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## China's Response to the United States' Asia–Pacific Strategy

### Introduction

The United States' preoccupation with the war on terror during the presidency of George W. Bush gave the People's Republic of China (PRC) more "space" for strengthening its position in the Asia–Pacific region—its major sphere of influence. China seized this opportunity to promote economic integration in the region and involvement in regional organisations, but it also modernised its army, which symbolises its stronger position. Moreover, worldwide publication of analysis about a change of the global order—including eye-catching scenarios of a power shift from the west to the east—gave China a sense of strength and confirmed the success of the "reform and openness" policy launched in late 1970s. The economic, but mainly military aspects of China's ascendance, together with unresolved territorial disputes with some Asian states, have increased concerns among Asia–Pacific countries about the PRC's foreign policy goals. China's rise and the change of balance in the global order were clearly recognised by the second Bush administration. The U.S.'s China policy was revised from perceiving the PRC as "not a status quo power" or "strategic competitor" to a "responsible stakeholder." Nevertheless, the Bush administration still concentrated on military operations in Iraq and Afghanistan.

The beginning of the Obama administration could be perceived as a continuation of the U.S.'s "engagement with China" course, as declared by the second Bush term, but also including attempts to establish special Sino-American cooperation in order to involve China in regional affairs. Nevertheless, Obama's declarations about ending the war on terror, an awareness of China's unprecedented development which could be a threat to the U.S.'s superpower status, and regional stability (a premise shared in Asia), as well as the eagerness to improve America's global image, were among factors that led to the U.S. decision to shift towards the Asia–Pacific region.

The first year of Obama's presidency is described as an apologetic U.S. approach towards China. The significant example of this policy was Hillary Clinton's first visit to China as Secretary of State (February 2009), during which contentious issues such as human rights were assuaged, and economic cooperation and regional topics were on the agenda. China interpreted this approach

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as a consequence of the global crisis and austerity in the U.S., factors which have prompted tighter America cooperation with the PRC. Beijing took this opportunity to underscore its stronger position, presenting a tougher stance towards the U.S., for example by calling on Washington to control its financial policy to avoid jeopardising Chinese assets and in suggesting that the dollar be replaced as the reserve currency with a new currency based on Special Drawing Rights. China also gave diplomatic affront during Obama's first visit to China, and initially sidelined the U.S. at the UN Climate Change Conference in Copenhagen in December 2009, by conducting informal talks with "emerging powers."

The U.S. decision about arms sales to Taiwan at the beginning of 2010, after which Beijing suspended bilateral military cooperation and cancelled the then U.S. Secretary of Defense Robert Gates visit to China, marked changes in Obama's policy towards the PRC. China's abrasive approach got a rough response, making Sino-U.S. relations slightly acrimonious. Since 2010 these relations have resembled a wave pattern. Both sides have tried to present a tougher stance towards each other, while at the same time attempting to defuse tensions when they reach a considerably high level. The U.S.'s harsher approach towards China, along with the Asia-Pacific states' concerns about the goals of the PRC's rise, paved the way for U.S. deeper involvement in the Asia-Pacific region and adjustment of the special and intimate Sino-U.S. relations announced by Obama in 2009.

### **American Asia-Pacific Strategy**

The Asia-Pacific region is depicted by the Obama administration as main area of U.S. political, economic and military interest.<sup>1</sup> The confirmation of the U.S. shift to that region was a defence strategic guideline published in January, which states that the U.S. seeks to preserve American global leadership and that there is a necessity to rebalance towards the Asia-Pacific region. The paper reveals that the U.S. perceives the PRC as a threat, stating that China's emergence as a regional power will have the potential to affect America's economy and security, and that the growth of China's military power must be accompanied by greater clarity of its strategic intentions in order to avoid causing friction in the region.<sup>2</sup>

It seems that the U.S. engagement in the region has economic, security and political goals. At a time of U.S. austerity, Asia could serve as a source of economic recovery. Growth of export to and investments in the region are seen as measures to reduce unemployment in the U.S. Moreover, the Asian emerging markets are potential source of much-needed capital for the U.S.

