Challenge Accepted: China’s Response to the US Rebalance to the Asia-Pacific

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Chinese policy elites regard the US rebalance to the Asia-Pacific region as a major strategic challenge that must be met with a determined yet patient response. Chinese leadership under President Xi Jinping still seeks long-term stability with the United States by proposing to build a new model of great power relationship. On the other hand, however, Beijing has significantly revamped its strategy toward countries on its regional periphery by both pivoting toward the Eurasian continent and by developing a new resolve to protect its interests in maritime Asia. These indirect counterstrategies reveal the novelty and significance of China’s multifaceted response to the US rebalance.

In October 2011, US Secretary of State Hillary Clinton announced a “pivot” to the Asia-Pacific region in a prominent article published in Foreign Policy, reaffirming America’s strong commitment to continued regional leadership.¹ One month later, in a speech to the Australian Parliament, President Barack Obama echoed this “pivot” message by declaring that “The United States is a Pacific power, and we are here to stay”.² In January 2012, the US Department of Defense released a strategic blueprint for the Joint Force in 2020, announcing that “we will of necessity rebalance toward the Asia-Pacific region”.³ By that point, the “pivot” or “rebalance” toward the Asia-Pacific had become the Obama administration’s settled Asian strategy.

According to Kurt M. Campbell, Assistant Secretary of State for East Asian and Pacific Affairs during Obama’s first term in office and the chief architect behind the “pivot”, this strategy wants to fulfil America’s “traditional post-World War II role in the region, keeping credible its alliance commitments, and sustaining Asia’s ‘operating system’ (the complex legal, security, and

practical arrangements that have underscored four decades of prosperity and security). It is a comprehensive and integrative strategy that includes bolstering traditional alliances, forging new partnerships, engaging regional institutions, diversifying military forces, defending democratic values, embracing economic statecraft, and developing a truly multifaceted and comprehensive approach to an increasingly assertive and capable China.

In her article, Clinton declared that “a thriving America is good for China and a thriving China is good for America”. Obama affirmed that the United States welcomed the rise of a peaceful and prosperous China. Similarly, Campbell argues that “the Pivot is primarily about increasing ties to Asia, not containing China”. Toward China, the strategy is “perhaps best understood as a mixture of reassurance and resolve that underscore elements of cooperation and competition respectively”. He claims that “building a constructive and productive relationship with China has been an important part of the Pivot ever since it was first announced”, and “China’s official response to the Pivot was no knee-jerk reaction driven by concern over US intentions but instead a reasonable and measured decision to wait and see how US policy would evolve”.

Campbell seems to argue that the rebalance strategy has been a success overall, even in the area of China policy. This article sets out to evaluate this argument. It tests Campbell’s claim that China’s reaction to this strategy has been restrained and measured. It further assesses the efficacy of the strategy as a mixed approach of both reassurance and resolve toward China. I start with an analysis of China’s assessment of the nature of the rebalance strategy. The following sections outline two major Chinese responses: to push for “a new model of great power relationship” with the US in order to stabilise the bilateral relationship, and to roll out a significantly revamped strategy towards countries on China’s periphery in order to counter the strategic challenges from the US rebalance.

Campbell is correct that China’s reaction to the rebalance has not been hysterical or aggressive. But in assessing the reaction as restrained, he vastly underestimates the novelty and consequences of China’s multifaceted response. Far from seeing the rebalance as a benign reassurance about building a constructive relationship with China, Chinese policy elites consider it a major strategic challenge that must be met with a determined yet patient response.

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5 Ibid.
6 Clinton, ‘America’s Pacific Century’.
7 The White House, ‘Remarks by President Obama’.
8 Campbell, The Pivot, p. 22.
9 Ibid., p. 25.
10 Ibid., pp. 22, 26.
A Calm Assessment

Influential Chinese analysts appreciate the compelling logic behind America’s rebalance strategy. Yuan Peng, a senior analyst at the prestigious China Institutes of Contemporary International Relations (CICIR) in Beijing, accords the rebalance historical significance because it follows major trends in world development while speaking to America’s necessary reliance on the Asia-Pacific region for its own development in the present era. The rebalance is thus not just a simple tactical shift peculiar to the Obama administration, but a major strategic choice connecting US diplomatic history with contemporary reality and involving all major aspects—diplomatic, military, security and economic—of US statecraft. Such an assessment is not dissimilar from Campbell’s own rationale for proposing the “pivot”.

