talks over territorial claims in the South China Sea, during his five-day visit to Washington in June 2015. It was the first time in two decades that a CMC vice-chairman did not meet the US president on an official visit. Fan's predecessors, generals Guo Boxiong, Zhang Wannian, Cao Gangchuan and Chi Haotian, all met the US president during official trips.[31]

Then destroyer USS Lassen conducted a transit within 12 nautical miles of Subi Reef, one of China's artificial islands in the South China Sea, in October 2015, just days after the state visit of the Chinese president Xi to Washington. The USS Curtis Wilbur, a missile-guided destroyer followed the suit in January 2016, navigating within 12 nautical miles of Triton Island, a manned Chinese outpost in the South China Sea. In the name of the ancient cause of Freedom of Navigation, the Pentagon's chief objective in these FNOs was obviously to defend the threatened loss of American dominance in the West Pacific.

The Continuation of Engagement

[27] David B. Shear, "Safeguarding American Interests in the East and South China Seas," May 13, 2015, http://www.foreign.senate.gov/hearings/safeguarding-american-interests-in-the-east-and-south-china-seas

[28] Michael Auslin, "China's Confidence Can Be Shaken Firm opposition to its expansionism in the South China Sea might make Beijing think twice," *Wall Street Journal*, May 14, 2015, http://www.wsj.com/articles/chinas-confidence-can-be-shaken-1431621333

[29] Joseph A. Bosco, "Time for America to Get Tough with China," *National Interest*, May 25, 2015,http://nationalinterest.org/feature/time-america-get-tough-china-12960

[30] Jim Sciutto "Behind the scenes: A secret Navy flight over China's military buildup," *CNN*, May 26, 2015, http://www.cnn.com/2015/05/26/politics/south-china-sea-navy-surveillance-plane-jim-sciutto/

[31] "A break with tradition: the key Sino-US meeting that didn't happen," *South China Morning Post*, June 24, 2015, http://www.scmp.com/news/china/diplomacy-defence/article/1825390/break-tradition-key-sino-us-meeting-didnt-happen

Taking tough actions on some controversial issues, the Obama administration, nevertheless, continued engagement with China. Facing criticism that the administration was overvaluing the need to **"**reassure**"** China at the expense of American and allied interests, Vice President Joe Biden said that Washington was not looking to contain China's rise because the US-China relationship was "too important. Not only we depend on it, but the world depends on our mutual success." Describing the US as embracing "the role of responsible competitor" while emphasizing the need for "common rules, both old and new" for a US-China partnership, Biden said that "Together, collaboratively, we have an obligation, China and the United States, to shape these rules. The United States believes strongly that whenever possible, China needs to be at the table as these new rules are written." Indeed, the mainstream thinking of the US policy toward China was still engagement, dialogue, and cooperation because containment was unviable, dooming to fail for the following reasons.

First, the engagement benefited both China and the US. When the engagement started in the late 1970s, the US was in the grips of wrenching stagflation and the Chinese economy was in shambles following the Cultural Revolution. Both countries needed new recipes for revival and growth and turned to each other in a marriage of convenience. China provided cheap goods that enabled income-constrained American consumers to make ends meet. The US provided the market that underpinned China's export-led growth strategy, bringing China out of isolation and growing from a poverty-stricken country into the world's second-biggest economy in a little over 30 years. The engagement morphed into a deeper relationship over years. Providing China with both stability and growth anchors, the US relied on China's vast reservoir of surplus saving to sidestep the mounting perils of subpar saving, reckless fiscal policy, and weak household income growth. Anchoring its currency to the dollar, China built up a huge stake in US Treasuries, which helped America fund record budget deficits.[32] Although China's increasingly assertive in international conduct stirred widespread concern in Asia and the US, Beijing cooperated with the US and other nations on some major issues such as climate change. China's participation in the WTO was, on the whole, positive. Through its newly established Asian Infrastructure Investment Bank, "Beijing has pursued an innovative and constructive financial course."[33] China's actions represented an assumption of responsibility as much as a declaration of privilege.

