U.S. Visions of China
From Henry Kissinger to Donald Trump

Laurence NARDON

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Introduction: The Rise of China Resonates with U.S. Fears of Decline

Chinese power continues to grow both militarily and economically: its disputed territorial gains in the South China Sea are complemented by its extensive investment initiative in the New Silk Roads through the Eurasian continent. Although the United States remains ahead of China in terms of global power, whether in terms of their armed forces, their per capita GDP, or their cultural influence in the world, they are also subject to “imperial fatigue” and the fear of decline. Therefore, they are watching developments and progress in China anxiously.

Since the 1970s and even more so since the fall of the USSR, the U.S. political and strategic debate has seen realists and idealists, pessimists and optimists, clash about the attitude to adopt vis-à-vis this major 21st century player. For its part, the federal government swings between firmness and dialogue with Beijing, while striving to reassure U.S. allies in the region.

During his campaign, Donald Trump made aggressive remarks about China, and accused it of manipulating its currency and deindustrialising the United States through social dumping. The candidate never mentioned the human rights abuses which China is accused of, demonstrating his realist view of U.S. foreign policy. Since he took office, President Trump has swung between great friendliness during his meeting with his counterpart, Xi Jinping at Mar-a-Lago in April 2017, and a return to aggressive tweets during the summer, accusing China of failing to properly manage its North Korean ally. During his major tour of Asia in November, he re-emphasised the need to rebalance trade relations between the two countries. This requirement, which replaces his predecessor’s “pivot” policy to Asia, seems to summarise the new administration’s strategy to date.

Therefore, the various political and strategic approaches developed by the United States up to now need to be retraced, both to analyse the nature of Chinese power and to define what the United States’ attitude should be towards it.

1. “One Belt, One Road” (OBOR) project. The project’s official name now is “Belt and Road Initiative”.
The 1970s: U.S. Realists Push for Rapprochement

For a long time, the United States refused to recognise China’s communist government, which was proclaimed in 1949, maintaining their preference for the government in exile in Taiwan. Diplomatic relations, which were initiated by the Nixon administration’s ping-pong diplomacy, were gradually instituted in the 1970s, leading to President Carter’s recognition of the one-China policy and the establishment of diplomatic relations in 1979. It was on this date, and when Deng Xiaoping’s China embarked on economic reforms, that trade really started between the two countries. At the same time, China obtained wider international recognition. In October 1971, with Resolution 2758, the Beijing government replaced the Taiwanese government in all of the United Nations’ (UN) bodies, and in particular in the Security Council.\(^2\)

Henry Kissinger’s ideas and influence were decisive in this diplomatic development. Kissinger, who was National Security Advisor and then Secretary of State under Presidents Richard Nixon and Gerald Ford, is a firm supporter of the realist school of international relations. He believed China to be an emerging power from the 1960s. This inevitable development should not be fought against, but rather used: the United States had to move closer to China to jointly counter the Soviet threat and to disengage from the war in Vietnam. This is how he made his first trip in secret in July 1971, and then organised President Nixon’s trip in February 1972.

Kissinger’s preference for a pragmatic relationship, open to dialogue and compromise, and downplaying, if necessary, the demands for democratic values, has remained the same since that time, as his later writing has shown.\(^3\)

Two very important elements fell into place at that time, which would form a lasting background to the U.S. debate about China up to now: on the

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2. President Roosevelt had insisted that China should be granted a permanent seat on the Security Council in 1945. When the Communist Party seized power in 1949, it was the government in exile in Taiwan which continued to occupy the seat until 1971.
one hand China’s amazing economic transformation and on the other, the permanent friction caused by the Beijing government’s human rights abuses and the latter’s perception of an overly active U.S. military presence in Asia-Pacific.

**The world’s largest economy?**

The rapprochement between the United States and China in the 1970s was accompanied by tremendous economic development in the country. According to the World Bank, which has been collecting data on China since 1961, the country’s GDP grew exponentially. It doubled every ten years between 1965 and 1995 ($70.5 billion in 1965; $163.5 billion in 1975; $309.5 billion in 1985 and $734.5 billion in 1995), and then tripled between 1995 and 2005 ($2,286 billion in 2005) and increased fivefold between 2005 and 2015 ($11,060 billion in 2015).

