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## A NEW MODEL OF GREAT POWER RELATIONSHIP AND CHINA-US COMPETITION IN THE ASIA PACIFIC

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While China's President Xi Jinping has been calling for a new model of great power relationship between China and the US since he came to power, Beijing has been suspicious about the Obama administration's strategic rebalance toward the Asia-Pacific. For China, the US so-called 'pivot to Asia' is nothing less than a policy to contain China's rise. The Asia-Pacific region, therefore, has become a test ground for China and the US to explore the possibility of building a new model of great-power relationship. Is Obama's strategic rebalance undermining the flimsy strategic trust between the two countries and is it possible for China and the United States to build a new model of great-power relationship to help avoid confrontation and conflict?

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## Introduction

### From *Taoguangyanghui* to the New Model of Great Power Relations

Chinese leaders are in essence realists. Their making of Chinese foreign policy often starts from a careful assessment of China's relative power position in the world. For many years after the end of the Cold War, conditioned by China's circumscribed capabilities and constrained geostrategic position, China followed the so-called *taoguang yanghui* policy, i.e. the policy to keep a low profile in international politics and security in favour of concentrating on building up its economy as a source of strength. In relations with the US, China tried "learning to live with the hegemon", adapting policies to the reality of the US dominance in the international system<sup>1</sup>. To find a way of "peaceful coexistence" with the US and other major powers, former Chinese President Hu Jintao proposed a concept of "harmonious world" in which different countries live together peacefully regardless of differences in ideology political and systems<sup>2</sup>. While not denying China's rising power status per se, Chinese leaders were very cautious to hide their great power aspirations. Interestingly, while many Chinese were initially flattered by the G-2 concept recognizing China as a global power, they came to criticize the notion as a potential trap for China that could expose it on the world stage. Former Premier Wen Jiabao rejected the G-2 idea as "not appropriate" and reiterated that "China remains a developing country despite remarkable achievements, its modernization will take a long time and the efforts of several generations"<sup>3</sup>.

Making tremendous strides forward in terms of economic strength, China not only narrowed the gap with the US but also weathered the global slowdown better than many Western countries in the late 2000s. More and more Chinese, therefore, began to see a shift in the global balance of power in China's favour. Chinese policymakers and scholars, therefore, started to debate whether China should abandon the passive "*tiaoguang yanghui*" policy. With the US in financial turmoil and seemingly desperate for cash-rich China to come to its aid, the perception of a troubled US still attempting to contain China's economic and political rise has rendered Chinese leaders even less willing to accommodate US global foreign and security policies.

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<sup>1</sup> JIA QINGGUO, *Learning to Live with the Hegemon: Evolution of China's Policy toward the US since the End of the Cold War*, «Journal of Contemporary China», vol. 14, no. 44, August 2005, p. 395.

<sup>2</sup> LIU JIAFEI, *Sino-US Relations and building a Harmonious World*, «Journal of Contemporary China», vol. 18, no. 60, June 2009, p. 479.

<sup>3</sup> *Wen rejects allegation of China, US monopolizing world affairs in future*, «Xinhua», 21 May 2009.

Although far from a full reversal of what had long been a mixed practice, the centre of gravity in Chinese statements and actions has shifted toward less accommodation of US demands. The Sino-US relationship has become increasingly complicated. In addition to disagreements over many bilateral issues, such as trade, human rights and Taiwan, the suspicions of each other's long-term intentions has come to be at the core of the bilateral relationship. While many Americans are anxious about the implications of China's great power aspiration for the US dominance in the international system, many Chinese are suspicious of the US intention to contain China, destroy its political system, and encircling it with enemies.

Suspicious about the US intentions, Chinese leaders have realized that China is still far away from being able to dislodge American power any time soon. Viewing the first 20 years of the 21st century as a "period of strategic opportunity" to eventually achieve the "Great Revitalization of the Chinese Nation" and the "Chinese Dream", Xi Jinping, upon coming to office, started calling for a dialogue to build a new model of great power relations, which includes three essential features: "no conflict or confrontation", "mutual respect" and "win-win cooperation"<sup>4</sup>. In other words, Beijing promises not to challenge US global dominance while in return urges the US to respect what China refers to as its 'core interests'<sup>5</sup>.