Second, although the US successfully carried out containment against the Soviet Union by minimal social or economic interactions during the Cold War, the US-China relationship was much more complicated. The weak economy of the Soviet Union did not affect the global economy. China as the second largest was a principal trading partner of most countries, including the US. The US-China trade was more $600 billion in 2016 while the US-Soviet Union trade was only about $4 billion at its best. The US-China Business Council's 2016 report showed that China continued to be an important market for the US economic health despite the economic slowdown. China was the third-largest export market for US goods behind Canada and Mexico, America's neighbors and NAFTA partners. Chinese students were the largest international student source, more than 200,000 students, in US universities. The Obama administration launched a program of sending 100,000 American students to China. Increasingly reliant on each other for sustainable growth, the US and China became increasingly

[32] Stephen S. Roach, "The Sino-American Codependency Trap", *Project Syndicate*, September 28, 2015, https://www.project-syndicate.org/commentary/sino-american-codependent-relationship-by-stephen-s--roach-2015-09?barrier=true

[33] Jerome A. Cohen, "Mutual respect for international laws can keep the peace between China and the US," South China Morning Post, June 20, 2015, http://www.scmp.com/comment/insight-opinion/article/1823740/mutual-respect-international-laws-can-keep-peace-between

interdependent, bristling at changes in the rules of engagement. This was a very different landscape than what confronted the architects of a strategy to contain the Soviet Union.

Third, the US was not in the position to forge a strategic coalition in concert with Asian countries to contain China. While none of China's neighbors wanted to live under China's shadow and most regional powers were pleased to see the strong U.S. commitment to the region as a hedge against growing Chinese power, very few of them could afford to antagonize China, the largest trading partner of almost all Asian countries. "Their economies have become increasingly dependent upon China and they don't want to be a party to any potential conflict between these two giants."[34] Their interests were better protected by maintaining good relationships with both powers so that they can continue to trade with China while benefiting from the US security umbrella. An escalation of the US-China rivalry could destroy the regional stability and prosperity. Even countries, such as Japan, that believed it was in their best interest to make the U.S. a rival to China, tried to engage China in their own ways.

Fourth, American power ultimately depended on the health of its political system and economy. But the partisan gridlock prevented meaningful governmental action and fiscal house in order. The budget battle that led to a government shutdown in October 2013 forced President Obama to cancel his Asian trip for the three most important regional summits--the APEC Leaders Meeting, East Asia Summit and the U.S.-ASEAN Summit. The no-show because of political paralysis at home highlighted the limitations of Washington's re-balance to Asia. Although the idea of focusing more attention and resources on the Asia-Pacific was strategically sound, Washington's rebalancing strategy lost momentum right after it started. The weakness of the rebalance was not conceptual but material. In particular, deep defense cuts made it difficult for the US to develop the capabilities to counter China's military modernization. According to one account, during 2011-2015, the U.S. defense budget went down 21 percent while China's military budget increased 38 percent. The impact of sequestration in 2013 fell disproportionately on defense spending. Fifteen years of war fighting took a grave toll, worsened by these budget cuts. Hardly prepared to step into another major conflict, top military leaders told Congress that their readiness was, as the vice chief of staff of the Air Force said, "at a near all-time low due to continuous combat operations, reduced manpower, an aging fleet, and inconsistent funding."[35]

The 2016 presidential election showed how divided America was, with the people and their leaders in disagreement over fundamental issues about the US place in the world. A divided America with no shared vision about its global role among its people found its domestic politics at odds with its international obligations. The election of President Trump may not easily solve America's problems because his behavior during the campaign would not have inspired confidence that he could reunite the country together. If America continues to be weakened by its internal divisions and unwilling or unable to play its international role effectively, it could only become more difficult for the US to contain China.

Fifth, although China was important, the Middle East remained the top priority of the Obama foreign policy in dealing with urgent conflicts, including counterterrorism issues, nuclear negotiations with Iran, Syria's civil war, and the Iraqi sectarian war. Russia's annexation of Crimea in 2014 that attracted global attention on President Vladimir Putin's trial of strength with the West added another urgent problem to a burgeoning global list of distractions from the intended rebalance to Asia. Debate about China policy in America was very much limited to

[34] Michael Yahuda, "China's New Assertiveness in the South China Sea," *Journal of Contemporary China*, 22(81), (2013), p. 446.