The per capita GDP rose from less than $100 in 1965 to more than $8,000 in 2015, resulting in the emergence of an extensive, consumer-orientated and urbanised middle class. The disastrous consequences in ecological terms are nowadays leading China to become involved in environmental protection policies – it confirmed in June 2017 that it would uphold the commitments made when the Paris Climate Agreement was signed. The economic downturn that China has been experiencing since 2014 in terms of industrial production, investment in fixed capital and household consumption, against a background of massive debt, is the secondary downside in this picture of economic success.4

According to data from the International Monetary Fund (IMF), China is now the world’s second largest economy, with a GDP of $12,362 billion, behind the United States ($19,377 billion) and ahead of Japan ($5,106 billion). However, if we compare the GDPs expressed as purchasing power parity (PPP), China became the world’s largest economy in 2014. Its GDP-PPP is $23,066 billion in 2017 as opposed to $19,377 billion for the United States.5

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Regular frictions

Human rights abuses

The disagreements between the United States and China have however never been permanently stopped, particularly on issues of respecting the rule of law and human rights.

So, in the aftermath of the Communist regime’s crackdown on the Tiananmen Square uprising in June 1989, President George W. Bush suspended U.S.-Chinese military relations and some technology transfers. These measures were confirmed in July 1989 by Congress. The export control of defence or dual-use equipment (civil and military) is still in place today.

Similarly, U.S. officials regularly raised the issue of opponents of the Beijing regime and did not hesitate to welcome the latter to the United States. The leader of the 1989 student movement, the dissident Chai Ling, managed to escape in April 1990 and moved to Paris. She subsequently accepted a scholarship to Princeton University and obtained an MBA from Harvard Business School in 1998. Similarly, her fellow student, Li Lu, left China after Tiananmen and went to study at Columbia University. The activists, Wei Jingsheng and Wang Dan, also moved to the United States in 1997 and the militant Chen Guangcheng in May 2012.

Hence, U.S.-Chinese relations provide at the same time an always reliable test of U.S. governments’ attitudes to issues of respecting the rule of law and human rights. Some presidents are sensitive about these issues, while others are more pragmatic.

China’s siege mentality

From the Chinese point of view, the U.S. military presence in Asia is perceived as a threat on all fronts. China is faced with the United States’ allies or partners all along its maritime borders: South Korea, Japan, Taiwan, the Philippines, Singapore and Vietnam host around 60,000 U.S. soldiers. The U.S. 7th Fleet, managed from Yokosuka Naval Base in Japan, with Naval Base Guam among its home ports, patrols just beyond Chinese territorial waters. The presence is the same along its land borders: Afghanistan, Pakistan, Mongolia and India are friends or even allies of the United States.

This presence may be invasive. Consequently, on 1 April 2001, a U.S. signals intelligence aircraft (SIGINT) collided with a Chinese interceptor
fighter jet, 110 kilometres from Hainan island or in Chinese airspace. The Chinese pilot was killed in the accident and the U.S. aircraft was forced to land on the island, where its crew was held for ten days. Two years previously, in May 1999, the Chinese Embassy in Belgrade was mistakenly targeted by the U.S. Air Force in NATO operations in former Yugoslavia, which resulted in the death of three Chinese journalists. Both these episodes brought the tension between the two countries to a climax.
2000: China as a “Peer Competitor” of the United States

Although relations between the two countries are in fact long-standing, equally important is the U.S. debate about the attitude to have vis-à-vis China, and the end of the 1990s and the start of the 2000s marked a period of deep concern about this issue. In fact, it was a turning point where Russia had not returned to the world stage and the attacks of September 11, 2001 had not yet taken place, and the U.S. administration saw a new adversary in China, against which it could mobilise its forces and demonstrate its leading role on the world stage. Hence, at this time the debate on the integration of China into international trade emerged simultaneously, as did that of the concept of China as a “peer competitor” in military terms for the United States.

In 1998, the Chamber of Representatives set up a Committee to investigate the truth about possible thefts of U.S. technology carried out by Chinese interests in the military fields. The Cox report, a public version of which was published in May 1999, detailed a systematic espionage system of U.S. military laboratories (particularly that of Los Alamos in New Mexico) over several decades. These activities may have greatly increased China’s progress in terms of nuclear weapons and MIRV (multiple re-entry vehicle) technique.

Congress then asked the Pentagon to submit an official report every year on the state of the Chinese military threat. In 2002, the Pentagon sent its first report about the developments in Chinese military arsenals, presenting China as a belligerent power with an excessive military budget and aggressive designs in Asia. At the same time, a Congressional Select

Committee, which Republicans and Democrats sat in, published its own equally suspicious report on China.

These official reports were based on strategic literature provided, which from 1998-1999 presented China as a peer competitor. In an Air War College study published in July 1999, Lieutenant-Colonel Kathryn Gauthier detailed in an alarming manner, China’s technological advances in the nuclear, ballistic, space and IT fields and emphasised the country’s hostile intentions. In her conclusion, she nevertheless urged the U.S. government to try diplomatic manoeuvres with China to avoid escalation into armed confrontation. This study presented the first use of the expression peer competitor, which would be picked up and defined by the Rand Corporation in a 2001 study.

