

# US Strategy toward China: Engaging, Binding and Balancing

By Bonnie S. Glaser

Senior Adviser for Asia and Director, China Power Project  
Center for Strategic and International Studies

NIDS International Security Seminar  
March 2016

The US-China relationship is widely regarded as one of the most complex and consequential bilateral relationships in the world. It has become a cliché to describe US-China relations as a complicated mix of cooperation and competition. What is often underappreciated, however, is that the cooperative and competitive dynamics of the bilateral relationship are intensifying, resulting in both growing opportunities and challenges. In the cooperative realm, there is recognition in Washington and Beijing that many of the most significant regional and global problems—nonproliferation, climate change, and global economic growth, for example—cannot be solved without US-Chinese cooperation. At the same time, however, there is sharp competition for influence, especially in the Asia-Pacific, as well as increased friction over security issues such as cyber and freedom of navigation which are rooted in deeper differences over international rules and norms.

The task for US policymakers, therefore, is to formulate and execute a strategy that realizes the potential for cooperation in areas where American and Chinese interests sufficiently overlap, while at the same time managing competitive impulses so that they do not inhibit cooperation, military conflict is avoided, and China is dissuaded from harming US interests and broader peace and stability. To achieve these objectives, the US is pursuing a strategy of engaging, binding, and balancing.<sup>1</sup>

## Assumptions Underlying US Strategy

There are several key assumptions behind the current US approach towards China that are essential to understanding US strategy and assessing its efficacy. These assumptions include:

1. *Military conflict between the US and China can be avoided.* US policymakers do not accept the argument made by offensive realists such as Professor John Mearshimer that conflict is inevitable between a rising power and an established power. When she was secretary of state, Hillary Clinton acknowledged that “history teaches that the rise of new powers often ushers in periods of conflict and uncertainty,” but she insisted that zero-sum 19<sup>th</sup> century theories of how major powers interact should not be applied to the 21<sup>st</sup> century.<sup>2</sup> Presidents Obama and Xi Jinping have rejected the so-called “Thucydides Trap” in which Sparta’s fear of the rise of Athens led to war. When the US and Chinese leaders met at Sunnylands, they agreed that conflict was not preordained between their two nations

---

<sup>1</sup> Evan Medeiros, “Strategic Hedging and the Future of Asia-Pacific Stability,” *The Washington Quarterly*, Winter 2005-06, 29:1 p. 147.

<sup>2</sup> Remarks by Hillary Rodham Clinton, the Inaugural Richard C. Holbrooke Lecture on a Broad Vision of U.S.-China Relations in the 21<sup>st</sup> Century, January 14, 2011, <http://still4hill.com/2011/01/14/video-secretary-clintons-inaugural-richard-c-holbrooke-lecture/>.

and that they would work together to make sure that rivalry didn't become inevitable.<sup>3</sup> In fact, since the Nixon Administration, US strategy towards China has been predicated on the assumption that if the bilateral relationship is properly managed conflict can be averted.

Avoiding US-China rivalry is also seen as vital to American interests. No nation in the world, especially along China's periphery, wants to be drawn into a Cold War-like antagonistic confrontation between the US and China. If forced to choose, small countries located in close geographical proximity to China might conclude they have to bandwagon with Beijing. US policies that produce such an outcome would be an abject failure.

2. *The US can influence China's policy choices.* Obama administration officials frequently refer to their efforts to influence Chinese decision making by "shaping China's choices." For example, Jeff Bader, senior director for East Asia at the National Security Council in President Obama's first term, wrote that the US was committed to shaping the choices of emerging powers like China through US diplomacy and deployments.<sup>4</sup> His successor, Evan Medeiros, was instrumental in designing a strategy that "shaped China's choices as a rising power."<sup>5</sup> While there is general agreement that the US can influence Chinese policy making, there are differences over what is the right mix of incentives and disincentives to achieve the desired objective in each case. Some experts argue that accommodating Chinese interests in some areas will elicit greater cooperation on issues of vital importance to the United States.<sup>6</sup> Other experts contend that the US should shape China's choices by enhancing its military capabilities and strengthening its alliances.<sup>7</sup>
3. *The challenges that China poses are more wide-ranging than in the past.* The fact that China's policies and behavior present a challenge to US interests is not new, but the nature of the challenge has evolved. Up until 2009-2010, Chinese policies and behavior that the US deemed objectionable were mostly on a small number of distinct issues. For example, in the economic sphere, China's lack of protection of intellectual property and the extension of most favored nation (MFN) trade status were the dominant problems in the US-China economic relationship during Bill Clinton's administration. Today, there are numerous areas of economic friction. On issues pertaining to foreign policy, the US and China no longer focus on a few specific country or functional issues as they did in the past. China's efforts to revise the international order in ways that are aimed at advancing its interests and diluting traditional Western interests are increasingly apparent.
4. *China's future is uncertain and scenarios of "success" and "failure" pose different, but potentially serious challenges.* If China implements the economic reforms set out at the Third Plenum in 2013, it may be able to sustain a relatively high level of economic growth and continue to build a strong