[35] Justin Johnson and John Sullivan, "Russia and China Increase Defense Spending While US Continues Cutting," *The Daily Signal*, April 11, 2016, http://dailysignal.com/2016/04/11/russia-and-china-increase-defense-spending-while-us-continues-cutting/

the foreign policy establishment. China and the US were at odds on many important issues, but they were more like negotiators, competitors than adversaries. ISIS and Russia stood in front of China on the list of countries that Americans did not like.[36]

Sixth, by dint of its economic and military strength, the U.S. took world leadership after WWII. But public faith in US global role declined and isolationism gained ground after more than a decade of wars in Iraq and Afghanistan. A Pew poll in 2013 found for the first time since it began to measure U.S. public opinion in 1964 that a staggeringly high 52 percent of respondents said they agreed with the statement that "the U.S. should mind its own business and let other countries get along the best they can on their own." That number had historically ranged between 20 and 40 percent. When asked if they agreed that the US should "not think so much in international terms but concentrate more on our own national problems," 80 percent surveyed said they agreed. More than half of Americans, 53 percent, said that the United States was "less important and powerful as a world leader than it was ten years ago," the highest proportion of respondents to say so since Pew first asked the question in 1993. The 2014 Chicago Council for Global Affairs survey also found that 70% of Americans were convinced that neither the US intervention in Iraq nor Afghanistan was worth the costs.

A Pew survey during the presidential election in 2016 confirmed that the American public viewed the U.S. role in the world with considerable apprehension and concern. Nearly half said the US was a less powerful and important world leader than it was 10 years ago. A majority of Americans said it would be better if the United States just dealt with its own problems and let other countries deal with their own challenges as best they could.[37] The US went through similar, inward-looking periods after World War I and the Vietnam War although international events compelled America to plunge back into global affairs thereafter. But “this time, the shift towards non-intervention is structural rather than cyclical – reflecting a US that is quietly adjusting to the rise of other major powers, in particular China.”[38] Blessed with its unique geographical location, it is foolish for many Americans to squander the asset to play the role of the world's policeman.

Both the far right Donald Trump and the hard left Bernie Sanders during the 2016 Presidential election embraced isolationism by repudiating US international commitments. Trump's first major foreign policy address in May 2016 invocated an "America first" agenda of the notorious pre-World War II isolationist movement, declaring that it was time “to shake the rust off of America’s foreign policy,” “drop American pretensions about remaking the world in our image any longer,” and “no longer surrender this country or its people to the false song of globalism. The nation-state remains the true foundation for happiness and harmony.” America should abandon the “dangerous idea that we could make Western democracies out of countries that had no experience or interest in becoming a Western democracy.” Directly challenging the 70 years of bipartisan consensus over the post-WW II global order that America created, he warned U.S. allies that without a new global deal that demanded a kind of tribute paid to

[36] Wang Wenfeng, “Many Voices Shape U.S. Outlook on China*,” China & US Focus*, May 26, 2015, http://www.chinausfocus.com/foreign-policy/many-voices-shape-u-s-outlook-on-china/#sthash.jZIzBKbw.MZnQgobi.dpuf

[37] “Public Uncertain, Divided Over America’s Place in the World,” *Pew Research Center*, May 5, 2016, http://www.people-press.org/2016/05/05/public-uncertain-divided-over-americas-place-in-the-world/

[38] Gideon Rachman, “Get ready, the indispensable Americans are pulling back,” *Financial Times*, January 20, 2014, http://www.ft.com/cms/s/0/a3b2a198-81c7-11e3-87d5-00144feab7de.html

Washington for its defense umbrella, he'd walk away from the alliance obligations.[39] His isolationist call partially helped him be elected as the US president in 2016.

