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American Reflections on the Engagement with China and Responses to President Xi's New Model of Major Power Relations

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ABSTRACT

This article investigates US responses to President Xi Jinping's new model of major power relations in the context of American reflections on the engagement policy toward China. It argues that while the Obama administration endorsed the goal of avoiding confrontation between the two countries, it disagreed about how to reach the goal. Facing pressure to stand up against China due to the perceived failure of engagement policy, the administration became increasingly frank on the competition with China. The Sino-US strategic mistrust intensified and the chances of mishaps triggering an escalation increased when President Obama turned the presidency to Donald Trump.

For many Americans, China is an intellectual construct filled with contradictions. With a missionary conviction to change China to American's liking, many Americans admire China's culture and history. Viewed in respect to China's economic growth, many Americans become concerned to see a rising China embracing the nationalistic longing for rejuvenation, adopting muscular foreign policy and attacking Western values. After President Xi Jinping proposed to build a new model of major power relations to free China and the United States from the so-called 'Thucydides trap' of the established power and the emerging power colliding inexorably, the Obama administration responded positively because it resonated with the long-standing US effort to integrate China peacefully into the US-led international system. But the administration disagreed with China on how to build the new model, preferring to work with China on concrete issues of difference first. In the meantime, some Americans called for a return to containment because they found undesirable outcomes of the more than 40 years of engagement with China. Many in China, therefore, suspected the US did not want to see China rising as a peer power. 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, leaving a legacy of the US-China relationship fraught with friction and finger-pointing when the Trump administration took office.

US Responses to President Xi's New Model

Looking for 'a comprehensive vision of the two nation's respective regional and global role in the era of interdependence and growing Chinese strength'¹ Thomas Donilon, President Obama's national security adviser, made clear that the US joined Beijing in rejecting the premise 'that a rising power and an

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¹David M. Lampton, 'A new type of major-power relationship: seeking a durable foundation for US-China ties', *Asia Policy* 16, (2013), p. 52.

established power are somehow destined for conflict' and endorsing the goal 'to build a new model of relations between an existing power and an emerging one'² President Xi's new model was similar to the vision of 'strategic reassurance' proposed by Deputy Secretary of State James Steinberg in the first year of the administration: while the US must make clear that it was prepared to welcome China's arrival as a prosperous and successful power, China must reassure the rest of the world that its development and growing global role would not come at the expense of security and well-being of others. Steinberg went on further to argue that '[h]istory shows that actions by established powers to resist or contain rising powers often contradict their stated purpose of preventing conflict, and cause what they are trying to avert'. Making her first major speech as national security adviser on the US Asian policy in 2013, Susan E. Rice stated that the US was seeking 'a new model of major power relations. That means managing inevitable competition while forging deeper cooperation on issues where our interests converge'.³ Speaking to the 2014 US–China Strategic and Economic Dialogue, President Obama said that '[w]e are committed to the shared goal of developing over time a "new model" of relations with China defined by increased practical cooperation and constructive management of differences ... we remain determined to ensure that cooperation defines the overall relationship'⁴

But the Obama administration could not accept China's core national interests as a pre-condition for building the new model. Chosen with intent to signal the resolve in China's sovereignty and territorial claims that it deemed important enough to go to war over, core interest as the bottom line of national survival was essentially non-negotiable. While China's official statements on the core interests of sovereignty and territorial integrity used to refer almost exclusively to Taiwan issues,⁵ Chinese leaders expanded it to include territorial claims in the South and East China Seas.

President Obama started the first term with an almost single-minded emphasis on shared interests with China. Criticizing President Bush's unilateralism and downplaying the hedge element of engagement, the Obama administration proposed PCC (positive, cooperative and comprehensive) to replace Bush's CCC (cooperative, constructive and candid) relationship with China. Using 'positive' to replace 'candid' reflected the Obama administration's reluctance to challenge China on sensitive issues of disagreements. During her first visit to Beijing as the Secretary of State in 2009, Hillary Clinton reassured her hosts that she would not allow differences over human rights to 'interfere' with efforts to address 'the global economic crisis, the global climate change crisis, and the security crisis'. The joint statement during President Obama's state visit to China in November 2009 stated for the first and only time that 'the two sides agreed that respecting each other's core interests is extremely important to ensure steady progress in US–China relations'.