---

<sup>3</sup> "Exclusive interview with Evan Medeiros of US National Security Council," CCTV 27 Feb 2015.

<sup>4</sup> Jeff Bader, *Obama and China's Rise: An Insider's Account of America's Asia Strategy*, The Brookings Institution, 2012, p. 6.

<sup>5</sup> David Nakamura, "Top White House adviser on Asia policy is stepping down," *Washington Post*, June 4, 2015, <https://www.washingtonpost.com/news/post-politics/wp/2015/06/04/top-white-house-adviser-on-asia-policy-is-stepping-down/>.

<sup>6</sup> See, for example, Michael Swaine, *America's Challenge: Engaging a Rising China in the Twenty-First Century*, Carnegie Endowment for International Peace, 2011.

<sup>7</sup> See, for example, Aaron Friedberg. *A Contest for Supremacy: China, America, and the Struggle for Mastery in Asia*. New York: WW Norton & Co, 2011, 274 and Tom Christensen, *The China Challenge: Shaping the Choices of a Rising Power*, W.W. Norton & Company, 2015.

military. This pathway could produce a China that is able to contribute more substantially than ever before to solving regional and global problems as a responsible stakeholder or it could enable China to push forward a nationalist and revisionist agenda. A weak and internally preoccupied China could pose a different set of problems, including domestic instability that spills over Chinese borders and possible attempts to stoke nationalism and use geopolitical adventurism to forge popular unity. Both of these scenarios could present challenges to American interests.

### **Engaging, Binding, and Balancing**

To manage an increasingly complex relationship with China, the United States has developed a multifaceted strategy that includes engaging, binding, and balancing. The relative mix of these elements changes over time as needed in response to Chinese behavior and other variables such as unforeseen developments in the international situation. Deciding when and how to apply these three approaches is a constant challenge for US policy makers.

Engagement has been a key component of US strategy toward China since President Nixon's opening to China in 1972. Then and now, communication between the highest level leaders remains the most important channel of engagement. Regular face-to-face meetings, phone calls, and letters provide important opportunities to advance a common agenda as well as mitigate tensions as they arise. Since Xi Jinping came to power in late 2012, the Obama administration has attached priority to creating occasions for informal discussions between US and Chinese presidents. The first such meeting was held in June 2013 at the former Annenberg Estate in California. The second was held in November 2014 at Yingtai in the Zhongnanhai leadership compound in Beijing. The third meeting took place at Blair House as Xi Jinping began his official state visit to Washington DC. Direct and regular high-level communication between US and Chinese leaders led to enhanced cooperation on climate change. Presidential interaction has also enabled both sides to convey their most pressing concerns. For the US, this has included cyber-enabled theft of intellectual property and trade secrets as well as Chinese activities in the East and South China Seas.

Combining and upgrading the Senior Dialogue and the Strategic Economic Dialogue to form the US-China Strategic and Economic Dialogue was part of a concerted US effort to establish a smooth and effective bilateral communication channel between high-level representatives of the US and Chinese leaders. Preparation for annual meetings provide an impetus for advancing cooperation on a broad range of concrete issues. New dialogue mechanisms were also created that serve as platforms for discussing especially contentious issues. The Strategic Security Dialogue brings together senior civilian and military officials to talk about cyber, outer space, missile defense, and nuclear policy. Separate Asia-Pacific dialogues between the US State Department and Chinese foreign ministry, and between US and Chinese defense officials fill a gap by providing dedicated mechanisms to discuss the region that is the source of some of the most intense bilateral competition and friction.