Indeed, a new model of great power relationship has become a central theme in China's foreign policy discourse vis-à-vis the US since President Xi Jinping came to power. The core premise of such a relationship is that China's rise would not be accompanied by the kind of conflicts and wars between rising and incumbent powers. The notion is, however, not completely new. Firstly, peaceful forms of power transition have occurred in history, notably, between the US and Great Britain in the early 20<sup>th</sup> century. Secondly, it is just another facade on the old rhetoric of peaceful co-existence: China and the US could coexist peacefully if they respect each other's core interests and make their strategic aspirations compatible. Thirdly, great power is defined by the traditional realist conception of national power. Although China has talked about a new model of great power relations in a multipolar world which includes and defines its ties with Russia, India, Japan, Brazil and South Africa, these relations don't rise to

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<sup>4</sup>王毅布鲁金斯学会演讲,“中美构建新型关系”(Speech by Foreign Minister Wang Yi at the Brookings Institution, Toward a New Model of Major-Country Relations Between China and the United States), 20 September 2013, [http://news.ifeng.com/mainland/special/wangyifangmei2013/content-2/detail\\_2013\\_09/21/29769744\\_0.shtml](http://news.ifeng.com/mainland/special/wangyifangmei2013/content-2/detail_2013_09/21/29769744_0.shtml). For an English version, see

[http://www.china.org.cn/world/2013-09/21/content\\_30086631.htm](http://www.china.org.cn/world/2013-09/21/content_30086631.htm).

<sup>5</sup> J. CHAN, *China Seeks 'New Type of Great Power Relations'. Beijing will not Challenge US Global Dominance*, «Global Research», 10 June 2013,

<http://www.globalresearch.ca/china-seeks-new-type-of-great-power-relations-china-will-not-challenge-us-global-dominance/5338462>.

the level of the Sino-US relationship. That is why some in the US suggest a new model of the US-China relationship. This relationship is similar to the concept of 'strategic reassurance' suggested by then US Deputy Secretary of State James Steinberg in 2009 during the first year of the Obama administration. 'Strategic reassurance' suggested that while the US is prepared to welcome China's arrival as a prosperous and rising power, China must reassure the rest of the world that its development and growing global role will not come at the expense of security and well-being of others.

### China's Suspicions of President Obama's Strategic Rebalance

Proposing a new model of great power relationship, Beijing was alarmed by President Obama's strategic rebalance toward the Asia-Pacific announced in 2011 and believed that the US rebalancing is part of a concerted strategy of attempting to contain China's economic and political rise. Although President Obama has repeatedly assured Beijing that "We welcome China's peaceful rise and a strong and prosperous China is one that can help bring stability and prosperity to the region and the world", Beijing continues to be concerned that Washington's rebalance is aimed at to sowing discord and fomenting frictions between China and its neighbours as well as increasing US regional leverage to perpetuate a regional future framed by American values and interests<sup>6</sup>.

In the late 1980s, China designed a charm offensive, known as the *mulin zhengce* (good neighbourhood policy) to develop friendly relations with neighbours regardless of their ideological tendencies, political systems and their relations with other powers<sup>7</sup>. China's good neighbourhood policy was welcomed particularly by its neighbours during the period of the George W. Bush administration's single-minded focus on the war against terror and relative inattention to the region. In an article published in 2005, Elizabeth Economy predicted three possible power reconfigurations in the region. The best-case scenario is that China will share leadership with the United States and Japan, helping forge consensus within the region to address its political, security and economic challenges. The second scenario suggests a traditional balancing act, in which Asian countries use China to ignore the US on selective issues, develop alternative approaches to security, political and economic affairs in ways that more directly serve their domestic interests. The worst case scenario is that as China assumes a more dominant role in the region while the US.