Some Chinese analysts are tempted to criticise the rebalance as America’s latest attempt to “contain” China. Indeed, plenty of nationalistic and hardline voices inside China decry America’s entire post-Cold War policy toward China as nothing less than a Cold War-style “containment”. Sophisticated analysts, however, appreciate the nuances of US policy and understand the logic behind the rebalance strategy. They do not consider the rebalance to be a containment strategy, but rather an attempt to “balance” China’s rise and maintain US regional leadership. What America characterises as “balancing” China’s rise, however, is seen by China as a hegemonic attempt to entrench the inherent imbalance of the post-Second World War Asia-Pacific regional order—that is, to maintain America’s regional dominance.

Thus Campbell is right that cool heads have prevailed in elite Chinese assessments of the rebalance. But such cool-headedness does not mean Chinese indifference or inaction. In fact, while recognising that containing China is not the United States’s intention, Chinese analysts almost universally regard hedging against and competing with China as a dominant motivation of the rebalance. Some find it offensive that the Obama

12 The view of Xue Li, a prominent foreign policy expert based at the Chinese Academy of Social Sciences’ Institute of World Economy and Politics, is representative in this regard. See Xue Li, ‘Meiguo zaipingheng zhanlue yu zhongguo “yidai yilu”’ [America’s Rebalance Strategy and China’s ‘One Belt, One Road’], Shijie jingji yu zhengzhi [World Economy and Politics], no. 5 (2016), pp. 62, 65.
14 Ruan Zongze, ‘Meiguo “yatai zaipingheng” zhanlue qianjing lunxi’ [An Analysis of the Prospects of the US Asian Rebalance Strategy], Shijie jingji yu zhengzhi [World Economy and Politics], no. 4 (2014), p. 10. Ruan, a leading American foreign policy expert, is the Deputy Dean of the China Institute of International Studies in Beijing, a think tank directly supervised by the Ministry of Foreign Affairs.
administration has adopted a global strategy of retrenchment to make way for an assertive Asia-Pacific regional strategy of rebalance in order to concentrate on dealing with China’s rise and reinvigorating America’s regional hegemony.\textsuperscript{15} If the administration’s global strategy is restrained, its Asia-Pacific regional strategy is certainly not.

Leading Chinese analysts argue that the rebalance has comprehensively challenged China’s interests in the security, diplomatic, economic and strategic domains. Yuan Peng asserts that in the security domain, the US redeployment of 60 per cent of its naval and air force assets to the Asia-Pacific region and a series of military plans targeting China are challenging China’s near-sea defence system. Unrestrained bilateral and multilateral military exercises around China’s periphery have aggravated China’s regional security environment. Significant deployment of new military assets in the region, including in Australia, Guam, Japan, the Philippines, Singapore and South Korea, has cast a long shadow over the China-US military relationship. In the diplomatic domain, by strengthening its existing alliance system and developing a new networked approach to regional partnerships, the rebalance has increased diplomatic pressure on China. Yuan also charges the rebalance strategy for contributing to recent tensions between China and its neighbours in territorial and maritime disputes. In the economic domain, the Trans-Pacific Partnership (TPP) initiative has not only disrupted the existing tempo of East Asian economic integration but also presented a completely new challenge to China’s East Asian economic strategy. In the strategic domain, the rebalance, by virtue of its increased strategic investment in the Asia-Pacific, has raised China’s suspicions of US strategic intentions and intensified its efforts to counter US moves, resulting in the deepening of the already very deep strategic distrust between the two countries.\textsuperscript{16}

These concerns about the rebalance’s challenge to Chinese interests are widespread among Chinese policy elites. Contrary to Campbell’s claim, Fu Ying, a high-profile former vice foreign minister, points out that the “intentions of the U.S. military alliances in the Asia-Pacific remain a particular source of concern for China”, especially after the “pivot”.\textsuperscript{17} More ominously, the rebalance has actually served to bolster the hardliners’ assertion about a hegemonic US bent on keeping China down.\textsuperscript{18} To some, the rebalance is


\textsuperscript{16} Yuan, ‘Xunqiu zhongmei yatai liangxing hudong’, p. 58.

\textsuperscript{17} Fu Ying, ‘How China Sees Russia’, \textit{Foreign Affairs}, vol. 95, no. 1 (2016), p. 104.

but the latest manifestation of America’s “Cold War mentality” that only serves to raise tension in Asia-Pacific regional politics.  