America's engagement in the Asia-Pacific region is also related to regional and global security. The security "box" contains not only the North Korea nuclear problem, but also threats

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<sup>1</sup> See for example: *U.S.-Asia Relations: Indispensable to Our Future*, U.S. Department of State, 13 February 2009, [www.state.gov/secretary/rm/2009a/02/117333.htm](http://www.state.gov/secretary/rm/2009a/02/117333.htm); *Remarks by President Barack Obama at Suntory Hall*, White House, 14 November 2009, [www.whitehouse.gov/the-press-office/remarks-president-barack-obama-suntory-hall](http://www.whitehouse.gov/the-press-office/remarks-president-barack-obama-suntory-hall); *Remarks on Regional Architecture in Asia: Principles and Priorities*, U.S. Department of State, 12 January 2010, [www.state.gov/secretary/rm/2010/01/135090.htm](http://www.state.gov/secretary/rm/2010/01/135090.htm); *America's Engagement in the Asia-Pacific*, U.S. Department of State, 28 October 2010, [www.state.gov/secretary/rm/2010/10/150141.htm](http://www.state.gov/secretary/rm/2010/10/150141.htm); *Asia Overview: Protecting American Interests in China and Asia*, U.S. Department of State, 31 March 2011, [www.state.gov/p/eap/rls/rm/2011/03/159450.htm](http://www.state.gov/p/eap/rls/rm/2011/03/159450.htm); *America's Pacific Century*, U.S. Department of State, 10 November 2011, [www.state.gov/secretary/rm/2011/11/176999.htm](http://www.state.gov/secretary/rm/2011/11/176999.htm); *Remarks by President Obama to the Australian Parliament*, The White House, 17 November 2011, [www.whitehouse.gov/the-press-office/2011/11/17/remarks-president-obama-australian-parliament](http://www.whitehouse.gov/the-press-office/2011/11/17/remarks-president-obama-australian-parliament); *Remarks by Secretary Panetta at the Shangri-La Dialogue in Singapore*, U.S. Department of Defense, 2 June 2012, [www.defense.gov/speeches/speech.aspx?speechid=1681](http://www.defense.gov/speeches/speech.aspx?speechid=1681).

<sup>2</sup> *Sustaining U.S. Global Leadership: Priorities for the 21<sup>st</sup> Century Defense*, U.S. Department of Defense, January 2012, p. 2, [www.defense.gov/news/Defense\\_Strategic\\_Guidance.pdf](http://www.defense.gov/news/Defense_Strategic_Guidance.pdf).

of regional instability that could be caused by the existence of undemocratic regimes, ethnic problems, drugs trafficking and, above all, security of navigations on trade lines and U.S. naval routes through the Malacca Strait, the South China Sea and the East China Sea—potential areas of instability because of unresolved territorial disputes between China and other Asian states.

The U.S.'s political goals are connected with the perception of the U.S. as a global superpower. The rise of China and predictions that the PRC will overtake the U.S. economically in the near future might be considered as potential threats to the United States' position as the world's number one power. Awareness that China's strategic foreign policy goal is to become a superpower, coupled with concerns about increasing military spending, vindicate premises that Obama's administration intends to counter China's ascendance.

The U.S. endeavours to accomplish these objectives through strengthening relations with its traditional allies in the region—Japan, South Korea, Australia, Thailand, and the Philippines, and by upgrading relations with other Asian states and emerging powers such as India, Indonesia and Vietnam. During his term as a president, Obama visited most of these countries and met with their leaders at the ASEAN,<sup>3</sup> APEC<sup>4</sup> or EAS<sup>5</sup> summits. Among the results of these tours are, for example, the U.S.-South Korea free trade agreement (KORUS), which came into effect in March; the decision to deploy U.S. Marines in Australia; the establishment of the U.S.-India Strategic Dialogue; bilateral joint military exercises with Asian states and naval exercises with six ASEAN countries (Singapore, Indonesia, Malaysia, the Philippines, Thailand and Brunei); the decision to sell jet fighter planes to Indonesia; plans to deploy the first U.S. littoral combat ship in Singapore in 2013; and Hillary Clinton's visit to Myanmar to restore bilateral ties.