Obama's conciliatory stance, however, was interpreted as a sign of weakness by Beijing. Growingly confident in its ability to deal with the US on China's terms after the global financial crisis hit the US in 2009, Beijing stage-managed Obama's state visit in a heavy-handed way. While the speeches of his predecessors, Presidents Clinton and Bush, in Beijing were broadcast live nationwide, Obama's town hall meeting with young Chinese in Shanghai was not. At his joint press conference with President Hu, no questions were allowed from the audience. Proposing the principle of 'common but differentiated responsibilities' to press the US and other Western countries to increase their carbon reduction commitments and financial pledges to poorer nations at the Copenhagen climate summit the next month,

²White House News Release, 'Remarks by Tom Donilon, National Security Advisor to the President: the United States and the Asia-Pacific in 2013', 11 March 2013, available at: <http://www.whitehouse.gov/the-press-office/2013/03/11/remarks-tom-donilon-national-security-advisory-president-united-states-a> (accessed 7 December 2016).

³America's future in Asia: remarks by National Security Advisor Susan E. Rice at Georgetown University, 20 November 2013, available at: <http://www.whitehouse.gov/the-press-office/2013/11/21/remarks-prepared-delivery-national-security-advisor-susan-e-rice> (accessed 7 December 2016).

⁴White House, 'Statement by the President to the US–China Strategic and Economic Dialogue', 8 July 2014, available at: <http://www.whitehouse.gov/the-press-office/2014/07/08/statement-president-us-china-strategic-and-economic-dialogue> (accessed 7 December 2016).

⁵Wu Xinbo, 'Forging Sino-US partnership in the 21st century: opportunities and challenges', *Journal of Contemporary China* 21(75), (2012), p. 393.

China dispatched a vice foreign minister at an event for heads of state, sitting opposite President Obama and fighting strenuously against fixed targets for emission cuts in the developing world. President Obama later had to track down Premier Wen in a conference room where the leaders of China, Brazil, South Africa and India were meeting.

Beijing then made an unusually strong response when the Obama administration announced the sale of Patriot III missiles to Taiwan on 6 January 2010, proposing sanctions on American companies involved in the arms sales to 'reshape the policy choices of the US'.⁶ After the administration notified the Congress of its \$6.4 billion arms sale to Taiwan on 29 January it was met with unprecedented Chinese objections, including the immediate suspension of some military exchanges and unleashing a storm of bluster by various government and military agencies. With high expectations over Obama's positive engagement, Chinese leaders believed that 'the rigid US position does not reflect the nature of the new Sino-US symbiosis and fails to recognize Beijing's growing international clout'.⁷

In the meantime, China flexed its muscles in the maritime territorial disputes with its neighbors, including unprecedented 'land reclamation' activities in the South China Sea. While some of the Southeast Asian nations also engaged in reclamation activities, these were on a minuscule scale compared with China's. Believing that some of China's neighbors capitalized on a period of relative Chinese weakness to assume control of disputed islands, China constructed much larger land masses at a much quicker speed by dredging and reclaiming reef areas in contested waters to collect on their inheritance: 'In China's revanchist quest to upend the regional and global order, its "Great Wall of Sand" is creating not only new facts on the ground, but actual new ground'.⁸ Debating if China should adopt its own 'Monroe Doctrine' to establish a sphere of influence, President Xi announced Asian security to be 'maintained by Asians', a slogan of de-Americanization that constitutes an unsubtle effort to delegitimize America's presence in the region.

In response, President Obama made a discernible policy adjustment to reassure its allies that the US would actively defend its interests, even if it meant clashing with Beijing on sensitive issues.⁹ The US Government, therefore, became reluctant to officially endorse President Xi's concept of the new model without having agreed with its concrete contents and finding solutions on the specific and controversial issues first. As Secretary of State Clinton later acknowledged, the US now had to 'be honest about our differences; and address them firmly and decisively as we pursue the urgent work we have to do together ... to avoid unrealistic expectations'.¹⁰ Regarding the new model as one of many slogans that China proposed, President Obama made no reference to the concept during his meeting with Xi and, instead, called for the resolution of the South China Sea dispute based on international law during his final official visit to China attending the G-20 summit in September 2016. Only then did China's state-run media suggest that China and the US made progress on Xi's new model of relationship.

Reflections on the Engagement with China

President Xi's new model coincided with American reflection on the engagement with China that started from President Nixon's historical visit in 1972. Calling for a shift from containment to engagement, presidential candidate Richard Nixon argued in 1967 that '[w]e simply cannot afford to leave China forever outside the family of nations, there to nurture its fantasies, cherish its hates and threaten

⁶Li Xiaokun and Wu Jiao, 'Warning issued over arms sales to Taiwan', *China Daily*, (8 January 2010), available at: http://www.chinadaily.com.cn/china/2010-01/08/content_9284287.htm (accessed 8 December 2016).

