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A Grand Game: Sino-American Relations in the 21st Century

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American foreign policy has been trapped in conflicts in the Middle East for a decade and a half, marred in the quagmire that has been the so-called War on Terror. Yet, even as US soldiers have fought and died in the name of liberty, the greatest existential threat to the US since the end of the Cold War is going unnoticed. This threat is not as readily apparent as a suicide bomber and in the words of Robert Kaplan, “There is nothing romantic about this new front line” (Kaplan, 2014, p.15), but the threat is no less real for its lack of emotional appeal. The impending conflict comes as little surprise to Asia analysts, but the world is just now waking up to its seriousness and gravity. What is this quietly brewing geopolitical conflict? It is nothing more and nothing less than the rise of China, a great power in the making with the potential to alter the existing, and perhaps faltering, American world order. This paper does not intend to serve as a dire warning or a pessimistic tale of US demise, but rather seeks to bring to light the current situation and highlight some potential methods of resolving the coming great power conflict without resorting to yet another US war. The primary focus of this paper is on the dilemma the international community faces in the South China Sea, a vitally important region that finds itself at the heart of potential Asian conflict.

In this analysis of China’s rise, three main perspectives will be discussed and compared. The first is a macro-level overview of the situation in the South China Sea from several international relations theory viewpoints. Secondly, the situation will be examined from a standpoint that takes into account the national objectives, culture, and history of some of the major players in the South and East China Seas. Third, Chinese foreign policy aspirations and
goals will be looked at through the lens of a Chinese hawk. The combination of all three analytic perspectives allows for a more comprehensive view of the potential crisis.

Background

Before examining future scenarios further, it is informative to take a glance at the past. How did the international community come to this point in East and Southeast Asia? The reality is that, at least for the US, other foreign policy issues overshadowed China’s growth and development over the last half century. While the loss of China to Communism in 1949 was certainly a major blow to the Truman administration, the Soviet Union was still seen, and for good reason, as the primary threat to US national security. In fact, US policy toward Asia during the Cold War was seen through a black and white Cold War lens. Events in Asia were seen as being driven not by the independent interests of nations such as North Korea or Vietnam, but rather by a grand Soviet plan to overthrow American influence in Asia.

China was seen not as an independent rising great power during the Cold War, but as a tool for defeating the Soviet Union. While it is true that Henry Kissinger saw China’s potential, the détente he forged with Mao was as much an attempt to normalize relations for the sake of global harmony as it was an attempt to shepherd in an end to the Vietnam War. Likewise, China sought to improve relations with the US in order to gain world recognition of the new People’s Republic (Holslag 2015). Mao also genuinely agreed with Kissinger when it came to allying against Stalin (Brands, 2014). Despite the myriad political differences between the US and China, enough mutual interests existed for cooperation. Yet, it is clear that selfish interests were the main impetus for dialogue, not forging world peace.
Notwithstanding the brief cooperation under the Nixon administration, US-China relations have always been kept tense by the issue of Taiwan. Taiwan has kept US policy toward the Middle Kingdom inconsistent and muddled. The US approach to the issue of Taiwan was, and still is, one of riding the fence. On the one hand, the Truman administration decided that when China fell to Mao, it could not suffer another defeat in Asia, a policy that led to US involvement in Korea. However, Truman also did not give in to hawks who wanted to support Chiang Kai-Shek’s regime until the bitter end (Brands, 2014). US policy also shifted back and forth between hoping to form a wedge between Stalin and Mao, a wedge which was in many ways already established, and treating both Communist regimes as hostile.

