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# Systemic Tension between China and the US

Despite a mutual desire for cooperation, relations between Washington and Beijing will remain tense for the foreseeable future. Today, Denny Roy cites two reasons why — 1) Beijing doesn't appreciate how the existing East Asian order has contributed to its prosperity, and 2) its historical fear of encirclement has decreased.

By Denny Roy for ISN

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It should not be surprising that China is demanding more influence over its external environment as its relative power increases. This has presented the United States and its Asia-Pacific allies with a difficult challenge. This bloc of states upholds a particular regional order—a collection of institutions and norms that regulate international affairs. The current order reflects American values and interests, but most Asia-Pacific states have supported the arrangement because it affords them prosperity and security.

Both China and the United States want very much to avoid conflict. US officials have consistently said they “welcome” a stronger and more prosperous China, and in fact actual US policy does not inhibit China's rise (although US policy does provide for an insurance policy of security cooperation should China threaten US allies). PRC officials tout a “new type of great power relations,” which begins with the hope of avoiding great power military conflict. War would clearly be disastrous for both sides, as well as for many other countries in the region. Nevertheless, there are two reasons why China may seek to dismantle the existing order: 1) Beijing fails to recognize the importance of the existing regional order to its prosperity, and 2) its fear of encirclement is decreasing. This means that a sustained period of high tension between Beijing and Washington remains likely.

## Collision course?

Despite the mutual desire that cooperation rather than conflict should define the US-China relationship, bilateral strategic relations continue to gradually deteriorate. Essentially, the PRC is not satisfied with the extent of US accommodation for its rise as a great power, even though that accommodation is greater than Washington usually gets credit for. Some analysts blame the United States for seeking too much control over a region too far from the US homeland. Most Chinese would take this position, arguing that, contrary to US rhetoric, the attempt to dominate Asia serves only American interests and, on balance, increases insecurity and injustice in the region. Beijing was especially dismayed at the Obama Administration's announcement of a strategic ‘pivot’ to Asia (later called the ‘re-balance’) in the midst of a financial crisis that Chinese hoped would finally undermine the United States' superpower status and bring about a multipolar world.

While the United States insists on maintaining its leadership position as supporter and enforcer of the liberal regional order, China implicitly demands a leadership position and deferential treatment in its own neighborhood. The immediate and most serious manifestation of this clash is increased pressure throughout the region to accept Chinese sovereignty claims in the East China Sea, the South China Sea and over Taiwan, matters in which many Chinese perceive the United States to be “interfering.” More broadly, China intends to pursue its own interests in contravention of at least some important aspects of the US-led regional order. Although China participates in the global free trade regime, its violations of World Trade Organization principles are frequent and extensive, and its compliance appears to be tactical rather than reflective of a deep commitment to liberal trade. China has signed international covenants on protecting human rights and preventing WMD proliferation but has not lived up to these covenants. Unlike the Western countries, China is not generally supportive of democratization and good governance in the developing world. Beijing also uses coercion against smaller neighbors with which it has political or strategic disputes.

There are at least two reasons why it may not be possible to deter China from undermining the current order. First, Beijing does not necessarily value the current order as highly as do US friends and allies in the region, especially when a possible alternative order would be China-centered. This is despite the fact that the rise of China is largely made possible by the free trade and secure environment underpinned by the regional order. Foreign investment and the export of Chinese goods to foreign markets have fed the remarkable GDP growth rate of about 8 percent annually since the beginning of the post-Mao era, which began in earnest in 1978. The United States, in particular, has done more than any single country to abet China’s rise. Washington currently tolerates a staggering annual trade deficit with China of \$600 billion (an issue whose political salience in America has faded even as the deficit grows larger). If China believes the current regional order and a cooperative relationship with the United States are essential to Chinese economic development, Beijing will have a powerful incentive to avoid jeopardizing these relationships. After the bombing of the Chinese embassy in Belgrade in 1999 by a US aircraft, the PRC’s Politburo Standing Committee under Jiang Zemin reportedly considered taking a confrontational posture toward the United States, but decided China’s most pressing interests compelled Beijing to stay the course.

