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“Because the AIIB will target infrastructure and development projects in least developed countries and conflict hotspots, its emerging portfolio is an opportunity for Chinese-U.S. cooperation.”

## Overcoming Barriers to U.S.-China Cooperation

### Summary

- The United States has urged China to take on greater international responsibility and to leverage its rise to power by adhering to international law and urging its strategic partners to do the same. However, Beijing's adherence to its principle of noninterference has drawn sharp U.S. criticism, as has its tendency to support incumbent governments in contentious states.
- Beijing is presenting a more flexible and proactive foreign diplomacy. At the same time, it is concerned about U.S. military policies and diplomatic campaigns seemingly targeted at containing China or undermining Chinese efforts to influence global institutions.
- Identifying common ground is more imperative than ever if what Beijing calls a “new type of major country relations” are to be manifest in cooperative frameworks, policies, and joint initiatives.
- Washington and Beijing need to build strategic trust, overcome domestic policy hurdles, demonstrate their willingness to participate as leaders in the international community, and better coordinate to fill gaps in global governance and development issues.

### Introduction

In late 2011, the Obama administration announced plans to “pivot” toward Asia, and in late 2012, shortly after taking office, Chinese president Xi Jinping expressed his desire for “a new type of relationship between major countries in the twenty-first century.”<sup>1</sup> Chinese interpretations of these relations usually highlight a greater voice in global governance and sharing power with the United States. Yet many in Washington think that Beijing's true intentions are to challenge the U.S. presence in Asia at a time when Washington intends to consolidate its regional leadership. Many U.S. analysts point to Chinese initiatives such as the One Belt One Road or the Asian Infrastructure Investment Bank (AIIB) to argue that China is pushing to reshape international institutions and responding aggressively to Washington's initiatives. Chinese experts point to U.S. diplomatic efforts to undermine Chinese initiatives and argue that Washington is trying to contain China in Asia. They also question U.S. policies, which they insist exacerbate tensions over regional maritime disputes. Both nations' directives leave ample room for interpretation and have added to mounting tensions. Because misunderstandings abound, identifying common ground is imperative.

## U.S.–China Relations and Global Governance

Washington has urged Beijing to take on greater international responsibility. From the U.S. perspective, China should leverage its rise to power by supporting international law and urging its strategic partners to comply. Response to chemical warfare in Syria was a key example as Washington urged Beijing to agree to a UN intervention against the Assad regime. Beijing's preference for a softer approach and strict adherence to noninterference drew sharp criticism from U.S. observers, who characterized it as irresponsible.

From Beijing's point of view, China has prioritized international trade—particularly with the United States—and investment mechanisms as it remakes its diplomacy, emphasizing that security is rooted in development. Unbalanced governance structures in the International Monetary Fund and World Bank have left China feeling slighted and unwelcome in global financial discussions. Thus, the entry of Chinese state-owned enterprises into developing markets created competition in spaces where formerly the United States and Bretton Woods institutions held comfortable control. China offered developing nations less restrictive terms for development aid, investment capital, and trade, which proved a boon to Latin America and Africa. The creation of the AIIB highlights Beijing's understanding of its new role. Beijing prioritizes economic contributions and investment in its global engagement in shouldering its fair share of international responsibilities. U.S. efforts to halt AIIB exemplify Washington's distrust of Chinese foreign investment and reinforce China's perceptions that the United States does not welcome China's economic rise. For its part, Washington asserts the existence of serious gaps in the social and environmental safeguards of Chinese-supported efforts—concerns echoed by civil society representatives across the developing world.

On global policy issues, Beijing tends to focus on economics and Washington on security. Were this to emerge as a division of labor, however, neither party would benefit. It is critical that a shared security incorporate both domains. In recent months, bilateral cooperation on global nontraditional security issues has seen some success. In April, the Chinese Ministry of Public Security and the U.S. Department of Homeland Security held their first ministerial meeting, signaling at least a willingness to discuss joint efforts. The two powers also found grounds for collaboration during the Ebola crisis in West Africa—as evidenced by a Chinese-trained Liberian engineering firm helping establish the U.S. Ebola Treatment Center. These measures may seem like basic starting points but have provided camaraderie in the security realm. In more contentious cases, such as Myanmar, cooperation has proven elusive despite a track 1.5 dialogue. Challenges include not only lack of mutual trust but also local Myanmar concerns.