Deng Xiaoping was instrumental in changing the face of US-China relations. While the following quote from Deng was in reference to Japanese territorial disputes with China, it highlights China’s view toward foreign policy during the détente years: “Our generation is not wise enough to find a common language on this question. Our next generation will certainly be wiser” (Holslag, 2015, p. 56). Jonathan Holslag in his book *China’s Coming War with Asia*, refers to Deng’s strategy as “a guerilla fight… on the marble floors of international gatherings and trade fairs” (2015, p. 59). While the US was busy with containment, China was quietly working to rebuild its economy and defuse tensions to ensure security. Regional security was an imperative if China were to be able to focus on industrialization and boosting its trade with its neighbors, both of which were essential to advancing toward Beijing’s goal of catching up to the United Kingdom and US (Holslag, 2015).

As China prepared to reenter the global game of international politics in the 1950s and 1960s, the territorial issues facing the South China Sea seemed less significant from a US perspective. This does not mean that the issues are new. China’s claims to geographical features,
as outlined in the infamous Nine-Dashed Line in 1947, stretch from the Paracel Islands near Vietnam to the Spratly Islands closer to the Philippines, encompassing nearly the entire South China Sea. The issue of course is that many of China’s claims are disputed. For instance, Vietnamese officials claim that medieval China had access to the Paracels, but did not claim them (Kaplan, 2014, p. 60). Similar circumstances abound when considering the other islands and reefs in the area. Decades of Western colonization blurred boundaries and territorial claims in Asia just as much as in the Middle East. In a fashion similar to current Middle East debates, much of the current disagreement in the South China Sea rises from the distribution of resources, in many cases potential resources. Vietnam, China, Japan, the Philippines, and Malaysia all have hopes to acquire new oil reserves from untapped deposits in disputed territories. Whether or not such deposits actually exist is just as debatable as whether one country or another has access to the water over the top of the deposits.

**Chinese Multilateralism and Liberal Theory**

With that basic overview, it is time to consider China’s situation at large. Jonathan Holslag posits that China has aspirations that are incompatible with the current world order. He lists the aspirations as achieving control over frontier lands, including Tibet and Xinjiang, achieving world recognition for the Communist Party and its People’s Republic, achieving economic prosperity and security, and regaining control over lost territories, including Taiwan and the South China Sea islands (2015, p. 14-15). He believes that these aspirations by default make China’s aims revisionist due to the necessary power shifts in not only Asia, but the world at large. Applying the power transition theory as created by international relations scholars, particularly Robert Gilpin, Holslag views China’s rise asnecessarily problematic for the current
world leader, the United States. Holslag stops short of predicting an outright war with the US, but points out that regional conflict is not unlikely (2015).

Holslag’s analysis assumes that other Asian nations will not allow China to gain ever more influence without challenging Beijing. This assumption is rooted in the belief that China, in helping rebuild its economy, is manipulating globalization and thwarting the growth of nations like Malaysia (Holslag, 2015). However, not all analysts view the circumstances the same way. Liu Mingfu, in his book *The China Dream*, portrays China as a peaceful power who wants to become a “guiding nation” (2015, p.28). Liu’s bias as a Chinese military officer is clear, but his reasoning cannot simply be ignored. Many in China believe that the US represents yet another imperialist great power in the same tradition as the Portuguese, Dutch, Spanish, and British. Chinese academics and policymakers appear to genuinely believe that China’s rise is beneficial to the world. Their argument is in many ways constructivist in nature, and certainly nationalistic, perhaps even arrogant, but companies throughout the US and Europe with major investments in China would likely be inclined to agree with it.

China has become involved in multilateral organizations and even made concessions to ASEAN nations on economic issues (Holslag, 2015). That said, a liberal international relations framework fails to adequately address China. While China has joined international institutions, particularly economic ones, and while China has a permanent seat on the United Nations Security Council, China has scoffed at multilateral solutions to the problems in the South China Sea. For example, when the Philippines brought a legal case against China in the Permanent Court of Arbitration in The Hague over Chinese territorial claims, the court ruled in July 2016 that China violated the United Nations Convention on the Law of the Sea (UNCLOS). However, China’s Foreign Ministry rejected the ruling and stated that it violated Chinese sovereignty
The Hague court finds against China, for Philippines, in South China Sea dispute (2016). The suit was filed before Philippine President Rodrigo Duterte gained power and was largely dismissed by Duterte as well. While Duterte’s current rapprochement with China has mitigated conflict in the short-term, it has done nothing to solve the larger issue of China’s broad definition of national sovereignty.