**A New Model of Great Power Relationship**

Despite these negative perceptions, no serious analyst—save for the extreme hardliners—has advocated a head-on collision with the United States. In part, this is because the Chinese policy establishment correctly recognises the multifaceted nature of the rebalance strategy and its fundamental difference from a pure “containment” strategy against China. Direct confrontation with the United States therefore does not make sense. More importantly, China has grown significantly more confident since 2008 and has been developing its own policy ideas toward the United States and the Asia-Pacific region. Chinese foreign policy is no longer entirely reactive to outside events or pressures. Beijing is keenly aware of the importance of developing its own initiatives in major strategic arenas to shape a regional environment more favourable to its interests. Toward the United States, a major innovation is the proposal to develop “a new model of great power relationship” (xinxing daguo guanxi) between the two countries.

In February 2012, during a visit to the United States, then Vice-President Xi Jinping proposed building a new model of great power relationship between China and the United States for the first time. In July 2013, during a famous “shirtsleeves” summit with President Obama at the Sunnylands estate in California, President Xi outlined three key components of such a relationship: “no conflict” and “no confrontation”, mutual respect, and win–win cooperation. The two countries agreed to expedite negotiation over a bilateral investment treaty and to begin consultation on confidence-building measures between the two militaries. During the November 2014 Xi-Obama summit in Beijing, Xi proposed six major directions for developing a new relationship. The two countries issued a joint statement on tackling climate change, signed two memoranda on establishing confidence-building measures between the two militaries, and agreed to continue negotiations over a bilateral investment treaty.

By 2012, when the Chinese idea of a new model of great power relationship began to be articulated, the Obama administration had already instigated its
rebalance strategy in a prominent manner. China could not have missed this. Yet, rather than feeling compelled to respond with confrontation, it instead proposed no confrontation, mutual respect and cooperation. It still wanted to clarify its strategic intention of seeking long-term stability and cooperation with America and to reduce US suspicion of the uncertainty of China’s long-term strategic ambitions.21

Underneath such immediate policy objectives, however, is a deeper historical and conceptual rationale. After 2010, when China became the world’s second largest economy after the United States, Chinese leaders began to appreciate the acute strategic dilemmas facing a rising China in an international order still largely dominated by the United States and its allies. The discussion about China-US relations came to be framed in the context of a relationship between a rising power and a hegemonic power. In particular, Chinese leaders worry about the offensive realist logic of the “tragedy of great power politics” and its implications for China-US relations.22 President Xi has raised his concern with the so-called “Thucydides Trap”23—the dangers of war when a rising power rivals a ruling power—several times in public. Chinese leaders want to transcend fatalistic realist predictions about great power conflict. The concept of a new type of great power relationship is their attempt to rise above the fatalistic variants of realist international relations theories.24 Thus, this concept has deep historical and conceptual underpinnings as well as immediate policy motivations.

China’s proposal for building a new type of great power relationship with the United States carries a serious cooperative spirit. But it should not be mistaken for unconditional cooperation. Among the three key components of the concept, “no conflict” and “no confrontation” communicates China’s bottom line. Beijing recognises that conflict and confrontation will not only derail the China-US bilateral relationship, but also destabilise and damage the Asia-Pacific regional order to the detriment of every country including China.

But while stability is important, mutual respect for each other’s core interests and major concerns are vital too, and this second component of the concept—mutual respect—is probably the most significant and controversial aspect of the Chinese proposal. Beijing is signaling, in effect, that the United States must now respect China’s interests and treat it as an equal great power. The message, then, is that China would no longer bend to US pressure and accommodate its demands and interests, as occurred, for example, during the 1990s when it was significantly weaker than the United

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21 Lin and Zhang, ‘Chaoyue kunjing’, p. 66.
24 Da, ‘Zhongmei xinxing daguo guanxi’, p. 11.
States. Alongside the cooperative spirit, there is also a newfound determination and resolve to safeguard and protect China’s vital interests, perhaps even at the cost of conflict when necessary. Some of the “core interests” that China identifies—especially the preservation of an authoritarian political system ruled by the Chinese Communist Party—run counter to basic American values. Other “core interests” in territorial sovereignty and security, including the traditional focus on Taiwan, Xinjiang and Tibet, but possibly also an expansion of new interests in the East and South China Seas, are making US strategists nervous. This explains, in a big part, the Obama administration’s reluctance to endorse this concept as a roadmap for future relations.