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<sup>6</sup> Editorial, *Hillary reinforces US-China mistrust*, «Global Times», 4 September 2012, <http://www.globaltimes.cn/content/730902.shtml>.

<sup>7</sup> TIAN PEIZENG (ed.), *Gaige Kaifang yilai de Zhongguo Waijiao (Chinese Diplomacy since the Reform and Opening up)*, Beijing, Shijie Zhishi Chubanshe, 1993, pp. 6-7.

will be confronted with an Asia less likely to respond favourably to US security initiatives, less dependent on US economic leadership and US-run financial institutions, and potentially less open to endorse the full range of US diplomatic initiatives<sup>8</sup>.

None of the three scenarios, however, came true because China embarked on a new pattern of aggressively asserting its sovereignty claims in the territorial disputes with its neighbours in the wake of the global financial crisis starting in 2008. China's so-called 'core national interests' became an often-used term and appeared more and more frequently in Chinese publications. Chosen obviously with intent to signal the resolve in China's sovereignty and territorial claims that it deems important enough to go to war over, this term is defined as "the bottom-line of national survival" and is-as Chinese scholars and policymakers likewise insist-"essentially non-negotiable in nature"<sup>9</sup>. While China's official statements on the sovereignty and territorial integrity used to refer almost exclusively to Taiwan, Tibet and Xinjiang issues<sup>10</sup>, Chinese leaders in 2009 expanded the 'core interest' issues to include territorial claims in the South and East China Seas.

While the US rebalance is a multi-dimensional endeavour, Beijing is particularly alarmed by the highly visible US military force redeployment to the region. President Obama's announcement in November 2011 of deploying of 2,500 US marines and aircraft on a rotational base to Darwin in northern Australia garnered a lot of attention because the deployment could help the US military to expand its influence on sea lines in the South China Sea. Following the announcement, then US Defense Secretary Leon E. Panetta stated in June 2012 that the US Navy would redeploy its forces from a roughly 50-50 split between the Atlantic and the Pacific to about 60 per cent of the Navy's assets assigned to the Pacific Ocean<sup>11</sup>. In the meantime, the US started to station several new coastal combat ships in Singapore and the Philippines, close to the disputed reefs and islands in the South China Sea. In addition, the US military developed a new military strategy, known as Air-Sea Battle (ASB), to e.g. counterbalance the increasingly formidable China's anti-access/area denial (A2/AD) capacities. Although the ASB concept did not specifically

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<sup>8</sup> E. ECONOMY, *China's Rise in Southeast Asia: Implications for the United States*, «Journal of Contemporary China», vol. 14, no. 44, August 2005, p. 424.

<sup>9</sup> 陈岳 (CHEN YUE), "中国当前外交环境及应对" (*The current international environment and the responses*), 现代国际关系 («Contemporary International Relations»), November 2011, p. 4.

<sup>10</sup> WU XINBO, *Forging Sino-U.S. Partnership in the 21st Century: Opportunities and Challenges*, «Journal of Contemporary China», vol. 21, no. 75, May 2012, p. 393.

<sup>11</sup> Shangri-La Security Dialogue, As Delivered by Secretary of Defense Leon E. Panetta, Shangri-La Hotel, Singapore, Saturday, 2 June 2012, <http://www.defense.gov/speeches/speech.aspx?speechid=1681>.

target China as an adversary, a very concrete part of this concept is aimed at counterbalancing the strategic and military effectiveness of the PLA's asymmetric military capabilities<sup>12</sup>.

China is also concerned about the US involvement in the regional disputes and the renewal of US military bilateral ties with the allies and partners. Wading into the territorial disputes in the South China Sea, former Secretary of State Clinton declared in July 2010 that freedom of navigation, open access to Asia's maritime commons and respect for international law in the South China Sea were in US national interest and offered to help foster multilateral negotiations as a core US diplomatic priority. Attending the East Asia Summit (EAS) for the first time in November 2011, President Obama brought up the contentious issues of South China Sea. China's suspicion has only been enhanced to witness the Obama administration's efforts to intensify America's bilateral security ties with Japan. Beijing was particularly concerned and indeed upset about by the US reconfirmation that the Diaoyu/Senkaku Islands – since 1972 are under the effective administration of the Japanese government – are covered by Article 5 of the US-Japan Treaty of Mutual Cooperation and Security.

