China’s rise poses two broad challenges for U.S. foreign policy: how to deter the People’s Republic from destabilizing East Asia and how to encourage it to contribute to multilateral global governance. Although China is not yet a military peer competitor of the United States, it has become powerful enough to challenge U.S. friends and allies in East Asia and to pose serious problems for U.S. forces operating there. And although China is still a developing country with significant domestic problems, it has become an important enough actor that its cooperation is necessary to solve global problems such as nuclear proliferation, climate change, and international financial instability.

At the end of President George W. Bush’s second term, the U.S.-Chinese relationship was heading in the right direction on both fronts. Under President Barack Obama, significant progress has been made on some issues, but the U.S.-Chinese security relationship and the Asia-Pacific region in general are far more tense today than they were at the start of 2009. That is not necessarily the Obama team’s fault, however, because Chinese actions bear much of the blame. China emerged from the global financial crisis cocky on the international stage but insecure at home, a toxic combination that has made managing relations with it even more difficult than usual. With some exceptions, the Obama administration has generally done well under what have been extremely difficult circumstances. The next administration will face the same double challenge and will need to build on its predecessor’s accomplishments and learn from its successes and failures.

**TALK ISN’T CHEAP**

China weathered the financial crisis much better than the United States and other great powers, increasing its confidence in international interactions. But the crisis also worried Chinese elites about the sustainability of a domestic growth model that was so reliant on export markets and large infusions of capital. Since jettisoning communist economic principles in 1978 under Deng Xiaoping, moreover, the Chinese Communist Party has been more reliant than ever on nationalism for legitimacy, and the Western origins of the crisis, together with China’s successful response, led many in China to think that the time had come to stop deferring to others and instead assert Beijing’s interests more forcefully. China is no democracy, but Chinese leaders cannot entirely ignore these voices—particularly when the crisis increased Beijing’s concerns about maintaining economic growth and social stability over the long term and underscored the need for controversial measures to avoid a slowdown. The result is that Beijing has become more assertive in staking its claims in the East China and South China Seas and has reacted more sharply to the assertion of claims by others.

On global governance, a Chinese leadership that feels strong on the international stage but scared at home has been even more reluctant than usual to pay economic and political costs to help stabilize the global economy, mitigate climate change, punish rogue regimes and aggressive states, and pressure nuclear proliferators. Nor does it help that China is persistently asked to contribute more to such efforts by a collection of much wealthier countries, former enemies, and current rivals.

In dealing with these formidable challenges, the Obama administration has a mixed record. It has been particularly effective in bolstering the U.S. diplomatic presence in the Asia-Pacific region and has contained and managed tensions well when they have cropped up. But the administration has also made some notable mistakes, particularly in the areas of rhetoric and public diplomacy. Those errors have rendered China even pricklier and have further reduced the prospects for cooperation with the United States.
During its first term, the administration adopted overly muscular language about “pivoting” back to East Asia as the United States withdrew from the wars in Afghanistan and Iraq. At the most basic level, this was inaccurate—the United States had never left Asia and therefore did not need to pivot back to it. In fact, many of the policies later associated with the so-called pivot—such as sending more submarines to Guam, rotating F-22 aircraft through Japan, sending littoral combat ships to Singapore, entering a free-trade pact with South Korea, and negotiating the Trans-Pacific Partnership—were in the works before Obama took office. But there were some new and positive elements added to the mix. The Obama administration sent top officials to Asia more frequently than its predecessor; improved relations with Burma (also called Myanmar); signed the Treaty of Amity and Cooperation in Southeast Asia, the founding document of the Association of Southeast Asian Nations; joined the East Asia Summit; and saw to it that the EAS and the ASEAN Regional Forum, often dismissed as talk shops, actually addressed important security issues.

Still, none of these laudable diplomatic moves required the exaggerated language about a pivot, which fed into Chinese conspiracy theories about alleged U.S. containment and encirclement. Ironically, the language also created problems with U.S. partners in Asia. They were supposed to be reassured, but because the United States had unwittingly suggested that it could not handle two problems at once, predictably some of them now worry that the United States might pivot away again whenever problems arise in other regions. To its credit, the administration recognized its mistake and dropped the term “pivot,” replacing it with the more benign “rebalance,” but much of the damage had already been done.