The Chinese proposal to build a new model of great power relationship with the United States is not a direct, reactive response to the US rebalance. One cannot run a causal chain from the rebalance to this proposal. The proposal has its own diverse motivations, concerns and initiatives peculiar to Chinese policy thinking at this precise historical moment. In particular, it embodies a proactive effort to shape US expectations about China’s rise. Rather than just letting the United States shape the contours of China’s rise, which has so often been the case in the past, Beijing now believes that the rise of China has made possible an interactive process of the two countries mutually shaping each other’s expectations, calculations, and responses. But the proposal—especially the “mutual respect” component—contains essential principles about the ways in which China might respond to the rebalance. In other words, Chinese policy elites see the concept as broad enough to incorporate a range of responses to US policies, rendering a specific, targeted response to the rebalance unnecessary.

**Periphery Strategy**

In October 2013, China held its first conference on diplomacy toward countries on its periphery. President Xi emphasised the need to strive for achievement in periphery diplomacy (zhoubian waijiao), so as to secure a favourable regional environment for China’s development. Attended by representatives from the party, local and central government, the military, state-owned enterprises and the diplomatic corps, this conference was a milestone event in raising the profile of periphery diplomacy in the history of Chinese foreign policy. The distinguished scholar Yan Xuetong argues that the conference indicated a strategic shift of Chinese foreign policy from “keeping a low profile” to “striving for achievement”.

It is hard to claim that this conference was somehow a response to the US rebalance. Two US-related considerations, however, are important for understanding the significance of this conference. First, since the end of the

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Cold War, the major preoccupation of Chinese foreign policy has always been the United States. This is understandable given America’s preponderant position both in the global system and in the Asia-Pacific regional order and its menacing ability to affect major Chinese interests in a variety of ways. Holding the periphery-diplomacy conference suggested that China was lowering the priority of US policy while simultaneously raising the importance of regional diplomacy in its overall foreign policy framework. This does not mean, however, that periphery policy has now taken precedence over US policy in either conceptualisation or practice. In any case, elite debates about the respective positions of and the relationship between these two policy areas still remain inconclusive. But it does mean that China has reduced its obsession with the United States and is acquiring a broader conception and a more ambitious design for its overall foreign policy. Such a reduced fixation with the United States because of a greater strategic ambition may help explain China’s calm—although not indifferent—assessment of the US rebalance.

Second, the rebalance may have unwittingly contributed to China’s awareness of the importance of regional diplomacy and its consequent determination to pursue an activist policy toward regional countries. Many Chinese analysts perceive that a key purpose of the rebalance is to sow discord between China and its Asia-Pacific neighbours so that America can profit from the deterioration of China’s regional relationships. A logical response, therefore, is to significantly improve and expand China’s friendly relations with regional countries, depriving the United States of the opportunity to drive a wedge between China and its neighbours.26

Viewed from the perspective of China’s periphery diplomacy, Beijing has carried out a two-pronged approach to deal with the rebalance’s challenge to its interests: a Chinese “pivot” toward the Eurasian continent and a new resolve to protect its interests in maritime Asia-Pacific, in both the economic and security domains. China’s economic and security policies embodied by this approach cannot be seen as a direct response to the US rebalance—they are not reducible to a simple China-US competition in the vast Asian region. But behind these policies, one inevitably sees various shades of the US factor in Chinese considerations.

**The Chinese “Pivot” to Eurasia**

In October 2012, roughly one year after the US announcement of a “pivot” toward the Asia-Pacific, the prominent scholar Wang Jisi argued for a rebalance of China’s geopolitical strategy. He suggested that at a time when the US was pivoting toward the east, and major power centres like Russia, India, and the European Union (EU) were also “looking east”, China should not limit its strategic purview to maritime Asia, but should instead have a strategic plan of its own, a “pivot to the west” (xijin). Such a “pivot” would

26 Ruan, ‘Meiguo “yatai zaipingheng” zhanlüe qianjing lunxi’, p. 18.
help build a more balanced relationship with the United States and contribute to developing China-US strategic trust. Wang believes that China-US competition in East Asia was increasingly becoming “zero-sum”. But in the vast heartland of the Eurasian continent stretching from Central Asia to the Middle East to South Asia, great potential exists for China-US cooperation in a range of fields including investment, energy, counter-terrorism, non-proliferation and regional stability, without any major risk of military confrontation between the two countries.\(^{27}\)