⁷Zhu Feng, 'A return of Chinese pragmatism', *PacNet*, #16, 5 April 2010, available at: <https://www.csis.org/analysis/pacnet-16-return-chinese-pragmatism> (accessed 8 December 2016).

⁸Joseph A. Bosco, 'Time for America to get tough with China', *National Interest*, 25 May 2015, available at: <http://nationalinterest.org/feature/time-america-get-tough-china-12960> (accessed 7 December 2016).

⁹Suisheng Zhao, 'Shaping the regional context of China's rise: how the Obama administration brought back hedge in its engagement with China', *Journal of Contemporary China*, 21(75), (2012), pp. 369–380.

¹⁰Hillary Clinton, 'America's Pacific Century', *Foreign Policy*, November 2011, available at: <http://foreignpolicy.com/2011/10/11/america-pacific-century/> (accessed 7 December 2016).

its neighbors'.¹¹ The engagement was thus based primarily on two premises. One was that the US and China would find growing value and interest convergence as China became modernized to give rise to a middle class and bring about some form of political liberalization, if not democratization. The second premise assumed that rising as a benefactor of the US-led international system built around rules and norms of non-discrimination and market openness, Beijing would see its interests best served by being a 'responsible stakeholder' in the US-led system.¹²

The engagement policy committed US investment, technology and know-how to assist China's modernization. The US market supported the Chinese export-led growth, and 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, pragmatic Chinese leaders, escaping from the terrors of the Cultural Revolution, were anxious to see China open to the modern world and eager to connect with and learn from the developed economies, virtually all of which were in some way democracies. 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.¹³

This interaction, in which the Chinese sought to work with Americans for China's modernization and the Americans to engage and shape China's modernization in ways that served American interests, was a continuation of a long-standing pattern started in the nineteenth century. America attempted to mold China in its 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'.¹⁴

The engagement was sustained for eight US administrations by China's relative liberalization and immense economic growth despite periodic instabilities, problems and crises; 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. However, the relationship improved enough over the ensuing years to allow the pro-engagement coalition to argue that, with more time, China might evolve into a more open society. The strategic use of liberal norms to argue that engagement could not only induce China to abide by the rules of the liberal world order abroad, but also make China prosperous and therefore democratic at home, was the key for the Clinton administration to reverse course on US sanctions in favor of engagement.¹⁵

The premises that guided the engagement, however, were then 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 45-year science experiment—an experiment that has failed. The underlying hypothesis was that an accommodating approach to the PRC (People's Republic of China) 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

¹¹Richard Nixon, 'Asia after Vietnam', *Foreign Affairs* 46(1), (1967), pp. 113–125.

¹²Robert Manning, 'America's "China Consensus" implodes', *National Interest*, 21 May 2015, available at: <http://nationalinterest.org/feature/americas-china-consensus-implodes-12938> (accessed 7 December 2016).

¹³Jia 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* 14(44), (2005), p. 395.

¹⁴Zachary Fredman, book review of Norton Wheeler, *Role of American NGOs in China's Modernization: Invited Influence* (New York: Routledge, 2014), H-Dip, June 2015, available at: <https://networks.h-net.org/node/28443/reviews/73557/fredman-wheeler-role-american-ngos-chinas-modernization-invited> (accessed 7 December 2016).

¹⁵Chi-Hung Wei, 'Engaging a state that resists sanctions pressure: US policy toward China, 1992–1994', *Millennium* 43(2), (2015), pp. 429–449.

system that China would so handsomely benefit. After four-plus decades, there is scant evidence this hypothesis is correct.¹⁶

In particular, many Americans were concerned about the revival of neo-Maoism after President Xi came to power and rallied Chinese people not to the promise of greater openness and constitutionalism, but greater wealth, power and global clout. 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. As one in a series of regulations meant to control 'hostile foreign forces', Beijing passed China's foreign NGO (non-governmental organization) law in 2016, which placed foreign NGOs under the supervision of the Ministry of Public Security. The annual report of the Congressional-Executive Commission on China (CECC) in 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.¹⁷

Because China did not follow the anticipated trajectory, Christopher Ford labeled 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 US 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 by the partly real and partly 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'.¹⁸ James Mann also labeled 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'.¹⁹

With souring 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 US 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 US and resume its traditional position as the preponderant power in Asia.²⁰ Robert Boxwell complained that '[b]y 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'.²¹

¹⁶Grant Newsham and Kerry Gershaneck, 'How to get tough with China', *National Interest*, 25 April 2016, available at: <http://nationalinterest.org/feature/how-get-tough-china-15928> (accessed 7 December 2016)

¹⁷The Congressional-Executive Commission on China 2016 Annual Report, 6 October 2016, available at: <http://www.cecc.gov/media-center/press-releases/cecc-releases-2016-annual-report> (accessed 7 December 2016).