Seventh, the US containment bounded to trigger a strong Chinese reaction and convince China to spend more on its military and emerge as a potent military challenger, provoking the security dilemma. The containment was based on growth in military power. There were forces in China happy to accommodate with their own versions. Rising in a region not only militarily dominated by the US, but also replete with US allies and strategic partners, China exhibited considerable insecurity. American effort to contain Chinese power would reinforce China's deepest fears and prove Chinese hawks correct all along**.** These interactions vindicated the hawks of both sides, reinforced the visions of the other's aggressiveness and granted them additional influence among decision makers. The voices for and the practice of good faith diplomacy would be inclined to be drowned.

China already suspected that the US-Japan security treaty covering the disputed Diaoyu/Senkaku islands encouraged Japan against China and the US freedom of navigation operation, regained military base in the Philippines and marines stationed to Darwin Australia were targeted at China. China did not see its assertive actions, including the island reclamation, a disruption of freedom of navigation. As the largest trading country with little reason to interfere with free navigation, China suspected if the true US concern was about preserving freedom of navigation for naval warships and other noncommercial vessels and protecting U.S. strategic primacy in the region.[40] The Chinese would undo much of their reputation of strength if they did not oppose US forces moving into waters or skies they claim. Washington has not been able to force Beijing to back down on most of issues in dispute. If China did not meekly back down, the U.S. and China would become rivals in a volatile and zero-sum environment, deepening the security dilemma deepens and making war more likely, although neither one has the intention of being involved in a major war.

Regional Dominance not Viable for China

The containment argument held that China already sought to replace the U.S. in Asia as China's assertiveness unsettled some Asian countries. But it was unrealistic for China to seek regional hegemony and drive the US out of Asia in a potentially violent rivalry. China must work with the US to prevent unwanted rivalry and ensure competition between them peaceful for the following reasons.

First, in spite of all the problems, the US was resilience and remained the strongest economic and military power in the world. Although the size of Chinese economy could overtake the US someday, China was still far from the position to dislodge American power any time soon and could not replace the role of the US.[41] As realists, Chinese leaders ultimately had to come to the power reality, i.e., while it became difficult for the US to hold its primacy in the region, it was equally, if not more difficult, for China to step into America's shoes to dominate the region. China's shift from espousing a peaceful rise to the far more assertive behavior towards its neighbors made its neighbors nervous, motivating not only longtime US allies such as Japan and Australia but also countries such as Vietnam, India, Indonesia and the

[39] Michael Hirsh, "Why George Washington Would Have Agreed With Donald Trump." *Politico*, May 5, 2016, http://www.politico.com/magazine/story/2016/05/founding-fathers-2016-donald-trump-america-first-foreign-policy-isolationist-213873#ixzz49PL8eqBn

[40] "Beijing warns US patrols threaten maritime peace," *The People's Daily Morning Star*, May 14, 2015, https://www.morningstaronline.co.uk/a-b3f4-Beijing-warns-US-patrols-threaten-maritime-peace#.VVSbT2Yb5Rk

[41] Xue Li, "Indicator of China's rise: National strength or influence?" *XinhuaNet*, July 27, 2015, http://www.gd.xinhuanet.com/newscenter/2015-07/27/c_1116050936.htm

Philippines, which were once either enemies of or neutral towards America, to realign with the US and with each other to balance China's power aspiration.[42]

Second, while China was rising, many surrounding states were also on the rise and not keen to accept a Chinese-dominated regional order. Viewing China's great power aspiration with a wary eye, many of China's neighbors worried that China's imperial past could produce an undue pressure on its leaders to regain its predominant position and restore the old Chinese hierarchical order. They "want to squash any ambition Beijing might harbor of resurrecting an imaginary history of tributary states."[43] With an emerging multipolarity rather than Chinese hegemony, anything that resembled a call for spheres of influence with China conceded disproportionate influence was not a formula for stability or acceptance in the region. Historically, to bandwagon with a rising power was common practice due to potentially great relative gains. The most successful rising powers were precisely the ones that attracted the greatest number of bandwagoners.[44] It did not serve Chinese interests to have tensions with many neighbors simultaneously. China must win the support of its Asian neighbors in order to balance the US influence, or at least preempt the balancing motives of its neighbors. China's long-term interests relied on relationships with its neighbors as well as the US based on trust, mutual respect, cooperation and the rule of international law.