Apart from bilateral relations, the U.S. strives to enhance its position in the region through cooperation on ASEAN, EAS and APEC forums. In June 2009, the U.S. signed the ASEAN's Treaty of Amity and Cooperation (TAC)—a long-discussed document dismissed by George W. Bush. Acceding TAC was a "seismic change" in ASEAN-U.S. relations,<sup>6</sup> which ended U.S. diplomatic absenteeism in the region.<sup>7</sup> Eventually, TAC resulted in the first ever U.S.-ASEAN summit, held in November 2009, with Obama's attendance. Signing TAC was also a precondition for participation in EAS—a forum currently used by the U.S. to raise the South China Sea issues through announcements that freedom of navigation and open access to Asia's maritime commons is in America's national interest.<sup>8</sup>

Looking at the economic agenda, Washington reinvigorated APEC and joined negotiations of the Trans-Pacific Partnership (TPP)—a trade agreement currently between Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, the U.S. and Vietnam. At the APEC summit in 2011, Obama emphasised that the TPP will boost U.S. economic growth and support the creation and retention

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<sup>3</sup> ASEAN (Association of Southeast Asian Nations) includes 10 states: Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar (Burma), the Philippines, Singapore, Thailand, and Vietnam.

<sup>4</sup> EAS (East Asia Summit) is a dialogue forum grouping ASEAN states, China, Japan, South Korea, India, Australia, and New Zealand, U.S. and Russia.

<sup>5</sup> APEC (Asia-Pacific Economic Cooperation) members are: Australia, Brunei Darussalam, Canada, Chile, China, Indonesia, Japan, South Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, the Philippines, Russia, Singapore, Taiwan, Thailand, the U.S., and Vietnam.

<sup>6</sup> *Overview of ASEAN-US Dialogue Relations*, [www.aseansec.org/23222.htm](http://www.aseansec.org/23222.htm).

<sup>7</sup> *Beginning a New Era of Diplomacy in Asia*, remarks with ASEAN Secretary General Dr. Surin Pitsuwan, U.S. Department of State, 18 February 2009, [www.state.gov/secretary/rm/2009a/02/119422.htm](http://www.state.gov/secretary/rm/2009a/02/119422.htm).

<sup>8</sup> "Remarks at Press Availability," U.S. Department of State, 23 July 2010; "Fact Sheet: East Asia Summit," The White House, Office of the Press Secretary, 19 November 2011.

of high-quality jobs at home, by increasing American export to a region that includes some of the world's most robust economies and that represents more than 40% of global trade.<sup>9</sup>

### China's Response to the U.S.'s Asia–Pacific Strategy

The U.S. shift towards the Asia–Pacific region is a hot topic in China. Chinese internal discourse indicates that the United States' Asia–Pacific strategy has two main goals—to exploit and squeeze the region economically by taking advantage of Asia's improved development prospects after the global financial crisis, and to create balance with China, which poses a threat to the U.S. as a world superpower.

In the Chinese view, the U.S. economic goals are to recover and stimulate the American economy. It is argued that Asian regional integration jeopardises U.S. economic interests. Economic relations in Asia have been strengthening since the signing of free trade agreements such as China-ASEAN (CAFTA), China-Taiwan (ECFA) and ASEAN with Australia and New Zealand, Japan, South Korea and India. In China, it is highlighted that CAFTA is responsible for the U.S. export and jobs decline and is perceived as the main reason that the U.S. hammered out a decision to join the TPP—a fundamental tool to achieve economic targets. Furthermore, the PRC believes that the aim of the TPP is not only to increase U.S. export and attract investments, but also to strengthen political influence over the region and to contain China.<sup>10</sup>

It is believed that containing, soft containing, balancing, re-balancing, isolating or encirclement of China is another aim of the U.S. Asia–Pacific strategy.<sup>11</sup> Such perception (with different stress put on this notion), dominates Chinese internal discourse. Rhetoric about exploiting Asia's economic growth in order to balance or contain the PRC almost always appears in Chinese analysis. Nevertheless, this view is not mentioned directly by Chinese authorities. Officially, Chinese leaders welcome the U.S. presence in the region, expressing hope for constructive engagement in the Asia–Pacific region, but it seems that these statements are chiefly a diplomatic discourse, while harsher arguments are published in the press or journals often connected with the Chinese Communist Party (CCP) or the Chinese government.