This was not the administration’s only linguistic stumble. After a top administration official publicly called for the United States and China to reassure each other in the security realm in September 2009, the administration agreed to a Chinese request for a joint statement during Obama’s trip to China in November of that year. Most of that statement turned out to be a list of unobjectionable common interests and aspirations. But one section of the document seemed both new and ill advised: “The two sides agreed that respecting each other’s core interests is extremely important to ensure steady progress in U.S.-China relations.” Among the items Beijing defines as its core interests are the continued monopoly on power of the Chinese Communist Party and the protection of the country’s territorial integrity and sovereignty. The United States does not take measures to incite political turmoil in China, but Washington still promotes political liberalization and a move away from one-party rule. And although there is nothing wrong in principle with the United States’ respecting China’s territorial integrity, there are important aspects of Beijing’s sovereignty claims over Taiwan; the Diaoyu Islands (known in Japan as the Senkaku Islands); and the islands, rocks, shoals, and waters of the South China Sea with which the United States does not agree. Realizing that invoking “core interests” was a mistake, senior U.S. officials stopped using it after the summit—but Chinese elites have often invoked the term in complaints that Washington has gone back on its word.

The Obama administration’s initial attempts at reassurance backfired by creating false expectations in China that the new administration was going to be much more accommodating than its predecessors. These hopes were dashed when, in early 2010, the Obama administration behaved in a very traditional manner, selling arms to Taiwan, criticizing Beijing for infringing on Internet freedom, and arranging for the president to meet with the Dalai Lama. Because of the earlier positive rhetoric, this continuation of standard policy came as a real disappointment in China, feeding feelings of betrayal and producing domestic demands for a tougher foreign policy.
WAKING UP THE NEIGHBORS

These days, tensions in East Asia are significantly greater than they were in January 2009, and the United States finds itself using military assets on a fairly frequent basis to send signals to Beijing about U.S. interests in the East China and South China Seas. But despite Chinese complaints to the contrary, these tensions were not manufactured in Washington, and at various times, the Obama administration has adopted constructive policies to reduce them.

In 2010, for example, Beijing’s ham-fisted moves managed to alienate most of China’s neighbors. When North Korea attacked South Korea twice, killing South Korean sailors, soldiers, and citizens, Beijing appeared to try to shift the blame to Washington and Seoul and protect Pyongyang from any international consequences. At first, the Obama administration wisely asked China to cooperate on reining in North Korea. But when Beijing demurred, Washington turned to Japan and South Korea to coordinate a reaction to Pyongyang’s belligerence, which ultimately led to enhanced intelligence cooperation among the three countries and U.S.—South Korean exercises in the Yellow Sea. Beijing did not like the tightening alliances that North Korean aggression was creating in its neighborhood, and so it reportedly stepped in to dissuade Pyongyang from carrying out further threatened provocations in December 2010.

Beijing has also acted abrasively toward its neighbors in various sovereignty disputes. At the ASEAN Regional Forum in July 2010, U.S. Secretary of State Hillary Clinton noted that although the United States took no position on the sovereignty disputes in the South China Sea, it expected them to be managed peacefully. She called for the creation of multilateral confidence-building measures and codes of conduct and requested that all the disputants clarify their claims in ways consistent with international law. This constructive and well-formed position was widely supported in Southeast Asia but elicited a bullying diplomatic response from the Chinese foreign minister. Beijing thereby alienated China’s southern neighbors and made them all the more willing to cooperate with the United States and with one another in ways that might have long-term payoffs for U.S. interests in the region.

Chinese-Japanese relations, meanwhile, grew tense after Japanese authorities arrested the captain of a Chinese fishing boat near the Diaoyu/Senkaku Islands in September 2010. To temper China’s reaction, the United States reiterated its long-standing policy toward the islands: it takes no position on their underlying sovereignty but recognizes Japan’s administrative control, and so Article 5 of the U.S.-Japanese defense treaty applies there. The message was clear: China should be careful about how far it goes in coercing Japan to engage in negotiations. A couple of years later, China reacted harshly once again, this time to the purchase of some of the islands by the Japanese central government from a private Japanese family. Anti-Japanese protests and riots broke out in China, and Beijing lashed out diplomatically at the alleged “nationalization” of the islands. Beijing increased its activities in the sea and air around the islands and eventually declared an air defense identification zone in the East China Sea that covered the disputed area. The sudden, clumsy, and provocative rollout of the zone was criticized by the United States and other countries in the region, and Washington dispatched B-52 bombers to the area to underscore its continued freedom of navigation there. The tensions between China and Japan in the East China Sea were useful in Washington’s effort to urge Tokyo to assume a larger role in its alliance with the United States. But the Obama administration also reportedly tried to keep Japan from escalating matters further. This carefully calibrated set of responses has not resolved the dispute, but it has kept the situation from boiling
over and made it more tractable. Today, China and Japan seem to be following an agreed-on protocol of patterned patrols around the islands, and tensions seem more manageable.

