

After the Pivot to the Asia-Pacific: Now what?

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The US has always pondered its China policy. Ever since normalization in 1979, Sino-US relations have been trapped in a cycle of warm and cold. As of this writing, Sino-US relations are tepid with the advent of a recent cooling phase. Exactly three years ago, the Obama administration made a volte-face in its foreign policy and "pivoted" towards the Asia-Pacific region. This significant change in posture stems from Chinese security challenges, which are in turn fueled by material procurement and behavioural change towards the US and regional powers. As much as it would like to slow China's structural development, the US can only affect China's behaviour. The pivot was thus born as a policy aimed at positively shaping the way China wields its newfound hard power. For that matter, the pivot was formulated as a "hedging" strategy, both conflictual and co-operative, aiming to obtain the advantages of typical balancing without incurring security costs and the advantages of appeasement without showing weakness. Theoretically, the pivot was the best response at America's disposal, at least much more so than containment and appeasement. Results, however, left quite a bit to be desired. On an aggregate level, Chinese behaviour did not exhibit real positive change, although it did not significantly worsen either. Because the pivot seemed ineffectual, it is worth asking whether it should be sustained. This paper argues that it should be preserved because while the implementation of the pivot elicited a negative reaction from the Chinese that translated into real Sino-US relations setbacks, it nevertheless remains conducive to regional security. The overarching reason is that the

US and China's interests in the Asia-Pacific do not fundamentally clash. This lays the groundwork for mutual understanding and the prevention of conflict escalation.

A cyclical Sino-US narrative

Sino-US relations have never been monolithic, but formal diplomatic relations started amicably with Nixon's overture in 1972 and Carter's normalization in 1979. What allowed for the so-called "beacon of freedom" to come to terms with a totalitarian power was that they shared a common foe. High tensions between the Soviet Union and China stemming from border conflicts compelled the latter to welcome relations with the US as a safety cushion. Nixon, even before his stints in the Oval Office, saw China as a prospective balancer against the Soviet Union. His sudden exit from office, however, did not prevent this marriage of interests to preside over multiple breakthroughs in Sino-US relations. China particularly appreciated the removal of US nuclear weapons from Taiwan. As a token of gratitude, China abandoned its anti-American language and worked with the US in checking Soviet influence in Afghanistan.¹ Even the massacre in Tiananmen, a direct affront to fundamental American values, failed to destabilize Sino-US linkage, as demonstrated by President George H.W. Bush's reassurance to Deng Xiaoping that diplomatic ties will remain solid. Deng promptly affirmed that the primacy in building a good relationship between China and the US is "good for the world.2" Sino-US conflicts and disagreement were bountiful during the Cold War (e.g. Taiwan, Vietnam, human rights etc.), but the US saw China as a competitor that shared similar concerns about the expansion of Soviet influence in East Asia. In effect, they were "sailing in the same boat."

This figurative honeymoon by the seaside would not last indefinitely. The dissolution of the Soviet Union, and the subsequent expiration of the Cold War, left China without a defined role in a newly emerging US grand strategy. Furthermore, Chinese economic developments were starting to become a concern. After decades of stagnation, China's economy finally revved up in the wake of Deng's Open Door Policy.

¹ Johannes Han-Yin Chang, "China-US Relations: The Past as Looking Glass," *American Studies International* 38 (2000): p. 64.

² Quansheng Zhao and Guoli Liu, "Managing the Challenges of Complex Interdependence: China and the United States in the Era of Globalization," *Asian Politics & Policy* 2 (2010): p. 4.

Since 1978, China's GDP grew at a rate exceeding eight percent per year.³ Accompanying this economic boom was a gaping trade surplus with the US and an outsourcing of American manufacturing jobs. Such economic developments were doubly worrying as many perceived China as the successor of the defunct Soviet Union largely due to a common communist inheritance.⁴ As such, the early 1990s wrought the notion of "China threat" in the American political lexicon.⁵ Subscribers of this theory advocated for hard-line policies designed to halt China's ascension at all costs. A paragon of this school of thought is the highly polemic political commentator Charles Krauthammer, who, in 1995, urged the US to contain China and undermine the communist regime.⁶ In a similar vein, President G.W. Bush considered China a "strategic competitor" and planned to forsake constructive engagement with China in favour of strengthening relations with perennial US allies in the Asia-Pacific region.⁷ Admittedly, the "China threat" was not the sole prescription for a Sino-US policy, as it had to compete with appeasement and enmeshment strategies. The pro-China policy Clinton pursued to increase US exports (e.g. paving the way for China to accede in the World Trade Organization) is testament that conflicting positions on Sino-US relations clashed in the American political sphere. But the damage was done; the mere emergence of this anti-China position was sufficient to attract the ire of many Chinese. Defensive reactions manifested in the form of virulent nationalism.⁸ Best-sellers such as China Can Say No (1996) and Behind the Demonization of China (1997) are evidence of increasingly strained Sino-US relations that marked the 1990s.

While the "China threat" rhetoric left a black spot in Sino-US relations, it faded into obsolescence in the twenty-first century. Sino-US relations did not compare to the honeymoon period at the latter half of the Cold War, but the new millennium was

³ Xiaodong Zhu, "Understanding China's Growth: Past, Present, and Future," *Journal of Economic Perspectives* 26 (2012): p. 103.

⁴ Renée Jeffery, "Evaluating the 'China threat': power transition theory, the successor-state image and the dangers of historical analogies," *Australian Journal of International Affairs* 63 (2009): p. 318.