¹⁸Christopher Ford, 'The death of the "liberal myth" in US China policy', *New Paradigms Forum*, 20 November 2014, available at: <http://www.newparadigmsforum.com/NPFTestsite/?p=1896> (accessed 7 December 2016).

¹⁹James Mann, 'America's dangerous "China fantasy"', *The New York Times*, (27 October 2016), available at: http://www.nytimes.com/2016/10/28/opinion/americas-dangerous-china-fantasy.html?_r=0 (accessed 7 December 2016).

²⁰Aaron 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*, 11 May 2015, available at: http://www.politico.com/magazine/story/2015/05/2016-elections-beijing-117831_full.html#.VVaFD7d0yM- (accessed 7 December 2016).

²¹Robert Boxwell, 'By making too many concessions to China, the West has given "wings to a tiger"', *South China Morning Post*, (5 April 2016), available at: <http://www.scmp.com/comment/insight-opinion/article/1933643/making-too-many-concessions-china-west-has-given-wings-tiger> (accessed 7 December 2016).

Conspiracy theories thus gained ground to portray China's opening to the US 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 little 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' who belonged to 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 US 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 encircle him'. Beijing managed to dupe the naive Americans into helping China develop its economy and advance its scientific capabilities, therein planting the seeds of the America's own destruction.²²

David M. Lampton, therefore, warned of a tipping point coming because some critical underlying supports for positive US–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 maintaining domestic stability. One underlying cause for the change was the serious erosion of the diffused 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.²³

A Chinese scholar made similar observation 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 wanted to be, how to reach national objectives, what type of country each hoped the counterpart to be and how to tread the counterpart, had come to collapse. During the previous four decades, the core of the US strategy toward China was engagement, integrating China into the US-led international system 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 fusion (融入) into the Western-led international system for modernization. The grand consensus, China wanting to be integrated and the US wanting to integrate China, 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's fundamental strategic intention (根本战略意图). The grand 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 were 'unhappy' with 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 regarded the US as a more or less equal and ordinary country and repeatedly discussed de-Americanization.²⁴

²²Michael Pillsbury, *The Hundred-Year Marathon, China's Secret Strategy to Replace America as the Global Superpower* (New York: Henry Holt, 2015).

²³David M. Lampton, 'A tipping point in US–China Relations is upon us', *US–China Perception Monitor*, 11 May 2015, available at: http://www.uscnpm.org/blog/2015/05/11/a-tipping-point-in-u-s-china-relations-is-upon-us-part-i/#_ftnref5 (accessed 7 December 2016).

²⁴Da Wei (达巍), 'Can China and the US re-establish the grand consensus?' (中美还能重建'大共识'吗), *Paper*, 27 July 2015, available at: http://www.thepaper.cn/newsDetail_forward_1357483_1 (accessed 7 December 2016).

Calling for Containment

As a result, some in the US sought to flip 'the current hedging strategy from its emphasis on engagement with limited containment to containment with limited engagement'²⁵ assuming 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.²⁶

Building upon a deeply-ingrained US belief, as a result of World War II, that appeasing aggression will only 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'²⁷

The containment sought ideological confrontation and power balance. Calling for democracy-promotion and explicit support for regime change in China, one American Enterprise Institute (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.'²⁸ 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 ascendancy'. 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.'²⁹ This strategy resonated 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 US 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 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 and declare that it would defend its own core interests in Asia.³⁰ China's push in the South and East China Sea disputes was belabored as the litmus test for the US' 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 over Chinese military in the

²⁵Elizabeth C. Economy, 'The debate on US-China relations: make room, make way, or make hay', *Real Clear World*, 22 May 2015, available at: 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 (accessed 7 December 2016).

²⁶Michael Auslin, 'China's confidence can be shaken firm opposition to its expansionism in the South China Sea might make Beijing think twice', (14 May 2015), available at: <http://www.wsj.com/articles/chinas-confidence-can-be-shaken-1431621333> (accessed 7 December 2016).

²⁷Orville Schell, 'Can the US and China get along?' *The New York Times*, (9 July 2015), available at: <http://www.nytimes.com/2015/07/10/opinion/can-the-us-and-china-get-along.html?smprod=nytcore-iphone&smid=nytcore-iphone-share> (accessed 7 December 2016).

²⁸Daniel Blumenthal and William Inboden, 'Toward a free and democratic China', *Weekly Standard*, (15 May 2015), available at: <http://www.chinaaid.org/2015/05/the-weekly-standard-toward-free-and.html> (accessed 7 December 2016).