Obama's involvement in the Asia–Pacific region is compared with the policies of presidents Bill Clinton and George W. Bush. It is accentuated that Obama's Asia diplomacy is more confrontational than the policies pursued by Clinton and Bush, who focused mainly on economic and

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<sup>9</sup> President Obama at the Asia–Pacific Economic Cooperation (APEC), The White House Blog, 13 November 2011, [www.whitehouse.gov/blog/2011/11/13/president-obama-asia-pacific-economic-cooperation-apec](http://www.whitehouse.gov/blog/2011/11/13/president-obama-asia-pacific-economic-cooperation-apec).

<sup>10</sup> Hong Zuo, "Considerations about the U.S.'s Return to Asia–Pacific Strategy" (Meiguo chongfan Yatai de zhanlüe kaolü), *Xuexi Shibao*, 28 May 2012, p. 2.

<sup>11</sup> See for example: Hong Zuo, "Considerations about the U.S.'s Return to Asia–Pacific Strategy" (Meiguo chongfan Yatai de zhanlüe kaolü), *Xuexi Shibao*, 28 May 2012; Sun Ru, "The U.S. Takes Advantage of the 'Asia–Pacific Century' Slogan to Increase Pressure on China" (Meiguo jie "Taipingyang Shiji" jiada duihua shiya), *Shijie Zhishi*, no. 23, 2011; Wu Xinbo, "About Obama's Administration Strategy Towards Asia–Pacific Region" (Lun Aobama zhengfu de Yatai zhanlüe), *Guoji Wenti Yanjiu*, no. 2, 2012; Shi Yinhong, "The U.S. in the Northeast Asia" (Meiguo zai Dongbei Ya: quanshi zhendi de sui ji gonggu), *Xiandai Guoji Guanxi*, no. 1, 2012; "How We Should Perceive the U.S. Return to Asia–Pacific" (Ruhe kandai Meiguo chongfan Yatai), *Zhongguo Qingnianbao*, 27 February 2012; Wang Guanghou, "The U.S. and the East Asia Summit" (Meiguo yu Dongya Fenghui), *Guoji Luntan*, vol. 13, no. 6, November 2011; Chen Jimin, "Assessment of a New Obama's Military Strategy" (Aobama zhengfu xin junshi zhanlüe pingxi), *Xiandai Guoji Guanxi*, no. 2, 2012; Zhu Feng, "Adjustment of the Obama's Asia–Pacific Strategy and Its Influence" (Aobama zhengfu Yatai zhanlüe tiaozheng ji qi yingxiang), *Xiandai Guoji Guanxi*, no. 1., 2012; Hu Zhiyong, "Does the U.S. Seek 'return' to Asia–Pacific? Assessment of Obama's New Military Strategy" (Meiguo shi "chongfan Yatai" ma? Aobama zhengfu xin junshi zhanlüepingxi), *Guoji Zhanwang*, no. 19, July/August 2012.

security issues in Northeast Asia through alliances with South Korea and Japan. Neither were Clinton and Bush much interested in deeper engagement with other Asian states, nor in regional organisations. The Obama administration, however, concentrates on all of Asia.<sup>12</sup> In the last 20 years, the U.S. perceived China as a country which could collapse or at least be transformed according to foreign rules. However, due to the steady rise of the PRC, these perceptions were replaced by an idea of a “conforming China.” As none of these prophecies were fulfilled, the U.S. now wants to constrain the PRC.<sup>13</sup>

The tools to balance China are critically assessed in Chinese discourse—in particular, the more intimate bilateral relations with Asian states, and regional cooperation used for internationalising the South China Sea territorial disputes. It is believed that U.S.-ASEAN closer relations are damaging to Sino-ASEAN cooperation, which has been flourishing for the last decade. Furthermore, U.S. interest in the South China Sea, together with bilateral and multilateral joint naval exercises with Southeast Asian states, strengthening military alliances, and discussions of the disputes at regional forums, are perceived as support for the claimants against China in the South China Sea and interference in the PRC’s internal affairs.