Although an important component of US policy, engagement is a means, not an end in itself. The main purpose of engagement is to influence and shape Chinese policies, with a major goal being the complete integration of China into the liberal international order. Much progress was made toward that objective in the last two decades of the 20<sup>th</sup> century and the first few years of the 21<sup>st</sup> century as China became a party to global treaties such as the Non-Proliferation Treaty, the Chemical Weapons Convention, and the Outer Space Treaty, and joined key multilateral groups such as the World Trade Organization.

However, the process of China's recognition of its growing stake in and acceptance to varying degrees of prevailing international rules, norms and structures has slowed and even experienced a setback.

There is growing evidence that China is dissatisfied with aspects of the international order and is attempting to revise it in areas where it has sufficient clout. Examples include the establishment of the Asian Infrastructure Investment Bank (AIIB); the inclusion of the Chinese yuan in the IMF's Strategic Drawing Rights (SDR) and promoting the internationalization of the yuan; Chinese efforts, along with Russia, to influence internet governance in ways that increase the role of governments; and China's joint submission at the UN with Russia of an updated draft international treaty on banning the deployment of weapons in outer space.<sup>8</sup> In response, the US has redoubled its attempts to integrate China further into the existing international system of norms, rules, and institutions and to shape its evolving interests through bilateral and multilateral engagement.

There is an ongoing debate about the extent to which international rules and norms should be revised to accommodate Chinese interests. The Obama administration did not oppose increasing China's voting shares in the World Bank and the IMF, but had concerns about Beijing's establishment of the AIIB. The US is also worried about Chinese maritime behavior and domestic laws that are in violation of the UN Convention on the Law of the Sea (UNCLOS). Tethering China more tightly to the prevailing international order is likely to be more difficult in the coming years and will require more coordination among like-minded, democratic countries. Related to this challenge is the effort to persuade China to more actively contribute to strengthening the international order, for example, by pressuring North Korea to give up its nuclear weapons and by reducing China's CO2 emissions.

The third component of US strategy is security balancing against Chinese policies and behaviors that threaten to undermine the interests of the United States, its allies, and the liberal international order. Although some experts advocate security balancing by creating NATO-like adversarial alliances and isolating China economically with the goal of containing China's rise<sup>9</sup>, this is not the strategy of the United States today. Rather, the US employs security balancing to create an environment in the Asia-Pacific that will influence China's policy choices so it eschews destabilizing and coercive behavior. Seeking to prevent China's continued accretion of power is not feasible; the US could not contain China's rise alone. Nor is containment desirable, since it would turn China into an enemy, which is an outcome the US seeks to avoid.<sup>10</sup> President Obama has welcomed the rise of a China that is "stable, prosperous and peaceful."<sup>11</sup>

The rebalance to Asia is a core element of the US security balancing strategy. It entails building a force posture that in peacetime enables the US military to build partner capacity, cooperate on common challenges such as humanitarian assistance, and conduct joint and combined training and exercises to

---

<sup>8</sup> Kieren McCarthy, "China and Russia start again with this UN internet takeover bull\*\*\*," *The Register*, February 4, 2015, [http://www.theregister.co.uk/2015/02/04/un\\_china\\_russia\\_internet/](http://www.theregister.co.uk/2015/02/04/un_china_russia_internet/).

<sup>9</sup> See, for example, John J. Mearshimer, "Can China Rise Peacefully," *The National Interest*, October 25, 2014, <http://nationalinterest.org/commentary/can-china-rise-peacefully-10204> and Robert D. Blackwill and Ashley J. Tellis, *Revising U.S. Grand Strategy Toward China*, Council on Foreign Relations, April 2015, <http://www.cfr.org/china/revising-us-grand-strategy-toward-china/p36371>.

<sup>10</sup> When Joseph Nye was assistant secretary of defense for international security, he warned "If you treat China as an enemy, then you will have an enemy," Elaine Sciolino, "In Warning to U.S., China Cracks Down on 2 Dissidents," *New York Times*, June 29, 1995. <http://www.nytimes.com/1995/06/29/world/in-warning-to-us-china-cracks-down-on-2-dissidents.html>.