²⁹Robert D. Blackwill and Ashley J. Tellis, 'Revising US grand strategy toward China', *Council on Foreign Relations Special Report*, April 2015, available at: <http://www.cfr.org/china/revising-us-grand-strategy-toward-china/p36371> (accessed 7 December 2016).

³⁰Grant Newsham and Kerry Gershaneck, 'How to get tough with China', *National Interest*, 25 April 2016, available at: <http://nationalinterest.org/feature/how-get-tough-china-15928> (accessed 8 December 2016).

Western Pacific and limit the destabilizing effects of China's power projection capabilities: 'Because China's objective is regional hegemony, the question for US policymakers is no longer whether to push back against Chinese assertiveness, but rather how'.³¹

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 US and its allies. Becoming increasingly frank on differences and competition with China, Vice President Joe Biden told the Chinese delegation at the 2015 Strategic and Economic Dialogue:

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.³²

Orville Schell discerned the dark 'sentiment' and terrible 'mood' among people who worked on US 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 US and China not only from being able to collaborate on critical global problems now, but from building a more workable future.³³

In this case, although the Trans-Pacific Partnership (TPP) was not designed to contain or compete with China, President Obama presented in this way when he said: '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'.³⁴ 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'.³⁵ The Obama administration also lobbied its allies to boycott the China-inspired Asian Infrastructure Investment Bank (AIIB). Although the action was caught flat-footed when 49 countries, including many 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 US global supremacy'.³⁶

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 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.³⁷

³¹Zack Cooper and Mira Rapp-Hooper, 'Shangri-La won't be a fairyland for Beijing', *National Review*, 21 May 2015, available at: <http://warontherocks.com/2015/05/shangri-la-wont-be-a-fairyland-for-beijing/> (accessed 7 December 2016).

³²Monica Sanchez, 'Biden thanks China: "You've awakened us, we were "too comfortable"', *MRCTV*, 23 June 2015, available at: <http://www.mrctv.org/blog/biden-thanks-china-you-ve-awakened-us-we-were-too-comfortable> (accessed 7 December 2016).

³³Orville Schell, 'Share and be nice', *China File*, 12 May 2015, available at: <http://www.chinafile.com/reporting-opinion/two-way-street/share-and-be-nice> (accessed 7 December 2016).

³⁴Justin Sink and Carter Dougherty, 'Obama warns China will fill void if trade authority fails', *Bloomberg News*, (17 April 2015), available at: <http://www.bloomberg.com/politics/articles/2015-04-17/obama-warns-china-will-fill-void-if-u-s-can-t-reach-trade-deals> (accessed 7 December 2016).

³⁵Amitai 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?' *Diplomat*, 1 July 2015, available at: <http://thediplomat.com/2015/07/integrating-china-into-the-existing-order/> (accessed 7 December 2016).

³⁶Stephen Harner, 'Has Washington "lost it" toward China? Clearly and ominously, yes', *Forbes Magazine*, 20 April 2015, available at: <http://www.forbes.com/sites/stephenharner/2015/04/20/has-washington-lost-it-toward-china-clearly-and-ominously-yes/#6b-870f9e1c33> (accessed 7 December 2016).

³⁷David B. Shear, 'Safeguarding American interests in the East and South China Seas', 13 May 2015, available at: <http://www.foreign.senate.gov/hearings/safeguarding-american-interests-in-the-east-and-south-china-seas> (accessed 7 December 2016).

Soon after taking office, Secretary of Defense Ash Carter requested his staff to look at options that included flying surveillance aircraft over and sending US naval ships to within 12 nautical miles of the artificial islands in the South China Sea.³⁸ US military aircraft and ships had kept a distance from the islands. Harry Harris and his US Pacific Command waged a persistent campaign to raise the profile of China's land grab and proposed a muscular US 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.³⁹

But Secretary Carter convinced the White House. The US Navy for the first time allowed journalists on board of 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 US surveillance plane swooped over a contested military installation constructed on a manmade series of islands.⁴⁰

Showing displeasure over China's actions in the South China Sea, President Obama broke with a long-standing 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.⁴¹

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 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 FON the Pentagon's chief objective in these FNOs was to defend the threatened loss of American dominance in the West Pacific.

The Continuation of Engagement

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 '[t]ogether, 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, doomed to fail for the following reasons.

³⁸Auslin, 'China's confidence can be shaken firm opposition to its expansionism in the South China Sea might make Beijing think twice',

³⁹Joseph A. Bosco, 'Time for America to get tough with China', *National Interest*, 25 May 2015, available at: <http://nationalinterest.org/feature/time-america-get-tough-china-12960> (accessed 7 December 2016).