Rising U.S. engagement in the Asia–Pacific region is seen by the PRC as a threat to its position as a regional great power and a future global superpower. In 2010, after Clinton’s speech, in which she said that the resolution of South China Sea disputes was important to U.S. national interests, the Chinese Foreign Minister responded that “it was an attack on China designed to give the international community a wrong impression that the situation in the South China Sea is a cause for grave concern.”<sup>14</sup> The Chinese press assessed U.S. policy, mainly the South China Sea issue and its joint naval exercises with South Korea, as “Washington’s cold war mentality,” “a threat to the security of China,” “flexing muscles,” and an effort to “intimidate and contain China.” It is alleged that before the EAS in November 2011, Chinese Prime Minister Wen Jiabao requested President Obama not to remark upon the South China Sea issue at the forum. The Chinese foreign office explained that the EAS was not the proper venue for discussion about the South China Sea, and that the dispute should be resolved through friendly consultation between sovereign states directly concerned. It also stressed that interference of outside forces or a multilateral discussion on this issue would complicate it instead of facilitating its resolution.<sup>15</sup> Eventually, this issue was mentioned at EAS in Bali, putting Wen Jiabao in an awkward position. It is worth mentioning in this context that at the Shangri-La Dialogue<sup>16</sup> in June, the Chinese Defence Minister was absent, allegedly as a demonstration of dissatisfaction with forums which aim to interfere in the PRC’s internal affairs with the U.S. as a main player. But after the speech by U.S. Secretary of Defense Leon Panetta at Shangri-La, where he revealed that by 2020 60% of the U.S. navy would be deployed in the Asia–Pacific region, the Chinese official response was quite soft, pointing out that “it is unfitting to

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<sup>12</sup> Wu Xinbo, *op. cit.*

<sup>13</sup> Yuan Peng, “Sino-U.S. Relations Face New Challenges. Probably Internet Issues Become a Hot Spot between States Next Year” (Yuan Peng: Zhongmei guanxi mianlin xin tiaozhan, wangluo mingnian huo chengwei yinbao dian), *Renmin Ribao*, 18 December 2011.

<sup>14</sup> *Foreign Ministry Yang Jiechi Refutes Fallacies on the South China Sea Issue*, Ministry of Foreign Affairs of the People’s Republic of China, 26 July 2010, [www.mfa.gov.cn/eng/zxxx/t719460.htm](http://www.mfa.gov.cn/eng/zxxx/t719460.htm).

<sup>15</sup> Foreign Ministry Spokesperson Liu Weimin’s Regular Press Conference, Ministry of Foreign Affairs of the People’s Republic of China, 21 November 2011.

<sup>16</sup> Shangri-La Dialogue is a forum of Asia-Pacific’s defence ministers initiated by British think-tank the International Institute for Strategic Studies.

artificially single out military and security agenda or intensify military deployment and alliance.”<sup>17</sup> Beijing demonstrated a similar approach during the recent visits of U.S. officials to the Asia–Pacific region, including China, in response to remarks by, amongst others, Hillary Clinton—who appealed for ASEAN unity—and White House spokesman Victoria Nuland, who in the midst of China-Japan tensions over the Diaoyu/Senkaku islands said that the islets fall under the scope of Article 5 of the 1960 U.S.-Japan defence treaty.<sup>18</sup> The Chinese MFA’s soft response was that the US-Japan Security Treaty should not go beyond the bilateral framework, undermine the interests of a third party, and take a position over sovereignty of the Diaoyu islands.<sup>19</sup>

However, the Chinese response “in practice” could be called two-track diplomacy, based on using hard and soft tools simultaneously, on both regional and bilateral levels. On the regional level the most significant reaction is China’s more assertive approach and engagement in maritime disputes. Since 2011 territorial spats in the South China Sea (disputes over the Spratly and Paracels islands, Scarborough Shoal and Macclesfield Bank) have escalated, posing a threat to regional stability. An example of China’s response was the establishment of the new city of Sansha<sup>20</sup> on Yongxing island, Hainan province, close to the Paracel islands. What is more, China’s reaction to the so-called Japanese nationalisation of three of the Diaoyu/Senkaku islands in September was harsher than expected, and another signal of China’s rising assertiveness in the region. Apart from tensions between claimants, China also demonstrates its military strength, for example by testing a stealth fighter jet during the U.S. Secretary of Defense’s visit to China, or entering its first aircraft carrier into service in the midst of the recent tensions with Japan over the Diaoyu islands.