Elsewhere in the region, as in its dealings with the Philippines over the Scarborough Shoal, Beijing has exploited provocations by others to attempt to legitimize Chinese efforts to consolidate control over territory that China has long claimed but not administered. At other times, as in its 2012 announcement of a new administrative unit covering the mostly uninhabited Paracel and Spratly Islands and the Macclesfield Bank, China has acted assertively even without any clear provocation.

Recently, China has triggered worries throughout the region by pursuing large-scale land reclamation and infrastructure projects on disputed reefs, leading U.S. Secretary of Defense Ashton Carter to castigate Beijing at the May 2015 Shangri-La Dialogue, an international security forum held annually in Singapore. The Obama administration is generally correct to criticize provocative Chinese behavior and consistently assert the international community’s freedom of navigation in the East China and South China Seas. And it is smart to respond to controversial Chinese moves by reenergizing its regional alliances, strengthening partnerships with nonallies, and helping its local partners develop capabilities to monitor and counter Chinese assertiveness. Such a course does not immediately solve the region’s problems, but it might eventually help Beijing recognize the benefits—to everybody—of returning to a less aggressive, more reassuring course, like the one it followed for most of the first decade of the new millennium.

ALL TOGETHER NOW
When it comes to eliciting Chinese cooperation on global governance issues, such as nonproliferation, intervention in regional and civil conflicts, and climate change, the Obama administration’s record is mixed.

On nuclear proliferation, there have been nothing but setbacks in getting China to help halt North Korea’s development of nuclear weapons and delivery systems but more progress on easing Iran toward a negotiated pause of its nuclear program. China has signed on to relevant UN resolutions against both countries, albeit only after working to water them down. More important, it continues to provide an economic lifeline to Pyongyang and Tehran.

Chinese President Xi Jinping seems to have warmer relations with South Korea than North Korea and has downgraded China’s traditionally special relations with Pyongyang. This is a welcome development, especially after the government of his predecessor, Hu Jintao, sidled up to Pyongyang even when it was attacking South Korea. Yet China trades and invests more in North Korea today than it did in 2008, providing enough support to make U.S. and allied sanctions lose their bite. Beijing and Washington worked closely together on North Korean denuclearization in the six-party talks, particularly from 2006 to 2008, but those talks broke down in the last year of the Bush administration and have not been revived since. After three years of not talking, the Obama team concluded that that approach wasn’t working either, and so in the “Leap Day” arms control agreement of February 2012, the administration made a generous offer to restart negotiations. This was quickly scuttled by North Korea’s use of ballistic missile technology in a satellite launch, but the administration deserves some credit for pursuing a good-faith effort and thereby making clear to all reasonable observers where the true roadblock lies.

International pressure on Iran’s economy has increased sharply during the Obama years. Not wanting to get entangled in U.S. or European domestic sanctions laws that target third parties as well
as the target in question, Chinese energy firms reduced purchases from Iran in 2012 and 2013. But Beijing views such laws as illegitimate and seemed to be searching for opportunities to do business with Iran despite them. And Beijing sharply increased its energy purchases once the thaw between Tehran and Washington began in late 2013. China was the only member of the P5+1 talks (which also included France, Russia, the United Kingdom, the United States, and Germany) that was both a net energy importer and willing to have normal economic relations with Tehran in the absence of a full nuclear agreement. The motivation for its ramped-up deals with Iran was probably largely economic, but its increased energy purchases during the negotiation process nevertheless reduced pressure on the Islamic Republic to accept the kind of permanent and fully verifiable nuclear deal preferred by U.S. and European negotiators.

As for interventions in regional and civil conflicts, at the end of the Bush years, China seemed to be slightly softening its traditional opposition to interference in the internal affairs of other countries. In 2006 and 2007, it began pressuring Khartoum to accept a UN peacekeeping plan for Darfur and then contributed the first non-African peacekeepers to that effort. In late 2008, China agreed to join a multilateral naval operation in the Gulf of Aden to fight piracy, which allowed for hot pursuit into Somali territorial waters. It seemed that Beijing might be warming up to the idea of becoming, in the words of former U.S. Deputy Secretary of State Robert Zoellick, a “responsible stakeholder” in the international system from which it was benefiting so greatly.