⁴⁰Jim Sciotto 'Behind the scenes: a secret Navy flight over China's military buildup', *CNN*, 26 May 2015, available at: <http://www.cnn.com/2015/05/26/politics/south-china-sea-navy-surveillance-plane-jim-sciotto/> (accessed 7 December 2016).

⁴¹Andrea Chen and Minnie Chan, 'A break with tradition: the key Sino-US meeting that didn't happen', *South China Morning Post*, (24 June 2015), available at: <http://www.scmp.com/news/china/diplomacy-defence/article/1825390/break-tradition-key-sino-us-meeting-didnt-happen> (accessed 7 December 2016).

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.⁴² Although China's increasing assertiveness in international conduct stirred widespread concern in Asia and the US, Beijing cooperated with the US on some major issues such as climate change. China's participation in the World Trade Organization was, on the whole, positive. Through its newly established Asian Infrastructure Investment Bank, 'Beijing has pursued an innovative and constructive financial course.'⁴³ 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 economy was a principal trading partner of most countries, including the US. The US–China trade was more than \$600 billion in 2016 while the US–Soviet Union trade was only about \$4 billion at its best. While US media gave a lot of coverage to estimates of job losses because of China trade, the US International Trade Commission report on jobs related to US exports in 2015 revealed that China came in at number 3, behind Canada and Mexico, with 910,000 jobs supported by goods and services exports. In addition, the report found Goods and services jobs supported by exports to China grew by 367,000 between 2009 and 2015, the largest increase in jobs supported by goods and services exports to a single country, ahead of Mexico (326,000) and Canada (147,000). China had the largest increase in US jobs supported by services exports over the 2009–2015 period—182,000 new jobs, more than the combined total of jobs supported by exports to the next two highest countries—Brazil (79,000) and Ireland (73,000).⁴⁴ 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 (North American Free Trade Agreement) partners. Chinese students were the largest international student source 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 interdependent, bristling at changes in the rules of engagement. This was a very different landscape from 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 US commitment to the region as a hedge against growing Chinese power, very few 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

⁴²Stephen S. Roach, 'The Sino-American codependency trap', *Project Syndicate*, 28 September 2015, available at: <https://www.project-syndicate.org/commentary/sino-american-codependent-relationship-by-stephen-s-roach-2015-09?barrier=true> (accessed 7 December 2016).

⁴³Jerome A. Cohen, 'Mutual respect for international laws can keep the peace between China and the US', *South China Morning Post*, (20 June 2015), available at: <http://www.scmp.com/comment/insight-opinion/article/1823740/mutual-respect-international-laws-can-keep-peace-between> (accessed 7 December 2016).

⁴⁴Chris Rasmussen and Susan Xu, 'Jobs supported by export destination 2015', Department of Commerce, 8 November 2016, available at: http://www.trade.gov/mas/ian/build/groups/public/@tg_ian/documents/webcontent/tg_ian_005508.pdf (accessed December 2016).

be a party to any potential conflict between these two giants.⁴⁵ Their interests were better protected by maintaining good relationships with both powers so that they could 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 US 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 to put the 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 (Asia Pacific Economic Cooperation) Leaders Meeting, East Asia Summit and the US–ASEAN (Association of Southeast Asian Nations) Summit. The president’s no-show due to the political paralysis at home highlighted the limitations of Washington’s rebalance 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 US defense budget went down 21% while China’s military budget increased by 38%. The impact of sequestration in 2013 fell disproportionately on defense spending. Fifteen years of war fighting took a grave toll, worsened by these US 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.’⁴⁶

The 2016 presidential election showed how American people were 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 did not easily solve America’s problems because his behavior during the campaign and as president-elect would not have inspired confidence that he could reunite the country. If America continues to be weakened by its internal divisions and is 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 US 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 the foreign policy establishment. China and the US were at odds on many important issues, but they were more like negotiators or competitors than adversaries. ISIS and Russia stood in front of China on the list of countries that Americans did not like.⁴⁷

Sixth, by dint of its economic and military strength, the US took world leadership after World War II. But public faith in the 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 US public opinion in 1964, that a staggeringly high 52% of respondents said they agreed with the statement that ‘the US 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%. 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% surveyed said they agreed. More than half of Americans, 53%, said that the US was ‘less important and powerful as a world leader than it was ten years ago’, the highest proportion of

⁴⁵Michael Yahuda, ‘China’s new assertiveness in the South China Sea’, *Journal of Contemporary China* 22(81), (2013), p. 446.