In a 2001 book, Bill Gertz interviewed the former Ambassador to China, James Lilley, who for his part expressed concern regarding China’s nuclear effort – and which, according to him, the Clinton administration ignored during the 1990s: “What the [Clinton] administration has the most difficulty explaining, is the steady and purposeful development of weapons of mass destruction by China, its increased influence in Asia, the modernisation of its armed forces, and the specific objectives that it details in its publications.” Thus, political opposition between the Republicans and Democrats in the United States played a significant role in the debate.

And indeed, between Chinese propaganda, which overstated the achievements of the People’s Liberation Army (PLA) and the inflated interpretations of them that caused U.S. alarm bells to ring, it was doubtlessly an exaggerated image of Chinese military power which was emerging at this time. Nevertheless, according to the Stockholm International Peace Research Institute (SIPRI), China’s defence budget increased on average by 15% per year between 1990 and 2010, to reach $144 billion by that date. In 2016, this budget was $215 billion. It was the second largest defence budget in the world behind the United States ($611 billion in 2016), and far ahead of the next quartet, Russia, Saudi Arabia, India and France (between $50 and $70 billion a year each).

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A Comprehensive Debate about China

In the 1990s and 2000s, U.S. foreign policy academics held a particularly structuring debate about the nature of Chinese power, its possible developments, and the type of relations that the United States should establish with it to avoid an escalation leading to conflict. In a long article in 2005, Aaron Friedberg, Professor of International Relations at Princeton, even established a classification of these researchers, academics, journalists, and government officials.\(^{13}\) As with other major foreign policy issues, progressive thinkers (*liberals*) emerged, who were particularly interested in the country’s democratisation process; realists who based their assessment primarily on China’s intentions and military capabilities; and “constructivists” who based their analysis of U.S.-Chinese relations on belief systems (“socially constructed”) at work in both countries and likely to promote rapprochement or not. Each category was further broken down into optimists and pessimists which gave six categories in total!

On reading their articles and books, we find that their opinions ultimately revolve around three main issues, which are still also important today.

**Will China overtake the U.S. in terms of power and leadership?**

For a very long time, a number of major U.S. academics in international relations have been promoting the idea that China will take over from the United States as the world’s leading power. Hence, John Mearsheimer, a professor at the University of Chicago, in his 2001 book, *The Tragedy of Great Power Politics* (W. W. Norton & Company, 2001), explains that China’s economic development potential naturally makes it a competing power with the United States: “But if China were to become a giant Hong Kong, it would probably have somewhere in the order of four times as

much latent power as the United States, enabling it to gain a decisive military advantage over the United States.”

For proponents of U.S. power, it was obviously necessary to fight such a development. In 1992, the Wolfowitz doctrine had already expressed the idea that after the collapse of the USSR, the United States should especially not let a new superpower emerge against it, in order to preserve its global hegemony. Paul Wolfowitz, the Under Secretary of Defense for Policy and responsible for the paper, was considered a neo-conservative, or at the very least a “hawk” of U.S. foreign policy.

For John Ikenberry, professor at Princeton University, Chinese power will indeed be strengthened in the new century, while the U.S. “unipolar moment” will come to an end. Unlike Wolfowitz, he does not claim to fight this change, which is so natural for a historian of the long term. On the other hand, he is trying to find out if this new hegemonic China will know how to respect the liberal international order established by the United States and its allies after 1945, or if it will destroy it. For Ikenberry, this system must be retained for primarily moral reasons. Indeed, it implies compliance with legal norms and principles of openness conducive to world stability and the happiness of all. China is already benefiting from this, since it follows the rules of free trade. Therefore, Ikenberry dreams of a 21st century in which China would have taken the United States’ place at the head of the liberal international order of 1945.

We must then think about the nature of Chinese power as it emerges. Although, its economic and military force is beyond doubt, the deployment of its soft power is less assured. Does China have a liberal project for the world? Not only is China’s cultural influence in the world in no way comparable to that of the United States, but it should be noted that so far there has been no Chinese universalist project. For example, China has not announced its will to impose its political model on other countries. It is rather seen as the greatest economic and trading power in the world, on the model of Great Britain in the 19th century.

Its world project is hence limited to controlling the maritime and land routes and to better adapting global governance to its own interests.