While many Chinese blamed the US inciting China's neighbors against China, one cold headed Chinese scholar wrote that the difficulties in China's relations with its neighbors were not caused by the US stirring up trouble but because "the great majority of East Asian countries are worried about China (持有戒心) and don't want to see China becoming the dominant power. In East Asia, the old rule that economics determines politics has lost effectiveness because nearly all countries worked with China economically but aligned with the US in security and politic affairs and welcomed and even invited the US to balances the growth of Chinese power."[45]

Third, uncomfortable with the US militarily and strategically engaged in its home region, China benefited immensely from the US-led international system, underpinning stability and prosperity in the region. As one Chinese commentator admitted, "A large part of the world has prospered under such an arrangement (American global leadership)… These nations are essentially free riders, of which China is the biggest and most successful one."[46] Residing in a neighborhood with complicated power competition and historical animosities, Chinese leaders must be measured and judicious. China often expressed concern over the US–Japan alliance against China. Yet the US–Japan alliance was part of the regional security architecture underpinned the stability and prevented a potential remilitarization of Japan. Without the US nuclear umbrella, Japan would have developed nuclear weapons a long time ago, prompting South Korea and even Taiwan to develop their own nuclear weapons. "Imagine what the regional security picture would look like to China if Japan were strategically independent from

[42] Suisheng Zhao, Xiong Qi, "Hedging and Geostrategic Balance of East Asian countries toward China," *Journal of Contemporary China*, 25:100, 2016,

[43] Philip Bowring, "China's delusions of regional hegemony," *Financial Times*, August 10, 2015, http://www.ft.com/intl/cms/s/0/b8b90350-3f46-11e5-b98b-87c7270955cf.html?siteedition=intl#axzz3iTRPbCpz

[44] Randall Schweller, "Rise of Great Powers: History and Theory," in Alastair Johnston and Robert Ross, *Engaging China: the management of an emerging power*, London: Routledge, 1999, p.10.

[45] Yang Zhizhen, "Interactions Between US – China Relations and China Building Relations with the Countries on its Periphery," *Journal of Hubei University, Philosophy and Social Science*, 41: 3, May 2014, http://www.hprc.org.cn/gsyj/wjs/dwgx/201502/P020150206561729821744.pdf,

[46] Eric X. Li, "The Middle Kingdom and the Coming World Disorder," *The World Post*, February 4, 2014, http://feedly.com/k/1e3JeDm

the United States."[47] From this perspective, one Chinese scholar suggested that "Chinese policymakers and analysts should not believe their own jingoistic rhetoric about a US in decline. Even if it's true, a weak America isn't good news for China."[48]

Fourth, China was a fragile rising power with profound internal causes of concerns to potentially derail its rise, including the environmental destruction, rampant corruption, a growing gulf between rich and poor, huge local government debt, and looming demographic challenges. It was not clear whether China could sustain its economic growth and avoid falling into the traps some middle-income economies stumbled. Pronged economic stagnation could evolve into a concerted challenge to the regime legitimacy. Self-preservation, stability and continued economic growth were China's primary concerns. The internal challenge "is a far bigger issue for China's leaders than sovereignty over some barren rocks in nearby seas."[49] Yan Xuetong of Tsinghua University agreed that the most dangerous internal challenge decisive in determining the successful rise of China was the so-called extreme-leftist policy line and "the false-large-empty" (假大空) slogans, making international promises and strategic objectives beyond the reach of China's national strength (超越国力).[50] China's rise ultimately depended on its own domestic development and much less on what others could do. As Joseph Nye said, "only China can contain China."