Since opening up, Myanmar has moved a little closer to the West. China considers this suspect, even conspiratorial. Many in Beijing viewed Burmese protests to stop construction of the Chinese-backed Myitsone Dam as Washington's doing. Yet Washington's interest in Myanmar has largely been economic. Myanmar is a vast, untapped, and resource-rich market. For Beijing, conflict on the Sino-Myanmar border and the proximity of Washington's focus make Myanmar a security issue. This intersection of economic and security concerns looks like a crisis but could be an opportunity. China's economic involvement could help provide the infrastructure necessary for Myanmar to become a viable market. In turn, the United States could work more productively with China to ensure that development is inclusive, safe, and profitable. Additionally, given the sixty-year civil war and talks for a nationwide cease-fire, U.S. and Chinese support to help end the conflict is needed now more than ever.

Finding common ground on which to build a more trusting relationship, then, needs to be a priority in both Chinese and U.S. foreign policy agendas.

## Strategic Trust

Lack of strategic trust between the United States and China prevents productive cooperation. Both sides have largely continued to act as if their relationship is a zero-sum game. These tensions have only intensified over recent security concerns in the East China Sea and the South China Sea. Moreover, Washington has cited concerns about Beijing's steady increase in military spending, from \$10 billion in 1997 to \$145 billion in 2015, and sees China as a direct threat to its allies and interests in the Asia-Pacific.<sup>2</sup> Beijing sees the U.S. military presence in the region and across Asia as its greatest security threat. It is also keenly aware that Washington maintains the world's highest military spending, up from \$560 billion in 2015 to a requested \$585 billion in 2016.<sup>3</sup> Washington also routinely accuses Beijing of cyber attacks on government agencies—most recently in June 2015 when both the Office of Personnel Management's systems and corporate computer systems were breached.

Both sides lack strategic trust in trade, despite China being Washington's second largest trade partner (\$592 billion in 2014).<sup>4</sup> A sense of competition is constant. As Washington pushes forward with the Trans-Pacific Partnership, Beijing pursues the Regional Comprehensive Economic Partnership. Each framework tacitly excludes the other country, underscoring the mistrust. Further, the two nations continue to compete for influence in Myanmar, a nascent democracy still threatened by conflict.

Points of tension should not prevent the United States and China from overcoming their challenges, enhancing cooperation, and fostering deeper mutual understanding and strategic trust. The private sectors and nongovernmental organizations on both sides could launch this process by enhancing their own cooperation.

Ultimately, Washington and Beijing need to compartmentalize early on and hope that positivity on some ends—such as cooperation in Myanmar—will spill over to others—such as cyber security and the South China Sea. Both sides will need to commit to greater transparency so that in a moment of crisis, chances are minimal for misunderstanding to lead to a major conflict.

## Domestic Politics

Political interests undermine the bilateral relationship. U.S. hard-liners fear an increasingly powerful China. The military threat is used both to rationalize increasing U.S. defense funding and to counter any Obama administration attempt to constructively engage China. Even the U.S.–China climate change and clean energy cooperation joint announcement was denounced, with Republicans complaining that China would not be required to make changes for sixteen years.<sup>5</sup> Similar hard-line Chinese sentiments are a growing trend. Conspiracy theories or perceived ill-intentions related to U.S. policies abound, and nearly any negative outcome in China's foreign diplomacy is blamed on Washington. The political transition in Myanmar is an example.

To prevent domestic politics from inhibiting constructive cooperation, both the Obama and Xi administrations should devise strategies to manage the impacts of interest groups on the relationship. Such strategies might include more talks to repair damaged cooperative efforts, such as civilian nuclear cooperation (a current point of contention on Capitol Hill), or perhaps to explore Chinese mediation in U.S.–North Korea relations. Another option might be to establish a track II dialogue on the impact of interest groups on the relationship that could generate stronger awareness of the dynamics.

## Willingness

Although Washington is intent on spreading liberal democracy and continuing as a global leader, Beijing demonstrates growing commitment to what President Xi terms “strive to achieve”—a

more active involvement in global governance and international affairs.<sup>6</sup> This policy looks to reshape China's traditional approaches to foreign development assistance, trade, and investment. Washington, on the other hand, is often willing to step within another state's boundaries to confront conflict and fulfill what it sees as its responsibility as a global leader. A willingness gap in the relationship is clear as both countries struggle to adhere to their foreign policy principles in a changing global arena.