15. The Wolfowitz Doctrine was the nickname given to the first version of a strategic planning paper: *Defense Planning Guidance for the 1994–99 Fiscal Years*, dated 18 February 1992. This version was leaked in the press and its belligerent and unilateralist tone caused a scandal (P. E. Tyler, “U.S. Strategy Plan Calls for Insuring No Rivals Develop”, *The New York Times*, 8 March 1992). A second version, which was toned down, was officially presented in April 1992. It should be noted that Wolfowitz did not explicitly refer to China in this paper.
Another way to look at this issue of Chinese power is to think that China is developing more as a regional than a global competitor to the United States. In the military field, it is developing so-called Anti-Access/Access Denial, A2/AD military capabilities able to keep the United States on its guard in Asia, or even to push it back. So, the United States would act on the world stage, whilst China would be limited to the Asia-Pacific area. However, this approach does not take account of the massive presence of Chinese commercial and economic interests in Africa and Latin America.

Can China’s authoritarian regime become a liberal democracy?

This second debate is based on the idea, widely held by the most idealistic Western observers, that economic prosperity (often brought about by liberal policies of the so-called “Washington consensus”) naturally promotes democratisation. Thus, as the population’s standard of living increases, so does the demand for political freedom. The existence of a political opposition in China, which has been harshly repressed by the regime, indeed shows that the possibility of a democratic revolution cannot be completely excluded.

In his latest book, *The End of the Asian Century*, the researcher at the Hoover Institution, Michael Auslin, says that to the contrary the Chinese regime cannot be reformed from within. Like the Soviet Union, any start of change would, according to him, lead to a collapse of the regime. The latter would therefore be braced against any attempt at democratisation. This attitude, because it curbs the dynamism and creativity of Chinese society, will hinder the development of Chinese power and the “Asian century” will end before it will have even begun. Aaron Friedberg goes even further. For him, any co-operative engagement with China would only prolong the existence of the current regime. Yet, the United States’ goal must be to achieve a change as quickly as possible in the regime in Beijing to ensure peace because – an article of faith by the researcher – “democracies do not wage war.” Consequently, rather than accepting compromises, the United

States must adopt a firm tone and resolutely deploy its military presence around China.

Kissinger makes completely contrary recommendations. According to him, it is necessary to talk to and co-operate with China, by accepting compromises if necessary. The objective of this “engagement” should not be to encourage liberalisation of the Beijing regime: Kissinger thinks that such an approach by the United States would only turn against them and against Chinese democratic opponents. It is rather to ensure stability in the region that the United States should seek a *modus vivendi* with the authoritarian regime in Beijing as it is. The proponents of realism admit that the Chinese government will not necessarily move towards democracy in the coming years. However, this does not fall within the competence of the United States’ moral responsibility.

**Is armed conflict between the two countries inevitable?**

The recent book by Graham Allison, *Destined for War: Can America and China Escape Thucydides’ Trap?* (Houghton Mifflin Harcourt, 2017), is inspired by the example of the Peloponnesian War between Sparta, a declining power, and Athens, a rising power, for domination of the Greek world in the 5th century BCE. It is usual for declining nations and rising nations to clash with each other for world domination through war. Therefore, it would be normal for China and the United States to be in a conflict situation sooner or later. This pessimistic hypothesis is shared by a number of well-known academics, such as Samuel Huntington, John Mearsheimer and the professor at Princeton Robert Gilpin.

For Kissinger, as well as for other realist academics such as Michael D. Swaine and Charles L. Glaser, such an outcome in the nuclear age must be prevented at all costs. Yet, it is possible to avoid a conflict by establishing sound habits of dialogue with China. The State Department is

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actively committed to this approach, since there are now four bilateral “annual dialogues” between the United States and China: the Diplomatic and Security Dialogue, the Comprehensive Economic Dialogue, Law Enforcement and Cybersecurity Dialogue, and Social and Cultural Dialogue.26 Also, the Shangri-La Dialogue on Asian Security can be mentioned, a forum for multi-lateral discussions on regional security issues, organised every year since 2002 by the International Institute for Strategic Studies (IISS) and which about 50 countries take part in, including China. Diplomats are “optimist constructivists” to use Friedberg’s categories, since they think that the more you know a foreign partner, the more you appreciate it. The pessimistic trend in international relations, represented in particular by Reinhold Nieburg in the United States, is based on a darker view of human nature and criticises the naive optimism of this belief.

Finally, an entirely different school of thought talks about the inevitability of a conflict between the United States and China. Robert Ross, a professor at Boston College, also believes that Confucian China is a fundamentally conservative power. It will not wish to defy the established order and will engage with considerable reluctance in the path of conflict.27 China’s strong integration in world trade since 2001 reinforces this hypothesis.