<sup>11</sup> Matt Spetalnick and Michael Martina, "President Obama Welcomes Chinese President Xi Jinping at the White House," *Huffpost Politics*, September 25, 2015, [http://www.huffingtonpost.com/entry/obama-xi-jinping\\_us\\_560548eae4b0af3706dbd8dd](http://www.huffingtonpost.com/entry/obama-xi-jinping_us_560548eae4b0af3706dbd8dd).

enhance interoperability, and in wartime can prevail and achieve US objectives.<sup>12</sup> A top priority is strengthening US alliances as well as bolstering ally and partner capacity to manage security challenges. The rebalance policy is not aimed at containing China. As Secretary of Defense Carter has explained, it seeks to create space for China to contribute to peace and prosperity throughout the region while deterring Chinese aggression or coercion and defending US interests.<sup>13</sup>

Security balancing is evident in the South China Sea where the US is trying to persuade China to halt its land reclamation, construction, and militarization of reefs in the Spratlys. The US, Japan, and South Korea are providing assistance to the Philippines to improve its maritime domain awareness capability and deter Chinese coercion. The Japanese Maritime Self-Defense Force and the US Navy held their first ever joint naval exercise in the South China Sea in October 2015. The exercise took place just days after the US staged the first freedom of navigation operation within 12 nautical miles of a Chinese artificial islands. The US has carried out operations using its P-8 spy plane from bases in Japan, the Philippines, and Malaysia, and will soon operate out of Singapore. In the wake of the finding of the Philippines Supreme Court that the Enhanced Defense Cooperation Agreement (EDCA) is constitutional, the US is likely to gain access to the use of eight bases, including air and naval facilities on the southwestern island of Palawan, which faces the South China Sea.

It is too early to assess whether the US strategy of engaging, binding, and balancing will successfully influence China's policy choices so that Beijing opts to desist from coercing its neighbors, abide by international laws and norms, and refrain from pressing a revisionist agenda aimed at altering fundamentally the international order. Shaping China's rise is likely to be a long term and difficult process, that will be affected by many changing variables, including the future development of the US and Chinese economies.

### **American Attitudes toward China and the Presidential Election**

One factor that will influence US policy approaches to China in the coming years is American attitudes toward China. A 2015 Pew Research Center survey found that Americans' negative views of China are quite strong. Roughly half of Americans say that China's emergence as a world power is a major threat to their well-being. Negative sentiment toward China stands at 54% and has exceeded 50% in each of the last three years. This is especially significant considering that a decade ago, in 2006, only 26% of Americans had an unfavorable opinion of China. Even though Asia is geographically far away from the US homeland, Americans are worried about tensions that could escalate. About seven in ten Americans express concern about territorial disputes between China and its neighbors.<sup>14</sup>

The primary source of American worries about China can be traced to concerns about China's growing economy and the challenge that it poses to American interests. Two-thirds of Americans believe that the large amount of US debt held by Beijing is a very serious problem for the US. Six in ten Americans think the loss of US jobs to China is a major concern. And approximately half of Americans

---

<sup>12</sup> *Asia-Pacific Rebalance 2025: Capabilities, Presence and Partnerships*, CSIS/Rowman & Littlefield, January 2016.

<sup>13</sup> Ashton Carter, "Remarks on the Next Phase of the U.S. Rebalance to the Asia-Pacific" (speech, McCain Institute, Arizona State University, Tempe, AZ, April 6, 2015), <http://www.defense.gov/News/Speeches/Speech-View/Article/606660>.

<sup>14</sup> Bruce Stokes, "American Fear of China Weighs on US Election," Nikkei Asian Review, January 29, 2016, <http://asia.nikkei.com/Viewpoints/Viewpoints/American-fear-of-China-weighs-on-US-election>.

believe that the US trade deficit with China is also a big problem. Another issue that Americans are concerned about is cyber security. Fifty-four per cent say that cyberattacks pose a very serious problem for the United States.<sup>15</sup> For Americans who pay attention to foreign policy and security issues, China's unwillingness to pressure North Korea to give up its nuclear weapons and its assertive behavior in the East and South China Seas are also worrisome.