Beijing and Washington need to continue to show flexibility in their foreign policy. Extreme applications of principles damage each side and their ability to cooperate constructively. Perhaps it is time for them to change their political narratives and take on their shared role in the international community. The AIIB is one arena for such cooperation. Because its rules and guidelines have yet to be fully defined, the AIIB provides Western states an opportunity to share experiences with China and China an opportunity to integrate its approach to development with those that other states have already developed.

## Capability

The final barriers to cooperation involve capability. China is newer to the field of peace and development, has yet to fully establish the AIIB, and has only recently become a major contributor to UN peacekeeping missions. Meanwhile, the United States can no longer provide the support needed in least developed countries, a gap further handicapped by congressional emphasis on U.S. defense rather than development and humanitarian assistance.

China and the United States can be complementary. China is strong in engineering, construction, and infrastructure, and the United States is strong in developing risk and security guidance—areas where Chinese and Western analysts alike have pointed out key gaps in Chinese approaches. For optimal impact, the two countries need to coordinate their development efforts.

## Conclusion

As security tensions continue to rise in Asia and as China begins launching global initiatives, it is imperative that Washington and Beijing find ways to collaborate. As Beijing academic Wang Jisi recently wrote, both countries risk seeing the emergence of competing global institutions, which may result at best in wasted resources and at worst in deeper conflict and tensions across the developing world.

The AIIB is a possible starting point. Fifty-seven countries signed the bank's charter in June 2015, and the bank has emerged as a global initiative promising to remake the face of global finance. Washington might be well advised to engage with the AIIB. Because the AIIB will target infrastructure and development projects in least developed countries and conflict hotspots, its emerging portfolio is an opportunity for Chinese-U.S. cooperation. Development lending could prove a minimally politically sensitive testing ground.

## Notes

1. Jane Perlez, "Warm Words From China, With a Subtext of Warning," *New York Times*, November 7, 2012, [www.nytimes.com/2012/11/08/world/asia/china-welcomes-obamas-win-but-hopes-for-more-balanced-ties-with-the-us.html?\\_r=0](http://www.nytimes.com/2012/11/08/world/asia/china-welcomes-obamas-win-but-hopes-for-more-balanced-ties-with-the-us.html?_r=0).
2. Richard A. Bitzinger, "China's Double-Digit Defense Growth," *Foreign Affairs*, March 19, 2015, [www.foreignaffairs.com/articles/china/2015-03-19/chinas-double-digit-defense-growth](http://www.foreignaffairs.com/articles/china/2015-03-19/chinas-double-digit-defense-growth).

**ABOUT THIS BRIEF**

In April 2015, the American Friends Service Committee (AFSC) and the United States Institute of Peace (USIP) convened government officials and leading policy analysts from the United States and China to discuss how both countries can jointly support peace and development initiatives. These discussions, implemented collaboratively with the Chinese People's Association for Peace and Disarmament and the China Foundation for Peace and Development, informed this Peace Brief. Maral Noori is a program specialist at USIP. Daniel Jasper is the public education and advocacy coordinator for Asia at the AFSC. Jason Tower is the East Asia Quaker International Affairs representative at the AFSC.

3. Department of Defense, "Fiscal Year 2016 Budget Request," February 2015, [http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2016/FY2016\\_Budget\\_Request\\_Overview\\_Book.pdf](http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2016/FY2016_Budget_Request_Overview_Book.pdf).
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5. Ed O'Keefe, David Nakamura, and Steven Mufson, "GOP Congressional Leaders Denounce U.S.-China Deal on Climate Change," *Washington Post*, November 12, 2014, [www.washingtonpost.com/politics/gop-congressional-leaders-denounce-us-china-deal-on-climate-change/2014/11/12/ff2b84e0-6a8d-11e4-a31c-77759fc1eacc\\_story.html](http://www.washingtonpost.com/politics/gop-congressional-leaders-denounce-us-china-deal-on-climate-change/2014/11/12/ff2b84e0-6a8d-11e4-a31c-77759fc1eacc_story.html).
6. Shortly after taking office, Xi Jinping introduced this term at the conference Diplomatic Work with Neighboring Countries. Chinese experts, such as Wang Yizhou and Xu Jin, interpret this announcement as parting with traditional principles of Chinese foreign relations.



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