China also fails to fit neatly into liberal international relations theory because its form of government is still far from democratic. Liu Mingfu claims that China seeks a democratic world order, but openly acknowledges that the definition of democracy can vary based on the country (2015, p.80). In addition, China’s foreign policy has focused on building economic dependence on China among Southeast Asian nations, but has not built interdependence in the fashion hoped for by most liberal theorists. According to Holslag, China received large relative gains from free trade agreements it made with ASEAN nations, while many of the ASEAN countries became more reliant on exporting raw materials to China (2015, p. 117).

In some ways, China’s economic strategy backfired. As countries felt more and more exploited by trade agreements with China, populist and nationalist politicians gained greater influence (Holslag, 2015). Narendra Modi and Shinzo Abe are two examples of leaders who responded to anxiety amid their domestic audiences regarding China. Thus, it can be seen that China’s attempt at multilateral economic diplomacy was only able to temporarily charm its neighbors. That said, unfortunately for India and Japan, it is quite possible that China already achieved its objective. Economic progress is declining in China, but that is the inevitable result of an economy transitioning away from exporting cheap, labor intensive goods to an economy comparable to those seen in Western Europe. Inevitable or not, however, there are concerns
among Chinese leaders that the economy could remain stuck in the middle-income trap (Holslag, p. 137).

China is increasingly searching for new avenues to improve its economy and ensure its transition to high income status. One approach that is under consideration is the creation of a super energy grid connecting most of Asia. China is working with Japan, Russia, and South Korea on the project, which would use high voltage lines to transmit power from clean energy plants in the Gobi Desert to major cities throughout Asia. The plan is ambitious and may never take shape, but it has been backed by the China based Global Energy Interconnection Development and Cooperation Organization (GEIDCO) (Hanley, 2016). Politically, sharing energy among Asian nations is a disaster waiting to happen. Yet, Chinese leaders can point to such suggestions as an example of Chinese benevolence, furthering the appearance of Chinese multilateralism.

China’s free trade agreements, generally peaceful disposition over the last 30 years, and increased involvement in international organizations suggests the potential for a beneficial Chinese rise. Many Chinese academics and policymakers find it hard for the West to ignore what they view as good will on China’s behalf. Yet, in the following sections, it should become clear that China’s multilateralism has not fundamentally altered the geopolitical crisis affecting Asia or altered China’s foreign policy aims.

**Realist Perspectives on China**

The United States stands as the world’s sole superpower following the Cold War. Whatever critics may make of its involvement in the Middle East, from a military and economic perspective, it still lacks peer competitors. The US military is number one in the world, the US
exerts strong influence on international organizations (despite an arguable recent soft power decline), and is without a doubt a high income nation. China is not yet a rival on the world stage. Per pure structural realist theory, the security environment is still more stable than during the Cold War.

On the Asian level, things appear differently. China’s growth, both economically and militarily, has altered the Asian security dynamic. India is the closest China has to a peer competitor in Asia (excluding Russia), but India’s economy is not as successful as China’s, nor is its military growing and improving technologically at the rate China’s is. Elsewhere in Asia, Singapore and Vietnam have more capable militaries than their size alone would suggest, and South Korea and Japan both have advanced US weapons systems. None of the four have China’s resources. At China’s current pace of military development, its navy will soon be able to deter US activities in the South China Sea, let alone an Asian navy. As it stands, if a group of ASEAN nations were to balance together, they could serve to deter, but not defeat China. This may not be the case much longer.