⁴⁶Justin Johnson and John Sullivan, ‘Russia and China increase defense spending while US continues cutting’, *Daily Signal*, (11 April 2016), available at: <http://daily.signal.com/2016/04/11/russia-and-china-increase-defense-spending-while-us-continues-cutting/> (accessed 7 December 2016).

⁴⁷Wang Wenfeng, ‘Many voices shape US outlook on China’, *China & US Focus*, 26 May 2015, available at: <http://www.chinausfocus.com/foreign-policy/many-voices-shape-u-s-outlook-on-china/#sthash.jZlZBKbw.MZnQgobi.dpuf> (accessed 7 December 2016).

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 that in Afghanistan was worth the costs.

A Pew survey during the presidential election in 2016 confirmed that the American public viewed the US 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 US just dealt with its own problems and let other countries deal with their own challenges as best they could.⁴⁸ 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'.⁴⁹ 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 invoked 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-World War II global order that America created, he warned US allies that without a new global deal that demanded a kind of tribute paid to Washington for its defense umbrella, he would walk away from the alliance obligations.⁵⁰ His isolationist call partially helped bring him to the White House.

Seventh, the US containment is bound 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, as a disruption of freedom of navigation. As the largest trading country with little reason to interfere with free navigation, China suspected that the true US concern was about preserving freedom of navigation for naval warships and other non-commercial vessels and protecting US strategic primacy in the region.⁵¹ The Chinese would undo

⁴⁸'Public uncertain, divided over America's place in the world', *Pew Research Center*, 5 May 2016, available at: <http://www.people-press.org/2016/05/05/public-uncertain-divided-over-americas-place-in-the-world/> (accessed 7 December 2016).

⁴⁹Gideon Rachman, 'Get ready, the indispensable Americans are pulling back', *Financial Times*, (20 January 2014), available at: <https://www.ft.com/content/a3b2a198-81c7-11e3-87d5-00144feab7de> (accessed 7 December 2016).

⁵⁰Michael Hirsh, 'Why George Washington would have agreed with Donald Trump', *Politico*, 5 May 2016, available at: <http://www.politico.com/magazine/story/2016/05/founding-fathers-2016-donald-trump-america-first-foreign-policy-isolationist-213873#ix-zz49PL8eqBn> (accessed 7 December 2016).

⁵¹'Beijing warns US patrols threaten maritime peace', *People's Daily Morning Star*, (14 May 2015), available at: <https://www.morningstaronline.co.uk/a-b3f4-Beijing-warns-US-patrols-threaten-maritime-peace#.VVSbt2Yb5Rk> (accessed 7 December 2016).

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 the issues in dispute. If China did not meekly back down, the US and China would become rivals in a volatile and zero-sum environment, deepening the security dilemma 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 held that China already sought to replace the US 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 ensure peaceful competition between them for the following reasons.

First, in spite of all the problems, the US was resilient and remained the strongest economic and military power in the world. Although the size of the Chinese economy could overtake the US someday, China was still far from the position to dislodge American power any time soon. As realists, Chinese leaders ultimately had to come to the reality; that is, 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 assertive behavior towards its neighbors made its neighbors nervous, motivating not only long-time US allies such as Japan and Australia, but also countries such as Vietnam, India, Indonesia and the 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.⁵²

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'.⁵³ While many Chinese blamed the US for inciting China's neighbors against China, one Chinese scholar wrote that the difficulties in China's relations with its neighbors were caused not 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.⁵⁴

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.⁵⁵ 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 pre-empt 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.

⁵²Suisheng Zhao and Xiong Qi, 'Hedging and geostrategic balance of East Asian countries toward China', *Journal of Contemporary China* 25(100), (2016), pp. 485–489.

⁵³Philip Bowring, 'China's delusions of regional hegemony', *Financial Times*, (10 August 2015), available at: <https://www.ft.com/content/b8b90350-3f46-11e5-b98b-87c7270955cf> (accessed 7 December 2016).

⁵⁴Yang 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), (2014), available at: <https://gaodawei.wordpress.com/2015/06/27/prof-yang-zhizhen-interactions-between-us-china-relations-and-chinas-relations-with-its-neighbors/> (accessed 8 December 2016).

⁵⁵Randall 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.