This very influential article set off a heated debate among Chinese analysts about China’s geostrategic focus in the new era, and is sometimes credited with contributing to President Xi’s new policy idea of ‘One Belt, One Road’ (OBOR). It is clear that Wang’s argument about a Chinese “pivot to the west” was in part motivated by the US “pivot” to the Asia-Pacific. And if his idea had indeed affected the Chinese government’s conceptualisation of OBOR (which is quite possible given Wang’s influence in policy circles), then OBOR should be seen, at least in part, as an indirect and unintended consequence of the US rebalance strategy.

In any case, Beijing rolled out OBOR with great fanfare. In a visit to Kazakhstan in September 2013, Xi proposed building a ‘Silk Road Economic Belt’, an overland Eurasian economic network linking China with Asian, European, and Middle Eastern countries. One month later, during a visit to Indonesia, Xi advanced a parallel idea of building a ‘Maritime Silk Road for the Twenty-First Century’, a maritime economic network running from the Chinese coast to the South China Sea, the Indian Ocean, and all the way to Oceania and littoral Europe. Wang’s idea of a “pivot to the west” focuses only on the Eurasian continent. Xi’s OBOR is much more ambitious by incorporating an additional maritime theatre. It is variously seen inside China as the Xi administration’s signature economic policy initiative and even as a grand strategy combining national development imperatives with foreign policy activism.\(^{28}\)

OBOR is, at its core, a foreign economic strategy. Chinese motivations range from exporting its excess industrial capacity, to making better use of its vast foreign-exchange reserves, to securing safer sources of energy supply, to promoting China’s “strategic depth” in key industries and enhancing national security. But, strategically, it is also an answer to the TPP, the major economic pillar of the US rebalance strategy. This is another sense


in which OBOR can be seen, in part, as China’s geopolitical counteroffensive to the US rebalance.\textsuperscript{29}

China is “pivoting” toward the Eurasian heartland both with and beyond OBOR. This is particularly true in its relations with Russia and Europe. During the Xi administration, China has notably consolidated what was already a robust relationship based on mutual strategic and economic interests. Although Chinese officials are reluctant to acknowledge the American dimension in the strengthening of the China-Russia relationship, they make it clear that China and Russia need each other’s support in major international issues. To Beijing’s delight, Moscow overcame its initial hesitation about OBOR and embraced it in 2014.\textsuperscript{30} China’s interest in having a closer strategic relationship with Russia is at least partly motivated by strategic pressure from the US rebalance in maritime Asia. That the two countries conducted their first joint military exercises in the South China Sea in September 2016 is an outstanding testimony to this concern.\textsuperscript{31}

Toward Europe, China has also initiated a “pivot” to deepen economic cooperation. In March 2014, Xi paid a high-profile visit to the EU headquarters in Brussels—the first time in history that a Chinese head of state had formally visited. One month later, China announced its new policy paper on the EU, the first update in ten years. Beijing is now vigorously using the ‘16+1’ forum, a new institutional mechanism for cooperation with Central and East European countries (including eleven EU countries and five EU candidate countries) launched in 2011, to promote OBOR in Europe. The China-EU relationship has reached a higher strategic level, based not just on trade but also on security, advanced technology—including dual-use technology—and food security. If the United States reduces its engagement with Europe, a possible implication of its Asian rebalance given its finite strategic resources, China is sure to strive to fill the void, with OBOR in particular.\textsuperscript{32}

**NEW RESOLVE IN MARITIME COMPETITION**

In one sense, China has responded to the US rebalance to the Asia-Pacific by launching its own rebalance to the Eurasian continent, even though such a rebalance to the west, given its multiple motivations, only qualifies as an indirect consequence of the US rebalance. But, while “pivoting to the west”, China has not reduced—let alone abandoned—its strategic attention to the east, the Asia-Pacific maritime theatre where a traditional great power competition between China and the United States is taking place. OBOR,

\textsuperscript{29} Ibid., p. 122.

\textsuperscript{30} Fu, ‘How China Sees Russia’, p. 99.


\textsuperscript{32} Theresa Fallon, ‘China’s Pivot to Europe’, *American Foreign Policy Interests*, vol. 36, no. 3 (2014), pp. 175–82.
after all, includes both the overland Eurasian theatre and the maritime Indo-Pacific theatre. In the maritime theatre, OBOR, focusing on infrastructure development projects with regional countries, is becoming a pointed response to the TPP.