Conclusion

Rising anxiety over the prospect of the Chinese challenge motivated some Americans to declare the failure of the engagement with shrill and even irrational call for containment. But the Obama administration continued the engagement policy. Although engagement did not make China to America's like, most of the Chinese people enjoyed the best quality of life in the history of China now. Acknowledging serious differences in policy which could lead to friction and required astute management, the US could find a basis for cooperation where possible and manage differences when they arise. Engagement includes a hedge strategy to balance best case scenarios and worst case planning. As former Secretary of Defense Ashton Carter said, conflict between the United States and China was not inevitable, certainly not desirable. "However, avoiding conflict is an objective that we need to work toward strategically and not take for granted. While most Chinese and much of the Chinese leadership are inclined to continue to take advantage of an international system of free trade and openness that has allowed China to develop in its own way, there is another tendency in China, which is to believe that after a century of humiliation, as they put it, it's now China's time to dominate its region. And that is a tendency that we check through our strength in the region and through our allies and partners."[51]

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[47] Robert A Manning, "China and the US-Japan alliance," *East Asia Forum*, October 28, 2013, http://www.eastasiaforum.org/2013/10/28/china-and-the-us-japan-alliance/

[48] Zha Daojiong, "China must see past its own hype of an America in decline," *the South China Morning* Post, June 18, 2014, http://www.scmp.com/comment/article/1535623/china-must-see-past-its-own-hype-america-decline?page=all

[49] Kishore Mahbubani, "Helping China's Doves," *The New York Times*, July 17, 2014, http://www.nytimes.com/2014/07/18/opinion/helping-chinas-doves.html

[50] Yan Xuetong, "Political Leadership and the Security of Rising Powers, *The Studies of International Security*, no. 4, 2016, http://mp.weixin.qq.com/s?__biz=MjM5NDMzNTk2MA==&mid=2659702316&idx=1&sn=8d348a5ec92dcb4fdeb8f4ee5dc1b7e5&scene=0#wechat_redirect

[51] "The Scholar as Secretary, A Conversation With Ashton Carter," *Foreign Affairs*, September/October 2015, https://www.foreignaffairs.com/interviews/scholar-secretary

The hedge strategy is fundamentally different from containment with the draining and ultimately unachievable goal of maintaining US hegemony. Although many Americans insist U.S. hegemony essential for warding off global chaos, hegemony is a fiction propagated to support a large defense establishment. Hegemony should instead find expression in agenda setting, economic custodianship, and the sponsorship of global initiatives. The US was militarily over-engaged throughout the world, with counterproductive results, often becoming a source of political and economic instability.[52] Therefore, America has to rethink its objective of hegemony and respond positively to China's legitimate aspirations as a rising power.

The US and China are connected by the Pacific that is large enough to create a safe distance but not the impasse preventing Sino-American cooperation. The Pacific is too vast to be controlled by any single power. Any attempt to build an exclusive sphere of influence could lead to confrontation. President Xi is right: "The broad Pacific Ocean should not become an arena for rivalry, but a big platform for inclusive cooperation." But it is not easy to reach the goal. As Fu Ying explained, "The U.S. lacks experience in dealing with powers that are 'neither ally nor foe,' while China has never interacted with the world's superpower from a position of strength. Both sides are still exploring, and what they say and do will shape each other's opinions and actions. They both need to remain humble, keep learning and avoid simply resorting to old beliefs and behavior."[53] Former US Secretary of State Clinton said that "China and the United States cannot solve all the problems of the world together. But without China and the United States, I doubt that any of our global problems can be resolved... A thriving China is good for America, and a thriving America is good for China."[54] This level of cooperation requires vision and flexibility. Leaders in two countries must find ways to make their strategic aspirations compatible by continuation of engagement with each other.

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[52] Reich and Lebow, *Good-Bye Hegemon,* Princeton University Press, 2014.

[53] Fu Ying, "How Can the U.S. and China Avoid Sliding Into Conflict?" *Bloomberg News*, September 1, 2016, https://www.bloomberg.com/view/articles/2016-09-01/what-are-the-u-s-and-china-fighting-over

[54] Hillary Clinton, "Remarks at the U.S. Institute of Peace China Conference," March 7, 2012, http://www.state.gov/secretary/rm/2012/03/185402.htm