After 2001:
China as a Trading Power

Breaking with mercantilism – the economic theory which recommends a certain protectionism – Great Britain in the 19th century established its world domination on the principle of free trade. Communist China adopted the same approach after Mao Zedong’s death in 1976. His successor, Deng Xiaoping, well-known for having said “it doesn’t matter whether a cat is black or white so long as it catches mice”28 decided to gradually liberalise the country’s economy from 1978. “Special economic zones” were created and trade with abroad was encouraged under the principle of free trade. On 11 December 2001, China joined the World Trade Organisation (WTO) with the approval of George W. Bush’s U.S. government.

The debates about extending the most-favoured-nation clause to China and its joining the WTO were however particularly intense in the United States. Proponents of the liberal economy prevailed, arguing that the opening up of China would lead to its integration into the international system and benefit the global economy. They were also among the optimists for whom the increased standard of living of the Chinese would facilitate a transition by Beijing to democracy.29 Nevertheless, Deng Xiaoping provided an argument to those who believed that democracy and a market economy did not necessarily go hand in hand. Indeed, he was the main person responsible for the crackdown which fell on the Tiananmen protesters in 1989...

Evolution of Sino-U.S. trade

Chinese imports to the United States increased fivefold between 2000 and 2016, going from $ 100 billion to $ 467 billion, making the United States China’s largest export market. For its part, China is the United States’ third

28. This phrase became such a popular saying that the author was forgotten (Emmanuel Macron attributed it to Mao Zedong in an interview with Dépêche du Midi in October 2015). Deng Xiaoping may have said it during a meeting of the Secretariat of the Politburo of the Chinese Communist Party in 1962.
largest export market, representing $124 billion of goods in 2016. Consequently, the U.S. trade deficit vis-à-vis China is high. U.S. investments in China have for a long time been higher than Chinese investments in the United States, but the situation has reversed since 2014. It is difficult to make estimates because of the opacity of financial flows from China (public or private status of Chinese investors, transfer through tax havens, etc.) Nevertheless, the stock of Chinese foreign direct investment (FDI) in the United States may be $100 billion in 2016.

China became the largest foreign holder of U.S. public debt in September 2008. From August 2016, the Chinese authorities sold a part of this debt to push up the price of their currency (contrary to what Donald Trump accused them of during his campaign). Since the end of 2016, China has fallen behind Japan, holding $1,120 billion of U.S. Treasury securities as opposed to $1,130 for Japan.

In 2011, analysts at the Rand Corporation argued that economic interdependence between China and the United States was so strong that the two countries were in a situation of “mutually assured economic destruction” (MAED). The expression is taken from the concept of “mutually assured destruction” (MAD), coined in the era of the nuclear duopoly between the United States and USSR to describe the balance of terror which guaranteed peace between the two great powers. Indeed, if for example Trump’s United States started a trade war by significantly increasing customs duties on Chinese imports, the Chinese economy would be affected. However, China could then sell massive amounts of U.S. Treasury securities, causing a rise in interest rates for U.S. investors. The consequences would be extremely dangerous for the economic stability of both countries. The authors of the Rand study, who are close to U.S. military circles, therefore cast doubt on the prospects of a serious conflict between the two countries.

30. Figures from the U.S. Census Bureau.
2011: Is the “Pivot” to Asia an Attempt at Containment?

It was during a speech to the Australian Parliament in November 2011 that President Obama announced the initiative known as the “pivot” to Asia. It was officially to recognise the shift in the world’s centre of gravity to the Asia-Pacific theatre at the start of the 21st century. Prepared by government officials and in particular Kurt Campbell, Assistant Secretary of State for East Asian and Pacific Affairs, this new policy sought to strengthen U.S. relations with the countries of this vast region diplomatically, economically, and militarily.

The “pivot” policy indeed appeared as a thoughtful strategic response by the United States in the face of the assertion of Chinese power commercially, financially and militarily. It was a real shift in U.S. policy, ten years after China’s entry into the World Trade Organisation (WTO) and the resulting tenfold increase in its power. In concrete terms, the “pivot” sought to energise the United States' allies in the region, to regulate Chinese commercial practices and to ensure a more visible U.S. military presence. Thus, the “pivot” was widely perceived in Beijing, despite Washington’s denials, as an attempt at containment.

The United States wanted firstly to improve the multi-lateral dialogue between all of the actors in the region, particularly those in the Association of Southeast Asian Nations (ASEAN). They would create, for example, stronger diplomatic relations with the south-east Asian countries, so far scarcely practised by the State Department, such as Indonesia and Vietnam, but also India and Singapore, which joined the oldest allies Japan and South Korea in the list of countries visited by U.S. officials. The first trip abroad in President Obama’s second term, in November 2012, was dedicated to Cambodia, Thailand, and Myanmar, which officially became democratic with the 2010 elections. The former Burma saw the launch of a “Partnership for Democracy, Peace and Prosperity” with $170 million over two years.