The bigger and more significant story in this theatre, however, is China’s demonstrated resolve to safeguard its national interests, particularly sovereignty and maritime rights in its disputes with its neighbours. Chinese policy elites almost unanimously believe that US intervention in Asian maritime disputes under the banner of the rebalance strategy has significantly complicated the management and resolution of these disputes. Fu Ying’s assessment is noteworthy because of her policy role:

> Some U.S. allies in the region have made claims on China’s sovereign territory and infringed on Chinese maritime rights, hoping that by cozying up to Washington, they could involve the United States in their disputes with Beijing. This is a dangerous path, reminiscent of the “bloc politics” of the Cold War. 33

Believing that some regional countries are counting on the US rebalance to enhance their interests and make demands on China’s sovereignty and maritime rights, Chinese analysts conclude that China must respond with sufficient resolve to protect its own interests and beat these countries’ provocations. 34 Failure to do so would not only inflate regional countries’ ambitions at the cost of China’s interests but also embolden the United States to capitalise on their provocations to enhance the efficacy of the rebalance strategy. Following this logic, it is not difficult to see that the rebalance—especially the US desire to make credible its commitments to its allies in the face of China’s rise—actually contributes to a greater Chinese resolve to face down perceived provocations from regional countries, especially when these countries are US allies such as the Philippines.

It appears plain to many Chinese analysts that those countries involved in territorial and maritime disputes with China in recent years are either US allies (Japan and the Philippines) or newly emerging security partners of the United States (India and Vietnam). For these analysts, this cannot be a mere coincidence. Meanwhile, the United States, adopting a nominally ‘neutral’ position, is in fact supporting and encouraging these countries’ positions and policies against China. American policy toward Asian territorial and maritime disputes, halfway between principled neutrality and de facto bias, obsessively motivated by its concern with strategic credibility, is emboldening regional countries’ risk-taking behaviour to challenge Chinese interests. The resulting provocations and incidents have brought

33 Fu, ‘How China Sees Russia’, p. 104.
34 Lin and Zhang, ‘Chaoyue kunjing’, p. 66.
diplomatic and security pressure on China, at times even the pressure of war.\textsuperscript{35}

One may criticise this kind of argument as self-serving because it conveniently overlooks the Chinese side of the story; for example, China’s increasing maritime assertiveness since 2009.\textsuperscript{36} Regardless, such arguments are very popular inside China, and the US rebalance has certainly provided ammunition and contributed to their plausibility. To a significant degree, they have also influenced government policy, in particular China’s standoff with the Philippines over the Scarborough Shoal in April–June 2012, the oil rig incident with Vietnam in May–July 2014, and the industrial-scale land reclamation and island building in the Spratly Islands since 2014.\textsuperscript{37}

None of these events were caused by a single-minded concern with the US rebalance; all of them had complex conditions and motivations. Yet, Chinese analysts and officials always place these events within the broad context of the rebalance. If they want to find a scapegoat, the rebalance is readily available. Even though fair-minded analysts believe that China must also bear part of the blame, they will not let the US rebalance escape their explanatory framework.

Some of China’s recent maritime policies have already produced dramatic strategic consequences. Island building, for example, has considerably quickened and exacerbated strategic and military competition between China and the United States, presenting mounting dilemmas for both countries.\textsuperscript{38} It is also an area over which the Obama administration has had little control or influence. If one accepts the Chinese argument that significant policies such as island building should be seen within—although not exclusively attributed to—the broad geopolitical context of the US rebalance, then the rebalance has indeed damaged US-China strategic relations, even if that regrettable consequence was produced in an indirect or circuitous way.

**Can the Rebalance Succeed?**

China has thus responded to the US rebalance, usually indirectly, in a number of consequential ways. In some sense, a competition has already taken place between the US rebalance and China’s periphery strategy.

\textsuperscript{35} Ibid., p. 70; Wang, ‘Guodu kuozhang de meiguo yatai zaipingheng zhanlűe jiqi qianjing lunxi’, p. 14.


\textsuperscript{38} Peter Dutton, ‘A Maritime or Continental Order for Southeast Asia and the South China Sea?’ *Naval War College Review*, vol. 69, no. 3 (2016), pp. 5–13.
What, then, are Chinese policy elites' assessments of the rebalance's prospects?