China also tries to play a game inside ASEAN in order to “tie” countries to Beijing and prevent their closer cooperation with the U.S. The PRC continues to strengthen its “charm offensive” towards ASEAN states. At the meeting in the format of ASEAN+3 (Japan, South Korea and China) in November 2011, Wen Jiabao presented a long list of proposals for closer cooperation through improving CAFTA, and deepening financial collaboration, including \$10 billion credit for infrastructure construction.<sup>21</sup> China also placates other states by offering lucrative deals and investments and upgrading bilateral relations to, for example, strategic partnerships—as was done with Thailand during Prime Minister Shinawatra’s visit to Beijing in April. Similar visits to Indonesia and Malaysia were conducted in 2011.

On the other hand, China strives to use *divide et impera* inside ASEAN to avoid reaching a common approach to the South China Sea disputes. Chinese policy of not proceeding in the disputes with ASEAN as a single body is supported by the PRC’s intimate economic and political partners, such as Cambodia and Laos, thus impeding the efforts of the Philippines and Vietnam to discuss the issue at the ASEAN and EAS summits.<sup>22</sup> At the ASEAN meeting in Cambodia in July,

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<sup>17</sup> Foreign Ministry Spokesperson Liu Weimin’s Regular Press Conference, Ministry of Foreign Affairs of the People’s Republic of China, 4 June 2012.

<sup>18</sup> V. Nuland, Daily Press Briefing, U.S. Department of State, 28 August 2012, [www.state.gov/r/pa/prs/dpb/2012/08/196986.htm](http://www.state.gov/r/pa/prs/dpb/2012/08/196986.htm).

<sup>19</sup> Foreign Ministry Spokesperson Hong Lei’s Regular Press Conference, Ministry of Foreign Affairs of the Republic of China, 4 September 2012.

<sup>20</sup> The name of the city, San Sha, means “three sands” and refers to the Chinese names of the Paracel Islands (Xisha, “West Sand”); Spratly Islands (Nansha, “South Sand”) and Macclesfield Bank (Zhongsha, “Middle Sand”).

<sup>21</sup> *Wen Jiabao Attends Meeting of East Asian Leaders: For Peace and Prosperity in East Asia*, Ministry of Foreign Affairs of the People’s Republic of China, 20 November 2011, [www.fmprc.gov.cn/eng/wjb/zzjg/yzs/dqzzywt/t879898.htm](http://www.fmprc.gov.cn/eng/wjb/zzjg/yzs/dqzzywt/t879898.htm).

<sup>22</sup> I. Storey, “ASEAN and the South China Sea: Movement in Lieu of Progress,” *China Brief*, vol. 12, issue 9, 26 April 2012.

the Association failed to reach a consensus on a joint statement concluding the summit—for the first time in its 45 year history—because of maritime disputes in the region. Vietnam and the Philippines indirectly accused Cambodia of accommodating the PRC. For example in May, the Chinese press uses “war rhetoric,” e.g., towards the Philippines, arguing that the PRC should teach the Philippines a lesson.<sup>23</sup> But there are also suggestions that a “Chinese Marshall Plan” should be prepared for those Southeast Asian states which do not have territorial disputes with the PRC, as means of limiting their closer cooperation with the U.S.<sup>24</sup>

## Perspectives

Observing both the U.S.’s strategy assumptions and activities in the Asia–Pacific region and China’s reaction to this approach, it seems plausible that both countries have similar goals—the U.S. wants to preserve its superpower status, while China wants to regain it. On the one hand, the interests of both states could be called “the same in content but mutually unfavourable as the importance of Sino-American relations lies mainly in their conflicting interests rather than shared ones, and the conflict decides that the relationship is so significant.”<sup>25</sup> On the other hand, China-U.S. relations could be depicted as different in content but mutually favourable, which means that they are convergent and closely interdependent. This trend is visible in the economic sphere—China needs America as an export market, while the U.S. requires Chinese capital and strives to open the Chinese market for U.S. goods and investments.<sup>26</sup>