The current security situation in Asia is multipolar, and therefore dangerous. In a couple decades, assuming the Chinese economy does not sputter out, China will very likely attain regional hegemony. The Chinese may dislike the term (Mingfu, 2015), but China’s rise will provide the Middle Kingdom with the capacity to shape Asian affairs and behave in a fashion very similar to what one may term hegemony. Based on pure theory, once China is the leading power in Asia, the security situation should stabilize because Asia will be unipolar. Pragmatically, the thought that South Korea, Japan, and India will sit idly by as China gains greater control of Asian affairs is laughable. Will the changes to Asia’s power structure lead to war? Jonathan Holslag argues that they will, but provides few details as to when or how.
China’s dilemma is that it desires to surpass the US and UK economically and militarily (Mingfu, 2015), but hopes to do so without inviting conflict among those countries threatened by such a revisionist plan (Holslag, 2015). According to Robert Kaplan, over half of the world’s merchant fleet tonnage passes through key points, such as the Makassar Strait, in Southeast Asia (2014, p. 9). Regardless of whether China intends to expand and cause trouble along such vital maritime trade routes, nations reliant on the routes will take steps to ensure their continued security. US naval dominance in the region may be a result of a hegemonic power’s desire to influence global events, but the US Navy also maintains the status quo, something that countries like Malaysia and Singapore wish to maintain (Kaplan, 2014).

As the power balance shifts, it is only natural for smaller states to feel threatened and attempt to balance or bandwagon accordingly. China, for its part, has done a remarkable job of exploiting existing fractures among its neighbors in an attempt to prevent the construction of a grand Southeast Asian alliance (Holslag, 2015). While the US shepherded over NATO in the Cold War, uniting Western European nations under one banner, the US will likely have a harder time getting Asian countries to come together. For one thing, the US has not given Asia its full attention, nor is it likely to be able to do so amid ever increasing non state actor threats to the US in the Middle East and Africa. Another factor is that World War II helped end the divide between France and Germany. When West Germany was rejuvenated after the war, France supported such efforts because the U.S.S.R. was seen as the greater threat and the US was there to step in if needed. In present day Asia, South Korea and Japan are still divided despite having a mutual interest in containing China. China can, and has, played on fears of Japanese militarism in order to prevent a South Korea-Japan alliance.
Another factor preventing the formation of an anti-Chinese alliance is the benefit seen in China’s rise. As previously discussed, the Chinese economy provides tremendous opportunities for Singaporean, Japanese, Indian, and South Korean companies (Holslag, 2015). While the Soviet Union behaved in a manner closed off from the capitalist West, China is embracing a market economy, while maintaining socialism with Chinese characteristics (Mingfu, 2015). As such, a liberal might say that war with China is impossible. The issue is that there is not enough evidence to prove that nationalism cannot trump economic interdependence. Already the world has witnessed Japan changing its constitution to allow for overseas military operations. While the change was made for a variety of reasons, North Korea among them, it indicates a marked shift in Japan’s foreign policy compared to the Cold War. The world has hopefully learned from the past, but it must be noted that Great Britain and Germany were trading partners prior to World War I.

**Impact of Resources on the Asian Security Environment**

There are schools of thought that suggest that humans wage war not over power or ethnic hatred, but rather because of resources. If true, and there is strong evidence to support such a belief, then the South China Sea is ripe for conflict. After all, it is unlikely that a country would risk the lives of its citizens to capture a random rock in the middle of the Pacific, right? Yet, the issue with many of the “rocks” in the South China Sea is that they may lay on top of rich oil deposits (Kaplan, 2014). In addition, a country laying claim to an island can also claim its 200 nautical mile exclusive economic zone, providing the claimant with fishing and drilling rights alike.
In *Asia’s Cauldron*, Robert Kaplan writes that “Chinese oil reserves account for only 1.1 percent of the world total, while it consumes over 10 percent of world oil production” (2014, p.10). Estimates vary regarding the actual oil reserves hidden underneath the South China Sea, but China claims there are 130 billion barrels of oil untapped under the ocean (Kaplan, 2014, p.10). As energy requirements increase throughout the region, access to oil deposits could make the difference between an economic boom and bust. China, with its sense of national pride and demand for natural resources, undoubtedly sees controlling possible energy reserves as tantamount to its success and national growth. Kaplan compares the South China Sea to the Caribbean, and China to late 19th century America, but emphasizes that the South China Sea is more important than the Caribbean (2014, p.14).