Chinese analysts are quick to point out a number of major problems and dilemmas in the rebalance, both in terms of strategic conceptualisation and practical execution. Da Wei, a leading US foreign policy expert at CICIR, perceptively locates a major contradiction in the rebalance’s strategic design. The United States wants to deploy the rebalance to enhance relations with China and other Asia-Pacific countries simultaneously. While theoretically possible, this strategic goal is nearly impossible to achieve in practice. The China-US relationship already displays mounting and sometimes intractable differences in a range of difficult policy areas including cyber-security, the South China Sea, human rights and economic ties. But the rebalance strategy only serves to further damage the relationship in strategic domains: the strengthening of America’s regional alliance system and its military redeployment cannot but trigger Chinese concerns and opposition; direct intervention in the East and South China Seas disputes hurts major Chinese interests; and the exclusion of China in the TPP reflects a highly competitive, if not overtly anti-Chinese, mentality of the rebalance’s economic strategy. These perceptions have led many inside China to conclude that the rebalance is a deliberate strategy of competition with—even containment against—China. Thus, Da concludes that the improvement of US relations with other Asian countries under the banner of the rebalance actually comes at the cost of sacrificing its relations with China.39

This is an insightful and incisive critique of the conceptual malaise of the US rebalance. Both Clinton and Campbell, the main architects behind the rebalance, have tried to argue that the rebalance will enhance America’s relationship with the Asia-Pacific region as a whole, including both China and other regional countries. In her 2011 article, Clinton declared that “we will continue to embed our relationship with China in a broader regional framework of security alliances, economic networks, and social connections”.40 Echoing Clinton, Campbell argues that “embedding China policy … within a larger Asia policy framework” enables the United States to “more consequentially shape the contours of China’s rise”.41 But they fail to address the contradiction between America’s China policy and its policy toward the larger Asian region. Campbell adamantly maintains that the United States should “move away from the kind of ‘China first’ or ‘G-2’

40 Clinton, ‘America’s Pacific Century’.
41 Campbell, The Pivot, p. 198.
approach that has often dominated US policy toward Asia". But in going to
the other extreme of embedding China strategy in a larger regional
framework, the rebalance has actually deprived the United States of any
distinctive China strategy at all. That is the puzzle that has rattled Chinese
elites—the United States does not seem to have a China strategy under the
Obama administration, especially during its second term.

Because of their perception of this flaw, Chinese elites believe that the
rebalance’s mixed approach of both reassurance and resolve is bound to
fail. To Chinese eyes, it is all resolve and no reassurance. A prominent
analyst alleges that the United States’ approach of compromising Chinese
interests while claiming to only act at regional countries’ invitation is double-
faced and damaging to its reputation. The rebalance is strongly motivated
by a US concern with the credibility of its strategic commitments in Asia, and
thus should appear reassuring to its allies. Yet, a Chinese foreign ministry
official holds that it can reassure neither China nor its allies, at least not in
terms of the current level of US strategic investment. And the “resolve” part
of the strategy is also failing—or at least rendered ineffective—because
apparent US resolve is only going to steel greater Chinese determination in
this era of growing Chinese power and confidence.

Chinese analysts believe that the goal of shaping or even harnessing
China’s rise, if this is indeed one of the goals of the rebalance strategy, is
not being achieved. On the contrary, the strategy has triggered a series of
indirect and unintended consequences by stimulating a vigorous Chinese
strategy toward countries on its regional periphery while striving to develop a
new model of relationship with America. The rebalance, in this reading,
makes both the US and China worse off in terms of their strategic trust, but
in fact damages US interests more than it does Chinese interests. Even
from a purely US perspective, by deepening US-China strategic distrust and
raising tension in the Asia-Pacific, it is not clear that the rebalance is serving
fundamental US interests.