### **A Test Ground for a New Model of Great Power Relations**

As the US rebalancing toward Asia has fuelled the perception among some Chinese strategists that the US seeks to engage its Asian allies in a strategy to contain China's rise, the Asia-Pacific region has become a test ground for China and the United States to explore the possibility of building a new model of great-power relationship for the 21st century. While the above-mentioned US rebalance is indeed targeted at China, Washington is arguably not in a position to contain China's rise because containment would be self-defeating due to the following reasons. Firstly, in order to contain the former Soviet Union during the Cold War, the US tried to maintain only minimal economic and social interactions with the Soviet Union. The US is due to economic interdependence not in the position to do the same with China. As Henry Kissinger notes, "The economy of the Soviet Union was weak and did not affect the global economy. China, by contrast, is a dynamic factor in the world economy. It is a principal trading partner of all its neighbours and most of the Western industrial powers, including the United States. A prolonged confrontation between China and the United States would alter the world economy with unsettling consequences for all"<sup>13</sup>.

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<sup>12</sup> US Department of Defense, "Joint Operational Access Concept", 17 January 2012, [http://www.defense.gov/pubs/pdfs/JOAC\\_Jan%202012\\_Signed.pdf](http://www.defense.gov/pubs/pdfs/JOAC_Jan%202012_Signed.pdf).

<sup>13</sup> H.A. KISSINGER, *The Future of U.S.-Chinese Relations: Conflict Is a Choice, Not a Necessity*, «Foreign Affairs», March/April 2012.

The US has become China's largest trading partner, with bilateral trade in 2012 amounting to US\$536 billion (trade between the US and the former Soviet Union never amounted to more than US\$4 billion). Furthermore, China roughly holds \$1.3 trillion in US treasury bonds. Secondly, the US cannot contain China by forging an anti-China coalition in concert with Asian countries because very few East Asian countries are ready to put all their eggs in one basket and are prepared to choose their allegiances between the two potential antagonists. Thirdly, at the juncture of the changing global distribution of power from a short-lived US unipolar dominance to multipolarity due to the rise of China and other non-Western powers, America's competitive position ultimately depends on the health of its domestic political and economic situation. The US has yet to overcome the seemingly intractable political gridlock that prevented meaningful governmental action to sustain its focus on Asia. Due to the budget battle that led to a partial government shutdown in early October 2013, President Obama was forced to cancel the scheduled Asian trip to attend the three most important regional summits: the APEC Leaders Meeting, The East Asia Summit (EAS) and the US-ASEAN Summit. The cancellation was perceived as Washington's inability of sustaining high-level engagement in the region, diminishing US credibility and reinforcing the image of US decline. Furthermore, the above-mentioned rebalance is financially under-resourced and it is yet far from clear whether U.S. can afford the costs of the envisioned forward naval and air deployment in the region in the long-term to make good on its promises of strengthening US presence in East Asia. One observer in Singapore suggests that "the United States' regional commitment in the longer-term is hostage to fiscal realities and to future changes of administration... Like it or not, America's role in the Asia-Pacific is in long-term relative decline"<sup>14</sup>.

When talking about a new model of great power relations, both the US and China insist that the other side has to make substantial changes to its global policy approaches and policies in order to achieve a favourable environment for stable US-China great power relations. While many Americans are concerned that a rising China is becoming increasingly assertive following the example of expansionist policies of old imperialist powers, many Chinese suggest that the creation of this new relationship depends on the United States changing the way it works with and treats China. Chinese Vice Foreign Minister Cui Tiankai, one of most experienced diplomats in dealing with Americans, and his foreign ministry colleague Pang Hanzhao argue that, "China has never done anything to undermine the US core interests and major concerns. In contrast, what the United States has done in matters concerning China's core and important interests and major concerns is unsatisfactory. China is not the maker of these