The term “pivot” was then replaced by “rebalancing” to Asia to take the Europeans’ sensitivity into account. See the comments made by Ely Ratner, from the Center for a New American Security, during Ifri’s annual U.S. conference on 7 December 2012, available at: www.dailymotion.com.
At a time when some of these countries were in the midst of an economic recovery, trade links also had to be increased. The United States had already concluded a free trade agreement with South Korea in March 2012. They also started to negotiate an extremely ambitious free trade agreement, bringing together some 15 states around the Pacific except China. It was the *TransPacific Partnership* or TPP.

Lastly, the “pivot” contained a military component, which eventually planned to station 60% of the U.S. naval forces in the Asia-Pacific region as opposed to 40% nowadays. These forces would be redistributed within the area, with a reduced U.S. military presence in Japan and South Korea, and strengthened in the Philippines and Australia. They would draw on the so-called new “Air Sea Battle” doctrine which was unveiled in the *Quadrennial Defense Review* in 2010.

The impetus of the “pivot” to Asia, however petered out at the start of Obama’s second term. The teams were no longer the same: Kurt Campbell’s successor at the State Department, Danny Russel, did not have the same impact. The Secretary of State, John Kerry, was more involved in the Middle Eastern crises than in Asian politics. The U.S. military budget was too restricted by the sequestration procedures then initiated by Congress to be able to realise the intended redeployments. As for the TPP project, it would be challenged by the new enemies of free trade.

Furthermore, the United States had a lot to ask of China: a constructive role to bring North Korea to the negotiating table; a devaluation of its currency to help revive the global economy; the negotiation of the best commercial practices and the cessation of cyberattacks, etc. In the years 2012-2016, we thus saw diplomats favourable to dialogue with China get the upper hand of the “hawks” in Washington.

Kurt Campbell, who Hillary Clinton would have approached during the 2016 campaign to be her future Secretary of State, nevertheless remains convinced of the merit of a priority rapprochement with the other Asian countries, China’s neighbours. He published a book called *The Pivot: The Future of American Statecraft in Asia* in June 2016. It was a real roadmap for a reset of the “pivot” policy. Campbell would not have the opportunity to apply it: in November 2016, U.S. voters brought Donald Trump to power.
2016: Donald Trump Against China’s Free Trade Posture

The candidate Trump made attacks on China one of the leitmotifs of his 2016 campaign. He accused the latter of lowering the rate of its currency in order to bolster its exports (which was true from 2000 to 2014, but ceased to be so afterwards) and stated that he would put China on the list of “currency manipulators” from his first day in the White House, an action which makes retaliatory measures possible. He also wanted to impose new and exorbitant customs duties on Chinese products – up to 45% according to some of his speeches – to end Chinese social dumping that attracts U.S. manufacturing plants. This priority given to economic and trade issues, opening up the possibility of a return to protectionism, has led to comparisons with Alexander Hamilton’s political choices in the early years of the republic of the United States.

Furthermore, this atypical candidate was questioning the U.S. bilateral security alliances with Japan and South Korea, and stated that he would suspend U.S. maritime patrols in the South China Sea. Trump’s Chinese policy was therefore clearly rooted in his Jacksonian vision of the United States, seeing the world as the place of the clash of powers, but reluctant to intervene, additionally having no interest in the promotion of democracy. However, Donald Trump’s hostility greatly reduced when he took office. During the bilateral Mar-a-Lago summit in April 2017, he was cordial with President Xi Jinping. He stated on this occasion that he was going on a 12-day trip to Japan, South Korea, China, Vietnam (for the Asia-Pacific Economic Co-operation Summit – APEC) and to the Philippines.

37. E. Porter, “Trump Isn’t Wrong on China Currency Manipulation, Just Late”, op. cit.
40. The Asia-Pacific Economic Co-operation (APEC) is an economic forum established in 1989 which brings together 21 countries from North and South America, Oceania and Asia. Russia, China and the United States are members.
(for the ASEAN summit\textsuperscript{41} and the East Asia summit\textsuperscript{42} in November 2017. The issuing of registered “Ivanka” and “Trump” trademarks in China and the search for Chinese investors for the President’s son-in-law, Jared Kushner’s, real estate projects were mentioned as important factors in Trump’s friendliness towards Xi Jinping.\textsuperscript{43}

However, since the summer of 2017, relations with Beijing have deteriorated yet again. It would seem that after having cultivated the hope that China could settle the problem raised by North Korea’s nuclear and ballistic programme, Donald Trump is disappointed. Consequently, the U.S. president proceeded in July with naval manoeuvres, described as provocative by Beijing, authorised arms sales to Taiwan, announced sanctions against a Chinese bank accused of having indirectly facilitated Pyongyang’s ballistic programme\textsuperscript{44} – not counting his inflammatory tweets against Xi Jinping...