The rebalance is also seen as facing other sorts of dilemmas and
constraints. First, Chinese analysts accuse it of deepening Asia’s
diplomatic divide by forcing them to choose between China and America, a
choice most Asian countries are unwilling to make. Second, the rebalance,
“hijacked” by the US military-industrial complex, is seen as increasingly
militarised to the detriment of America’s economic involvement in Asia.
Third, Chinese analysts worry that the rebalance is being exploited by US
regional allies and may “bring fire onto America itself”, raising its strategic
burdens. American obsession with credibility is emboldening regional

42 Ibid., p. 7.
43 Ruan, 'Meiguo "yatai zaipingheng" zhanlüe qianjing lunxi’, p. 12.
44 Author interview with Ministry of Foreign Affairs official, Beijing, 9 September 2016.
45 Wang, ‘Guodu kuozhang de meiguo yatai zaipingheng zhanlüe ji ji qianjing lunxi’, p. 17.
46 Liu, ‘Meiguo "yatai zaipingheng" zhanlüe mianlin de tiaozhan’, p. 102.
countries such as the Philippines, Vietnam and Japan to increase risk-taking behaviour to challenge Chinese interests and test America’s security commitments, trapping it in a precarious strategic quandary. In this sense, the rebalance has exposed the flaws and risks of the US Asian alliance system. Fourth, as so often argued, the rebalance is raising China’s strategic awareness and weakening China-US strategic trust. Finally, Chinese analysts observe that the strategy is being challenged both inside and outside the United States on multiple grounds, and it is not clear whether America can focus its attention on and devote sufficient resources to the rebalance given its global strategic commitments and resource constraints. Chinese analysts thus conclude that the rebalance is facing very uncertain prospects. Even if future US administrations carry it forward, adjustments are necessary to ensure its success, if success is ever an obtainable goal.

But if the US rebalance is faltering, it is unlikely that China can declare victory in this multifaceted and sometimes circuitous competition. By both pivoting to Eurasia and engaging in an intensifying strategic competition with the United States in maritime Asia, China may be in danger of strategic overstretch. If Wang’s original argument about a “pivot to the west” was meant to rebalance China’s strategic focus so that China does not overly extend itself on multiple fronts, Chinese strategy under Xi seems to be producing exactly the kind of strategic overstretch that Wang and a number of other Chinese scholars have feared. If the United States has overly extended itself through the rebalance, and if China is overstretched through direct and indirect responses to the rebalance, then the outcome will be a ‘lose-lose’ competition for both. That is hardly a reassuring prospect for the future of the Asia-Pacific order at a time of great geopolitical uncertainty.

**Conclusion**

Campbell is correct in his suggestion that China has not taken a tit-for-tat confrontational approach toward the military component of the US rebalance strategy by, for example, creating a sphere of influence in Asia. Beijing has been trying to enhance strategic communication and trust with the United States through nearly 100 inter-governmental channels symbolised by the annual Strategic and Economic Dialogue. It is striving to build a new model of great power relationship with the United States in good faith (although not necessarily with the right strategy). Chinese leadership under President Xi has shown great determination to seek and maintain long-term stability of the China-US relationship.

On the other hand, however, China has also demonstrated impressive novelty in developing indirect counterstrategies and in communicating great resolve to protect its interests. It is here that Campbell—and many other US

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47 Ruan, ‘Meiguo “yatai zaipingheng” zhanlüe qianjing lunxi’, p. 15.
strategists—have vastly underestimated the strategic consequences of the rebalance on China’s perceptions of and strategies toward America and the Asian region. Beijing has significantly revamped its strategy toward countries on its regional periphery by both pivoting toward the Eurasian continent and by developing a new resolve to protect its interests in maritime Asia. The OBOR and Beijing’s maritime assertiveness are two major aspects of this revamped regional strategy.

This new regional strategy cannot be seen as a direct causal consequence of the rebalance. Nor indeed should the proposal for a new model of great power relationship be seen in this way. But the rebalance has affected Chinese strategic thinking in indirect and subtle ways and influenced China-US strategic interactions as a result. It has prompted China to think more widely and deeply about its overall strategic design, producing a kind of “system effect” from their interactions. The overall outcome is a deterioration of the China-US relationship. The effects of the rebalance on Chinese policy are thus multifaceted and dynamic, with unintended consequences common to complex strategic interactions.

In the most general way, Campbell’s claim that China’s response has been “reasonable and measured” is plausible. But he might well have added “determined and decisive” to encompass the multifaceted nature of China’s response and to capture China’s new strategic resolve. The rebalance has largely failed as a mixed strategy of reassurance and resolve toward China. Far from “building a constructive and productive relationship with China”, as Campbell intended it to be, the rebalance has instead contributed to China-US strategic distrust and stimulated China to strive for new strategic adventures in Asia. It is not clear who will win and who will lose. It may be a ‘lose-lose’ outcome for both countries.

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50 Ibid., p. 22.