Yet most Chinese today do not credit either the United States or the regional order for their recent prosperity. Rather, they routinely accuse the United States of trying to suppress Chinese growth and development, emphasizing that the regional order is a product of Western power and was made largely without Chinese input.

A second reason why China feels freer to oppose current order is that China’s fear of encirclement is decreasing. From the beginning of China’s ‘rise’ in the Deng era, Beijing has had a keen grasp of the historical problem of an upstart great power being militarily encircled by its fearful neighbors. The strenuous efforts of Chinese officials to assure other countries in the region that a stronger China will not be a threat to their autonomy or security demonstrate that avoiding encirclement has been a high Chinese priority. The late Deng Xiaoping advised his successors in the Chinese leadership to keep a low profile while building up the economic foundation of Chinese power. Specifically, he counseled Chinese leaders to defer from taking the lead in international affairs, to stay calm in the face of foreign impudence, and to avoid confrontations with adversaries as much as possible. His advice implied that at some future time, when the rebuilding period was accomplished, a bolder Chinese posture would be appropriate and feasible. Until recently, outsiders could rely on the fear of encirclement to moderate Chinese foreign policy behavior.

China’s is now the world’s second-largest economy and is expected to surpass the size of the US economy within a few years. China is the largest trading partner of most of the Asia-Pacific countries. In the minds of most observers, an unofficial “G2” effectively exists in Asia. Chinese and many others

believe US power is in inexorable decline. Although China still values a constructive relationship with America, the Chinese are far less dependent on US goodwill for the achievement of their basic goals than they were in the 1990s. The relationship is far more equal now, with the Chinese more confident in demanding accommodation and concessions.

### **China's moment?**

In recent years many Chinese elites have called for Deng's advice to be retired now that China is a major power. As part of the trend, demanding stronger Chinese input into the management of international issues is apparently one of the main points of Chinese President Xi Jinping's agenda. Xi's foreign policy thus far has included a call for the United States to cease "interfering" and let Asians provide for Asia's security, strong unilateral steps to increase China's claim to some (unspecified) level of ownership over the South China Sea (including building military bases on reclaimed land), and a willingness to take risks as a way of pressuring Tokyo over territory in the East China Sea disputed between Japan and China.

Many Chinese commentators now argue that the time has come to teach 'disrespectful' foreigners such as the Japanese, Americans, Vietnamese, Indians and Filipinos a lesson about Chinese strength and resolve. Some jarring Chinese moves, including the declaration of an Air Defense Identification Zone over the East China Sea (Overlapping Japan's), were arguably in response to acts by China's rivals. But other Chinese activities go beyond keeping pace with potential adversaries. China's dispatch of a deep-water oil-drilling rig, ringed by an armada of protective escort ships, to the waters inside Vietnam's EEZ to assert China's disputed claim of sovereignty seemed a premeditated step designed to extend the political boundary markers in China's favor. After a 2012 incident at disputed Scarborough Shoal, which is inside the Philippines' EEZ in the South China Sea, China permanently occupied the feature, a change from the previous *status quo*. China's military budget has seen increases of 10 percent or more nearly every year for two decades, and China's officially reported defense spending (significantly understated, according to experts) is on track to surpass the combined military budgets of all the Western European countries combined by 2024. The recent confirmation by Chinese officials that China plans to build a second aircraft carrier was a contrast to the secrecy and denials surrounding the acquisition of what became the Liaoning, China's first carrier. The inescapable conclusion is that Beijing worries less than before about alarming other governments by flexing its muscles. There seems to be less emphasis on assurance and more on signaling to other countries that the time has come to shift their allegiance.

Under the present conditions, the outlook is a long period of high tension, ultimately resolved either by war, by one side acquiescing due to lack of confidence that it will ultimately prevail, or by the two sides gradually reaching compromises over the main issues that divide them.

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Denny Roy is a Senior Fellow at the East-West Center in Honolulu.

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