The TPP at risk

The TransPacific Partnership (TPP) project was caught up in the major turnaround in Western public opinion \textit{vis-à-vis} the principle of free trade – a turnaround which resulted in the negotiations conducted by the United States and the European Union (EU) on the \textit{Transatlantic Trade and Investment Partnership} (TIPP) being stopped; created problems for the ratification of the \textit{Comprehensive Economic and Trade Agreement}, CETA) between the EU and Canada; and led to a renegotiation of the North American Free Trade Agreement (NAFTA), and soon the free trade agreement with South Korea.

One of the main criticisms made about free trade by the populist opinions and politicians in the West is that it has led to the relocation of production plants to developing countries where salaries are considerably lower, thus putting workers in the secondary sector in developed countries out of work. This criticism is rejected by traditional economic theories, like that of “creative destruction” that Joseph Schumpeter presented in his book \textit{Capitalism, Socialism and Democracy}\textsuperscript{45}. He explains that the lost jobs will be replaced by more qualified and better paid jobs. Other

\textsuperscript{41} The \textit{Association of South-East Asian Nations} (ASEAN), which was established in 1967, brings together Burma, Brunei, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam.
\textsuperscript{42} The East Asia summits bring together the ASEAN countries, China, Japan, South Korea, Australia, New Zealand and India. Russia and the United States have been members since 2011.
\textsuperscript{44} C. Puyette, “Pékin, ulcéré par les ‘provocations’ de Washington”, \textit{Le Figaro}, 3 July 2017.
observers emphasise that many of the jobs destroyed in industry have been through automation and robotization of production functions.

However, a recent study by researchers affiliated to Massachusetts Institute of Technology (MIT) concludes that a million jobs were directly destroyed and 2.4 million jobs indirectly in the United States due to relocation to China.46 This study signed by legitimate economists has just confirmed what the U.S. working class – both followers of Donald Trump and the left-wing populist Bernie Sanders during the 2016 U.S. presidential campaign – wanted to say. It partly explains the turnaround in U.S. opinion on the issue of free trade and protectionism.

Already weakened by this change of attitude, TPP saw the United States withdraw from its framework through an executive order from President Trump on 23 January 2017. The other parties to the treaty, i.e., Canada, Mexico, Chile, Peru, Australia, New Zealand, and for Asia, Brunei, Vietnam, Malaysia, Singapore and Japan, say they want to continue to implement the agreement, in the hope that the United States might join again in the future. Nevertheless, the U.S. withdrawal has significantly weakened the general design of the partnership.

The purpose of TPP was to impose on China from the outside and without it having a say, a regulated trading framework, obeying common values and norms based on Anglo-Saxon law. In a totally counter-productive way for the United States, the U.S. withdrawal gives room for manoeuvre to Chinese commercial ambitions throughout the region, including its trade practices which do not particularly comply with the standards in force.

**Chinese trade initiatives**

As President Xi Jinping hammered home during his speech to the World Economic Forum at Davos in January 2017, China is now asserting itself as the true champion of free trade. It has implemented bilateral agreements with many countries and blocs, such as ASEAN (2010), New Zealand (2008), Australia and South Korea (2015), Taiwan (2010), and concluded two “closer economic partnership agreements” (CEPA) with Hong Kong and Macao in 2015.

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China is also engaged in negotiations with its neighbours in the Asia-Pacific zone to conclude a *Regional Comprehensive Economic Partnership* (RCEP). The RCEP, which has been discussed since 2012 and whose signature is announced for the end of 2017, appears as a kind of alternative to TPP. It differs from it significantly, as it mainly aims to reduce customs duties, offering very little opening up of public markets, no harmonisation of standards or agreements on employment, environmental, or intellectual property law. The presence of democracies like Australia, New Zealand, Japan, South Korea, and India around the negotiating table, committed to respecting the norms of international law will complicate the task for Beijing.

According to Valérie Niquet, a senior research fellow at the Foundation for Strategic Research (RSR), China is acting cynically. It is looking to implement free trade agreements with very little regulation, in order to take maximum advantage of its trade with the entire outside world. The researcher, Marc Lanteigne, is less negative about Chinese motivations, since he explains in a recent book that Xi Jinping’s China wants to stop being an actor which shakes up or accepts the rules (“norm-shaker” or “norm-taker”) in order to become a responsible actor which forms the rules (“norm-shaper”). The slogans of the Chinese leaders confirm this development, from when Deng Xiaoping kept a low profile (literally “flee the light and look for the shadow”), to Xi Jinping nowadays wishing “to make his contribution enthusiastically”.