There are also resource concerns in mainland Asia. China’s construction of dams on key rivers is obstructing the flow of water to vital areas downstream in neighboring countries (Holslag, 2015). Damming the Brahmaputra River would severely impact India and Bangladesh’s already minimal water supply (Holslag, 2015). Chinese activity in Xinjiang is likely to inhibit Kazakh water supply as well (Holslag, 2015). Will China consider its dams to be a domestic issue, much like its construction activities on islands like Scarborough Shoal? One of China’s unyielding principles is national sovereignty (Mingfu, 2015). The main question moving forward is whether China will begin compromising on its “sovereignty” when its neighbors require compromise. If, as according to Liu Mingfu (2015), China seeks positive relations with its neighbors and does not wish to be a bully like the old European colonial powers, then Beijing will need to engage in substantial dialogue with Bangladesh, India, Kazakhstan, and Vietnam regarding each country’s use of international rivers.
Impact of China’s Nationalism

A geopolitical look at the South China Sea reveals the potential for conflict over resources and trade routes. It also indicates that the multi-polarity of the current military power situation is conducive to conflict. Realists generally ignore other important factors, however. Kaplan acknowledges that the “newly” formed nations in the South China Sea, including Vietnam, Malaysia, and Singapore, all wish to show the world that they have their own sovereignty and can take care of themselves (2014). The young countries are not the only ones with strong nationalist sympathies; Chinese hawks view China’s growth as not only beneficial to Asia, but to the entire world. They see China as having created the ideal system of government, a mix of capitalism and socialism that will be the hallmark of a new world order (Mingfu, 2015). For all the criticism the US receives for attempting to spread democracy, rhetoric exists within China too. Analytically, though, nationalism is difficult to quantify and therefore difficult to factor into predictions.

President-elect Trump and China

Looking to the future, there are reasons for concern when previewing the direction of Sino-US relations during the Trump administration. First off, Trump’s proposed trade policies could prove extremely dangerous. Whether you subscribe to liberal theories of peace through economic interdependence or not, it is difficult to ignore the fact that Trump’s proposed protectionist economic policies will negatively impact US relations with key trading partners. As the largest US trading partner, China’s economy is dependent on continued US openness regarding trade (Chang, 2015). Through the lens of theories such as comparative advantage, the US does not need to attempt to produce the same products as China; US industry can grow in
high tech fields that are not mutually exclusive to Chinese industries. In short, while there are certainly allegations of Chinese meddling in international markets by regulating the yuan, a trade war is unlikely to benefit either the US or China.

More concerning, however, is Trump’s current lax approach to China’s stance on the One China policy. By taking a phone call from Taiwanese President Tsai Ingwen on December 3, 2016 Trump understandably angered and confused the People’s Republic (Campbell, 2016). In response, China sent a nuclear capable bomber on an overflight of the South China Sea and sought clarification on US policy from the Obama administration (Tomlinson, 2016). Taiwan is one aspect of Beijing’s foreign policy that it will not compromise on; any attempt to do so would embarrass the Communist Party and undermine its credibility. While assisting a fellow democratic nation is appealing from a US perspective, threatening the stability gained from tacit acceptance of the One China policy is unlikely to work in the US’ long-term interests.