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.'⁵⁶ 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 that 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 the United States.'⁵⁷ 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.'⁵⁸

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 into which some middle-income economies stumbled. Prolonged 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.'⁵⁹ Yan Xuetong of Tsinghua University pointed out that the most dangerous internal challenge, decisive in determining the successful rise of China, was the so-called extreme-leftist policy 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).⁶⁰ 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.'⁶¹

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, confirming the statement of the late Singapore leader Lee Kuan Yew:

For America to be displaced, not in the world, but only in the western Pacific, by an Asian people long despised and dismissed with contempt as decadent, feeble, corrupt, and inept is emotionally very difficult to accept. The sense of cultural superiority of the Americans will make this adjustment most difficult. Americans believe their ideas are universal—the supremacy of the individual and free, unfettered expression. But they are not—never were. Unlike other emergent countries, China wants to be China and accepted as such, not as an honorary member of the West. The Chinese will want to share this century as co-equals with the United States.⁶²

⁵⁶Eric X. Li, 'The Middle Kingdom and the coming world disorder', *Huffington Post*, (4 February 2014), available at: http://feed1http://www.huffingtonpost.com/eric-x-li/china-worldview_b_4724361.html (accessed 8 December 2016).

⁵⁷Robert A Manning, 'China and the US Japan Alliance', *East Asia Forum*, 28 October 2013, available at: 2016, <http://www.eastasia-forum.org/2013/10/28/china-and-the-us-japan-alliance/> (accessed 7 December 2016).

⁵⁸Zha Daojiong, 'China must see past its own hype of an America in decline', *South China Morning Post*, (18 June 2014), available at: <http://www.scmp.com/comment/article/1535623/china-must-see-past-its-own-hype-america-decline?page=all> (accessed 7 December 2016).

⁵⁹Kishore Mahbubani, 'Helping China's doves', *The New York Times*, (17 July 2014), available at: <http://www.nytimes.com/2014/07/18/opinion/helping-chinas-doves.html> (accessed 7 December 2016).

⁶⁰Yan Xuetong, 'Political leadership and the security of rising powers', *Studies of International Security* 4, (2016), available at: [http://mp.weixin.qq.com/s?__biz=MjM5NDMzNTk2MA==&mid=2659702316&idx=1&sn=8d348a5ec92dcb4fdeb8f4ee5dc1b7e5&scene=0#wechat_redirect?](http://mp.weixin.qq.com/s?__biz=MjM5NDMzNTk2MA==&mid=2659702316&idx=1&sn=8d348a5ec92dcb4fdeb8f4ee5dc1b7e5&scene=0#wechat_redirect) (accessed 7 December 2016).

⁶¹Joseph Nye, 'Work with China, don't contain it', *The New York Times*, (25 January 2013), available at: <http://www.nytimes.com/2013/01/26/opinion/work-with-china-dont-contain-it.html> (accessed 7 December 2016).

⁶²Stephen Harner, 'Has Washington "lost it" toward China? Clearly and ominously, yes', *Forbes Magazine*, 20 April 2015, available at: <http://www.forbes.com/sites/stephenharner/2015/04/20/has-washington-lost-it-toward-china-clearly-and-ominously-yes/#33a956251c33> (accessed 7 December 2016).

The US-led global order enabled the rise of China and eroded the US hegemony. It was too late for the US to reverse the outcome. Although the engagement did not change China to America's liking, most of the Chinese people enjoyed the best quality of life in the history of China. 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.⁶³

This is essentially a hedge strategy fundamentally different from containment with the draining and ultimately unachievable goal of maintaining US hegemony. Although many Americans insist US hegemony is essential for warding off global chaos, hegemony cannot be sustainable and 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.⁶⁴ Therefore, America has to rethink its objective of hegemony, responding positively to China's legitimate aspirations as a rising power.

The US and China are connected by the Pacific, which is large enough to create a safe distance rather than 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 US 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.⁶⁵

Former US Secretary of State Clinton said:

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.⁶⁶

This level of cooperation requires vision and flexibility. Leaders in the two countries must find ways to make their strategic aspirations compatible by continuation of engagement with each other.

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⁶³The scholar as secretary: a conversation with Ashton Carter, *Foreign Affairs*, September/October 2015, available at: <https://www.foreignaffairs.com/interviews/scholar-secretary> (accessed 7 December 2016).

⁶⁴Simon Reich and Richard N. Lebow, *Good-Bye Hegemon* (Princeton: Princeton University Press, 2014).

⁶⁵Fu Ying, 'How can the US and China avoid sliding into conflict?' *Bloomberg News*, (1 September 2016), available at: <https://www.bloomberg.com/view/articles/2016-09-01/what-are-the-u-s-and-china-fighting-over> (accessed 7 December 2016).

⁶⁶Hillary Clinton, 'Remarks at the US Institute of Peace China Conference', 7 March 2012, available at: <http://www.state.gov/secretary/20092013clinton/rm/2012/03/185402.htm> (accessed 8 December 2016).