As a symbol of this new assertion of Chinese power in the world, the vast Chinese initiative for the development of the New Silk Roads must be mentioned. This project, which was discussed and then started in 2013, intends to develop a maritime and land route, that is to say, “One Belt, One Road” (OBOR) to integrate China in successful trade relationships with the

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47. The countries negotiating the RCEP are China, the ten ASEAN member countries, as well as India, Japan, South Korea, Australia and New Zealand.
48. Interview with Valérie Niquet, Senior Research Fellow at the Foundation for Strategic Research, 26 September 2017.
51. The United States had developed their own New Silk Roads project in 2011 to accompany their planned departure from Afghanistan. The “New Silk Road Initiative” was planned to promote Afghan economic development by integrating the country in a network of roads and energy transport systems linking it to other Central Asian countries. Connectivity was the key word. The CASA-1000 project, for example, was to transfer the electricity produced by the hydroelectric dams in Kyrgyzstan and Tajikistan to Pakistan and Afghanistan. However, the work is not progressing as well as expected. See M. Boulégue, “U.S. Engagement towards Central Asia: No Great Game after All?”, *Chronique américaine*, Ifri, 7 October 2015, available at: [www.ifri.org](http://www.ifri.org).
rest of Asia and up to Europe via Africa. For this, roads and ports, as well as all the related infrastructure needs to be built. The OBOR initiative resulted in the foundation in 2014 of the Asian Infrastructure Investment Bank (AIIB), which intends to double the operations of the World Bank, the IMF, and the Asian Development Bank in the region. The AIIB has provided a funding capacity of $100 billion for all of the OBOR projects.

The actual progress of the New Silk Roads is difficult to assess. Some of the expected investments in poor countries, where profitability prospects are low, are long overdue. Other projects are accused of only benefiting Chinese companies sent to the host countries where the infrastructure is built. Nevertheless, a sign of importance accorded to it by foreign countries is that no less than 29 Heads of States were present alongside Xi Jinping at the first official forum of the “Belt and Road Initiative” Forum which was held in Beijing on 14 and 15 May, including Vladimir Putin and Recep Tayyip Erdogan.


53. The United States sent the Senior Director for Asia at the National Security Council, Mark [sic: Matthew] Pottinger.
2017: Despite Pyongyang, a Return to the Issue of Trade

From Spring 2017, all issues of debate between the United States and China, including the very delicate issues of Washington’s relationship with Taiwan and Chinese territorial claims in the South China Sea, have been relegated to the background. Indeed, relations between the United States and North Korea have deteriorated markedly, caused by the series of nuclear and ballistic tests conducted by the Pyongyang regime.

Since the 1960s, North Korea has conducted a vast armament effort to protect itself in an environment that it perceives as very hostile. Its nuclear ambitions led it to withdraw from the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) in 2003. The six-party talks (United States, Russia, China, Japan, South Korea and North Korea) between 2003 and 2009 did not put an end to its nuclear and ballistic programmes. No less than five ballistic missile tests took place between March and July 2017, followed by a nuclear test on 3 September. The situation is obviously very worrying for South Korea and Japan, as well as for the United States, which could now be hit by a North Korean intercontinental ballistic missile.

For Washington, China naturally appears as a mediator on the North Korean issue, as much by its geographical and ideological proximity, influencing factors, as by the exercise of economic sanctions. Indeed, North Korea sends 92% of its exports to China (seafood, coal and minerals, clothing) while China supplies North Korea with oil products. However, the sanctions announced by Beijing were not necessarily implemented. If the United States’ room for manoeuvre over China is low, that of China over North Korea is impossible to assess from the outside, and perhaps is likely to be the same.

Therefore, Trump has returned to blaming China for his ineffectiveness, or even his inaction. During his official trip in November 2017, it seems however that the U.S. president again focused most of his message on the issue of the U.S. trade deficit vis-à-vis many Asian countries, mainly China, and on the need to rebalance trade in a way favourable to the United States. As far as he is concerned, the strategic debate on China is closed: China remains above all a commercial adversary in a world of economic balance of power. In his eyes, international
relations functions as communicating vessels, where the weakening of one party is reflected in the strengthening of the other. The rise of China can only be to the detriment of the United States.

But, where President Obama’s “pivot” policy was actively seeking to restrict Chinese ambitions in the Asia-Pacific zone, Trump’s withdrawal seems counter-productive.
Nicol C. Rae, “The Democratic Party under Obama and Beyond”, No. 12, March 2012.

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