China has not shown any willingness to engage in offensive military action. As Holslag notes, China has not inflicted military casualties on its neighbors in the last two decades beyond an occasional skirmish with India (2015). While China’s development of the DF-21 anti-ship cruise missile is frightening to certain US military planners, its capability is likely consistent with a defensive anti-access area denial system rather than an offensive tool (Cole, 2013). If Liu Mingfu is considered at least mostly representative of a dominant view in the Chinese government, then China’s ambitions are not centered on offensive action (2015). However, Mingfu also advocates for a strong military force in order to remain vigilant and maintain Chinese sovereignty (2015), which is in line with Holslag’s view of Beijing’s aspirations (2015).
China will confront the US directly only if it feels its core aspirations are coming under attack. If President-elect Trump fails to accurately communicate US policy to Beijing, then a misunderstanding over the US position on Taiwan could provide the spark necessary for a military encounter. It is not unreasonable to compare a misunderstanding over Taiwan to Cuba in 1962. It can be hoped that diplomacy will prevail in such a scenario, but war cannot be ruled out. Looking at China’s ambitions, which include reestablishing control over Taiwan and South China Sea islands, as well as maintaining international respect of the Communist Party (Holslag 2015), the most likely scenario for conflict hinges directly on US actions toward Taiwan. President-elect Trump’s negative attitude toward the established diplomatic status quo significantly raises the likelihood of conflict, not necessarily due to either American or Chinese aggression, but due to a spiral scenario where both nations feel they are unable to back down.

On a more optimistic, but equally troubling note, if Trump maintains a hostile attitude toward the UN, then China could step up to fill the void. Granted, a shift in China’s foreign policy would be needed for that to happen, but it would not be out of the question. China has begun acting more multilaterally and Mingfu argues that China believes in a more democratic foreign policy than America (2015). Chinese influence in the UN would not be the end of the world for the US given the UN’s general bureaucratic inefficiencies and lack of credible enforcement mechanisms. However, the importance of soft power should not be underestimated.

A US shift toward unilateralism could also mean a weakened NATO and decreased external deterrence. While this mostly affects US-Russian relations, US allies in Asia could become weary of hedging their national defense bets on US naval support. Already, Japan is showing concern by sending Prime Minister Shinzo Abe to Pearl Harbor in a show of good faith (Soble & Sanger, 2016). Abe is also set to meet with President Obama to discuss cooperation.
Complicating matters is Filipino President Rodrigo Duterte’s stance toward China (“Duterte in China: Xi lauds 'milestone' Duterte visit”, 2016). While domestic political forces are presenting an obstacle to Duterte’s China rapprochement, his efforts nonetheless offer a glimpse into what Southeast Asia could look like if nations feel it is in their best interest to bandwagon with Beijing rather than attempt to solve regional differences and form an ASEAN coalition.

On the whole, it is difficult to make solid predictions because of Trump’s willingness to backtrack on past proposals. If the status quo prevails, then US power will continue to decline, but likely remain high enough to deter Chinese aggression. China is not necessarily in any hurry though. Its power is growing and it seeks only “an adjustment in the correlation of forces [to] enhance its geopolitical power and prestige” (Kaplan, 2015, p.178).

A Grand Competition

Several scenarios could play out based on the success or failure of both powers’ economies. Domestic factors also heavily influence not only American, but also Chinese politics. It is easy to make predictions when stubborn factors like, for example, individual leaders’ personalities are left out. Prescribing specific policies is far beyond the scope of this short analysis and claiming to understand what the situation will look like in four or more years is arrogant and naïve. One thing should be said, however. A strong China does not have to lead to a war in the Pacific. Liu Mingfu suggests that Sino-American competition could be like a track meet, where both sides act in their interests and wish to win, but also obey recognized norms that restrain the competition to a level shy of hostility (2015). US policymakers have the potential to turn a potential geopolitical crisis into a strategic partnership, but doing so will take careful diplomacy. It is time for US leaders to acknowledge that the dangerous, but short-term threat of
terrorism has been exaggerated and even worsened by US policy and actions. As the 21st century progresses, a focus on the US-China relationship can alleviate America’s decline and allow for a smoother transition of global power.
Works Cited