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<sup>14</sup> T. HUXLEY, *Response to PacNet #35 – US 1, China 0*, «PacNet, #35R», 12 June 2012.

problems, and still less the perpetrator of the harm. Rather, it is a victim on which harm has been imposed”<sup>15</sup>. Another senior Chinese diplomat argues that “the principal barrier to building a new type of great power relationship between China and the US are problems on the US side. The ball is entirely in the US’s court. So long as the US can make efforts in the same direction as China does, there is hope. Otherwise, the same situation ‘you are either with us or against us’ will remain”<sup>16</sup>.

## Conclusions

Although bilateral US-Chinese strategic mistrust seems unavoidable because of the obvious conflicts and potential crisis points between the Washington and Beijing, a significant convergence of strategic interests between these two countries has developed as “power is more equally distributed between them and each needs to cooperate with the other to address problems it deems critical to its own future”, as David Lampton puts it<sup>17</sup>. The concept of the G-2 US-China dual global leadership concept is probably a fantasy, but it is nonetheless an acknowledgement of the central importance of Sino-US relations and the need for these two countries to manage their relations cooperatively.

Regardless of whether Beijing is convinced that the US is willing to accept China as a peer power, China has yet to find a way to maintain a balance of power in the region to prevent unwanted strategic rivalry. Achieving dominance in the region may be an ultimate objective in the long run, but in view of US military presence and influence in the region, it is in Beijing not considered a realistic Chinese objective in the early 21<sup>st</sup> century.

China has benefited immensely from the international system created under the US leadership after WWII even if Beijing may not like some of the rules and wants more influence on how rules are made and implemented. Beijing has also benefited from the regional stability supported by the U.S. military presence over decades although it is worried about the United States becoming more militarily and strategically engaged in the region. As realists, Chinese leaders ultimately have to come to terms with

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<sup>15</sup> 崔天凯, 庞舍兆 (CUI TIANKAI, PANG HANZHAO), “新时期中国外交全局中的中美关系——兼论中美共建新型大国关系”(China-US Relations in China's Overall Diplomacy in the New Era – On China and US Working Together to Build a New-Type Relationship Between Major Countries), 《中国国际战略评论 2012》《China International Strategy Review》2012, [http://news.china.com.cn/txt/2012-07/20/content\\_25969559\\_3.htm](http://news.china.com.cn/txt/2012-07/20/content_25969559_3.htm).

<sup>16</sup> 王嵎生 (WANG YUSHENG), “中美建立新型大国关系可能么?”(Is it possible for China and the US to build a New Type of Great Power Relationship?) 《外交》《Foreign Affairs Journal》, no. 1, 2013, p. 102.

<sup>17</sup> D.M. LAMPTON, *The United States and China in the Age of Obama: Looking Each Other Straight in the Eyes*, 《Journal of Contemporary China》, vol. 18, no. 62, November 2009, p. 727.

the reality that neither the US nor China can be the single power of domination and that maintaining a balance of power is the only way to maintain peace and prosperity in the region. While it is increasingly difficult for the US to maintain the hegemonic role in the region, China still faces immense internal and external challenges on its way to become a truly global political and economic power. As a leading scholar of China-US relations stated, “The true challenge to China is not international and periphery situation but domestic system reform and social ecology”<sup>18</sup>. China is still a fragile rising power due to massive non-performing loans inside the Chinese banking system, enormous amounts of local government debt, rapidly growing income inequality, corruption and environmental challenges, What’s more, China’s demographic trends will make sure that China will be the first country in history to get old before it gets rich.

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<sup>18</sup>袁鹏 (YUAN PENG), 中国真正的挑战在哪里 (*Where are the true Challenges to China*), 人民日报海外版 («People’s Daily, Overseas Edition»), 31 July 2013, [http://news.xinhuanet.com/world/2012-07/31/c\\_112575005.htm](http://news.xinhuanet.com/world/2012-07/31/c_112575005.htm).