This trend continued into the Obama administration, when Beijing shocked practically everyone by voting in the UN Security Council in early 2011 to refer Muammar al-Qaddafi’s regime in Libya to the International Criminal Court for its brutal suppression of a rebellion during the Arab Spring. The Obama administration and the Europeans had wisely rallied support in the African Union and the Arab League for the referral before approaching China, and Beijing appeared reluctant to alienate so many fellow postcolonial nationalists by opposing the resolution. From that peak, however, things went swiftly downhill. When the NATO allies increased pressure on Libya by proposing UN-sponsored military action to protect the population of Benghazi, China abstained in the UN vote. When NATO air forces then exceeded the UN mandate by throwing their full support to the Libyan opposition, resulting in Qaddafi’s ultimate capture and killing, China felt betrayed by the UN process. Beijing subsequently joined Moscow in actively opposing U.S. and European efforts to move against the Assad regime in Syria. Later, in Ukraine, China focused more on foreign support for the Euromaidan revolution in Kiev than on the Russian intervention, and China opposed sanctions against Russia after its annexation of Crimea.

In short, any time the Obama administration has seemed to embrace a policy of regime change as heartily as the first-term Bush administration did, China has stopped supporting multilateral responses to regional and civil conflicts and pulled back to its earlier aloofness. This shift has fed back into China’s nonproliferation policy as well. Chinese elites now argue that it is natural for the Kim regime to want to avoid the fate of Qaddafi, who had given up his nuclear weapons program several years before his demise. So they deflect criticism that Beijing has not pressured North Korea sufficiently by emphasizing the failure of the United States and its allies to provide sufficient security assurances to Pyongyang.

Climate change, in contrast, represents a major bright spot in the U.S.-Chinese relationship. At the 2014 Asia-Pacific Economic Cooperation summit, Obama and Xi reached what might prove to be a historic agreement on greenhouse gas emissions. China committed itself to reaching peak carbon emissions by around 2030 and pledged to generate 20 percent of its future electricity from
noncarbon sources. The United States, in turn, pledged to cut its total greenhouse gas emissions by 26 percent by 2025 from a 2005 baseline. These pledges from the two biggest emitters of greenhouse gases are essential to creating momentum for the 2015 UN Climate Change Conference, to be held in Paris at the end of the year. And no matter how disappointingly late the target date for Chinese commitments might seem to environmental activists, getting any numerical commitment from China was a tough slog for U.S. negotiators and represents a major accomplishment for American diplomacy. At the 2009 Copenhagen Climate Change Conference, after all, China had rallied emerging economies and developing countries against any such constraints, and its economy is large enough that its free-riding would scuttle any global deal.

LESSONS LEARNED
The Obama administration can also point to progress on various smaller issues in the U.S. relationship with China, from improved military-to-military ties, to meaningful dialogues on how to avoid incidents at sea, to the groundwork for an eventual bilateral investment treaty, to more easily secured visas for business travel and tourism. But it is the broader challenges posed by China’s rise—and the Obama administration’s successes and failures in addressing those challenges—that provide some lessons for future policy.

In order to bolster regional security and dissuade China from settling its disputes through coercion, the United States needs to maintain a robust presence in Asia and build stronger military, diplomatic, and economic ties with allies and other regional partners, even as it avoids overly dramatic actions and rhetoric that might suggest that its efforts are designed to contain China. When trying to gain Chinese support for multilateral global governance initiatives on proliferation or regional and civil conflicts, Washington should focus not on regime change but on the proscribed behavior of the states in question. When possible, it should gain support from regional organizations before approaching China in such endeavors (as the Obama administration did in regard to Libya). On climate change, meanwhile, Washington should try to get Beijing to mitigate its greenhouse gas emissions by leveraging Chinese leaders’ concerns about related domestic problems, such as low-altitude urban smog.

The starting point for the United States’ China policy needs to be a recognition that the People’s Republic has become a great power with a large dose of nationalist pride but remains a developing country with enormous domestic challenges and insecurities. The financial crisis of 2008 exacerbated both these contradictory realities, making dealings with Beijing even trickier than before. But future conflict is hardly a certainty, and the odds of it can be reduced by a combination of U.S. strength and diplomatic awareness of the likely limits of Beijing’s willingness to cooperate with the United States and its allies in East Asia and beyond.

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