These hardening attitudes toward China suggest that Americans favor tougher policies toward China. Several of the presidential candidates have pledged to pursue a harsher stance if elected. Donald Trump, who as of this writing leads the national polls for the GOP nomination, has said that America lost between four and seven million jobs in 2015 because of China. He has criticized China for being an unfair trader and called for a 45% tariff on Chinese imports as retaliation. Ted Cruz, who is currently close behind Trump in the polls, has accused President Obama of not protecting American workers, citing the example of Chinese regulatory barriers that hamper American companies from selling their products in the Chinese market. Hillary Clinton, the frontrunner for the Democrats, has condemned China's cyber-enabled theft of commercial secrets and government information. The other leading Democratic contender, Bernie Sanders, has said that while he wants Chinese to have a higher standard of living, this should not take place at the expense of the American worker.<sup>16</sup> Most of the leading presidential contenders have harshly criticized China's failure to use its leverage over North Korea and advocated pressuring China to do so.<sup>17</sup>

Regardless of who is elected the next president of the United States, US policy toward China is likely to get tougher on specific issues where China is judged to be posing a challenge to American interests. These are likely to include the South China Sea, cyber theft and cyber security, China's evolving anti-access and area-denial military capabilities, and possibly Taiwan. At the same time, however, the US is likely to seek Chinese cooperation on a growing number of global problems, including climate change, nonproliferation, and global development challenges. The bilateral relationship, therefore, can be expected to continue to be mix of cooperation and competition.

It remains to be seen whether the US and China will seek to agree on a new, mutually acceptable label for the relationship under a new US president. After flirting with Xi Jinping's concept of a new type of major power relationship for several years, President Obama has opted to stop using it, preferring instead to talk about a relationship in which the US and China cooperate where their interests overlap and work to narrow their differences where their interests diverge<sup>18</sup>. Although Xi Jinping insists on continuing to describe bilateral ties as a new type of major power relationship, Washington has concluded that the formulation is an attempt to compel the US to accommodate China's "core interests" as it defines them. It is highly unlikely that Obama's successor will accept this formulation. Although both sides could have agreed that their countries should avoid conflict and confrontation—which Xi Jinping proposed when he visited the US as vice president in February 2012—it is likely impossible for the US and China to return to that formulation.

---

<sup>15</sup> Ibid.

<sup>16</sup> "Asia Matters for America: Key Asia Issues in the 2016 Campaign," East-West Center, <http://www.asiamattersforamerica.org/asia/key-asia-issues-in-the-2016-campaign#ChinaandTaiwan>.

<sup>17</sup> Dan Drezner, "Let's dispense with the fiction that china will solve the North Korea problem," *The Washington Post*, February 11, 2016, <https://www.washingtonpost.com/posteverything/wp/2016/02/11/lets-dispense-with-the-fiction-that-china-will-solve-the-north-korea-problem/>.

<sup>18</sup> "Remarks by President Obama and President Xi Jinping in Joint Press Conference," The White House, November 12, 2014, <https://www.whitehouse.gov/the-press-office/2014/11/12/remarks-president-obama-and-president-xi-jinping-joint-press-conference>.

When Obama came to power in 2009, his strategy toward the Asia-Pacific region centered on an effort to forge a close partnership with China to address global challenges that could be solved more effectively with Beijing's help. The strategy attached priority to the US relationship with China in the belief that if US-China ties were successful, other relationships in the region could be more easily managed. This strategy failed, however. In the first year of Obama's presidency, decisions to postpone irritants to China such as arms sales to Taiwan and visits to the White House by the Dalai Lama were not reciprocated by Beijing with friendly gestures. Instead, President Obama had a disappointing state visit to China in November that year, and Beijing undermined the Copenhagen climate change summit.<sup>19</sup> In the second year of Obama's first term, he shifted to a different approach to Asia, one that prioritized getting relations right with US allies and partners, and embedding China policy within a larger Asia-wide framework. That "outside-in" approach remained the mainstay of US policy for the rest of Obama's presidency and underpinned the rebalance to Asia. Faced with increasingly difficult challenges from China, US presidents for years to come are unlikely to deviate from this approach. Various combinations of engagement, binding, and balancing are likely to be employed as the US attempts to shape China's choices and persuade it to become a responsible stakeholder of the liberal Western international order.

---

<sup>19</sup> Mark Lynas, "How do I know China wrecked the Copenhagen deal? I was in the room," *The Guardian*, December 22, 2009, <http://www.theguardian.com/environment/2009/dec/22/copenhagen-climate-change-mark-lynas>.