Bearing in mind that these two trends, known also as “neither friends nor enemies,” constitute Sino-American relations, and that the Asia–Pacific region has become a main area of rivalry between both states, it seems that in the short term we could observe an escalation of disputes and then a process of dispelling tensions. In this ups-and-downs process, other Asian states could play pivotal roles in balancing China and the United States. Asian countries could be beneficiaries of this rivalry, through using economic, political and military relations with China or the U.S. and competition between them, in a manner that best serves their interests. It seems that both Beijing and Washington strive to build a tight net of comprehensive bilateral and multilateral relations with Asian states, thus creating a space for them to choose between the offers of either China or the United States, taking into account their national objectives. But apart from this situation, i.e., “where two fight the third one wins,” Asian states could be also exploited and played by the PRC and the United States. In this sense, the Sino-American “tug-of-war” in the Asia–Pacific region could be a destabilising factor.

The upcoming presidential elections in the U.S. and power change in the PRC are the other factors adding uncertainty to the future U.S.-China relations and their policies. In the U.S., China has become a quite important topic during the presidential campaign. In particular, both candidates are using Beijing’s trade practices to gain votes in swing states where job losses are the main concern. Romney presents a quite assertive approach towards China, for example by declaring that he would label China a currency manipulator on his first day in office, and accusing Obama of pursuing too soft

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<sup>23</sup> “China Should Continue Severe Attitude towards the Philippines” (Zhongguo ying jixu baochi dui Feilübin yanli), *Huangqiu Shibao*, 18 May 2012.

<sup>24</sup> Zhang Weiwei, “6 Proposals as a Response to the U.S. Shift to the East” (Liu zhao yingdui Meiguo zhanlüe dongyi), *Huangqiu Shibao*, 17 November 2011.

<sup>25</sup> Yan Xuetong, “The Instability of China-US Relations,” *The Chinese Journal of International Politics*, vol. 3, 2010, pp. 270–276.

<sup>26</sup> *Ibidem*.

a policy towards the PRC. Romney directly identifies China as an authoritarian state, a potential source of conflict, a currency manipulator which seeks unfair advantage, and a state which represses its own people by violating human rights. He suggests an expansion of the U.S. military presence in the Asia–Pacific region, as well as supplying Taiwan and other states in the region with military equipment.<sup>27</sup> Nevertheless, it seems that whoever wins the elections, the U.S. pivot towards the Asia–Pacific region—a policy generally accepted by both parties—will continue. What is more, it is acknowledged that the PRC is accustomed to being a “topic” in the U.S. campaign and recognises rather hawkish rhetoric as rules of the campaign. There is a consensus in China that, regardless of the results of the elections, the U.S. and China must cooperate with each other.

China’s recent lukewarm approach to U.S. activities in the region (for example, moderate reactions to Obama’s second meeting with the Dalai Lama in 2011, the announcement of the sale of arms to Taiwan in September 2011, release of the U.S. defence guidelines in January, Panetta’s speech in June, and the White House spokesman’s remarks about the Diaoyu/Senkaku islands), and the U.S. presidential campaign, could be seen as a result of preparation for power transition and a indication that the PRC is focused on its internal affairs. But internal struggle inside the CCP (such as a stronger army faction) could lead to intensification of tensions in the region and undermine China’s efforts to be perceived as a peaceful state. Nevertheless, the Chinese military is still much weaker than that of the United States, a factor which seriously limits the potential for a military clash in the region.

It seems that potential tensions in the Asia–Pacific region will not be seriously destructive, due to the fact that neither the U.S. nor China are interested in destabilising the region. Both players are facing problems—the U.S. is fighting economic downturn, while China is aware that, in order to maintain economic development and preserve internal stability, transformation of its economic model from an export and investment-driven basis to internal demand-oriented is an urgent task. Closer cooperation with Asia is indispensable if these objectives are to be attained. Additionally, international image is essential, for the U.S., especially after the unpopular war on terror during the Bush administration, and for the PRC, which endeavours to eliminate the “China threat theory.”

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<sup>27</sup> See more: China and East Asia, [www.mittromney.com](http://www.mittromney.com).