⁵ Denny Roy, "The 'China Threat' Issue: Major Arguments," Asian Survey 36 (1996): p. 758.

⁶ Charles Krauthammer, "Why We Must Contain China," *Time*, July 31, 1995, accessed December 4, 2014.

⁷ Suisheng Zhao, "Shaping the Regional Context of China's Rise: how the Obama administration brought back hedge in its engagement with China," *Journal of Contemporary China* 21 (2012): p. 371.

⁸ Peter Hays Gries, "Harmony, Hegemony, & U.S.-China Relations," *World Literature Today* 81 (2007): p. 45.

ushered in an atmosphere of cooperation and mutual sensitivity to each other's interests. Strategic factors were once again the catalysts of change. The Bush administration soon realized that the September 11 tragedy demanded an immediate attention shift towards the Middle East. Not wanting to increase tension in East Asia while the US was squarely preoccupied in Afghanistan and Iraq, Bush judiciously resolved to repair the damage done by the "China threat" in Sino-US relations. By 2005, Bush's rhetoric of "strategic competitor," which he initially assigned to China, was discarded and replaced with language denoting international inclusion and responsibility.9 Consistent with his new semantic, Bush moved towards cooperation with China on a variety of global issues, including the war on terror, environmental preservation, and nuclear non-proliferation. The largely American process to convert China to a more cooperative and responsible state was not always smooth; internally, China was facing an identity crisis which often produced inconsistent policies.¹⁰ The result was that progress on the aforementioned issues remained painfully slow. Yet, the US leadership was generally conciliatory with its Chinese counterparts. This was especially apparent in regards to North Korea's weapons of mass destruction (WMD) programs, of which China were reticent to curtail despite much international pressure. Still, in 2005, Bush praised China for its limited contributions in restraining the North Korean WMD programs.¹¹ Similarly, from 2006 to 2008, the US lauded China for its deft participation in the Six-Party talks, although the Asian giant assumed more of a broker role rather than a player actively seeking denuclearization in the Korean peninsula. Clearly, these examples of constructive engagements show that US foreign policy towards China had changed yet again. Suggestions of containment were gradually eclipsed by prescriptions of enmeshment. Shaping China's rise to fit the international order was the order of the day.

⁹ Jean-Marc F. Blanchard, "US-China Relations under Bush and Obama: Fill in the Blanks or It's the Structure, Stupid?" *Issues & Studies* 49 (2013): p. 60.

¹⁰ David Shambaugh, "Coping with a Conflicted China," Washington Quarterly 34 (2011): p. 7.

¹¹ Blanchard, p. 44.

An answer to China's rise

The ascension of President Obama promised even better prospects for Sino-US relations. In regards to foreign policy, Obama's electoral campaign was substantiated upon a departure from Bush's unilateralism and a desire to re-calibrate foreign policy from a multilateral lens. The usage of force will also take a backseat to global institutions and dialogue for the resolution of international conflicts.¹² This ostensible embrace of consensual decision-making was naturally welcomed by China, one of the it has always preferred to reasons being that deal with stronger states through multilateral diplomacy (and negotiate with weaker states through bilateral talks). Building on his ideas for global harmony and collaboration, Obama intended to pursue a "positive, cooperative, and comprehensive" relationship with China.¹³ Convinced that cooperation from this "strategic partner" was vital in solving global issues like the economic and climate change crises,¹⁴ Obama selected a China policy bordering on appeasement replete with important concessions.¹⁵ Obama's willingness to postpone his meeting with Dalai Lama and the deference of arm sales to Taiwan are cases in point.16 These decisions signify that the US was prepared to put human right issues and security guarantees, both core facets of American foreign policy, respectively on the backburner in order to court China. Obama's methods backfired. With decades of robust economic growth under its belts, China was becoming confident and assertive on the global stage. The Chinese leadership saw Obama's accommodations not as respectful invitations to cooperation among equals, but as signs of weaknesses. During the 2009 Copenhagen summit on climate change, for instance, China proved to be very difficult to deal with. Not only did it attempt to negotiate with other BRIC (a group of emerging economies composed of Brazil, Russia,

¹² David Skidmore, "The Obama Presidency and US Foreign Policy: Where's the Multilateralism?" *International Studies Perspectives* 13 (2012): p. 43.

¹³ Zhao, p. 372.

¹⁴ For a brief survey of China's role in the financial crisis of 2007-08 and its implications for the US, see Wayne Morrison, "China and the Global Financial Crisis: Implications for the United States," *Congressional Research Service* (2009): p. 7.

¹⁵ For additional indication of Obama's foreign policy of appeasement, see Robert Mackey, "Long Before Obama and Iran, Conservatives Compared Reagan to Neville Chamberlain," *The Wall Street Journal*, April 15, 2015, <u>http://www.nytimes.com/2015/04/16/world/middleeast/long-before-obama-and-iran-conservatives-compared-reagan-to-neville-chamberlain-for-arms-deal-with-soviets.html?_r=1. ¹⁶ Ibid.</u>

India, and China) countries behind American backs, it actively worked against a binding agreement to reduce global emissions of greenhouse gases.¹⁷ To say the least, China's actions during the summit severely disappointed the US leadership. As expected, US arms sales to Taiwan wrought conflicts as well. In January 2011, a proposal to Congress to sell a package worth of \$6.4 billion elicited unusual furor from the Chinese side. The practice of selling arms to Taiwan was nothing new, and China always responded to such activities with protests. Indignation was expected. What the US did not expect was that China would go as far as to threaten sanctions against American arms firms.¹⁸ Considering that Sino-Taiwan relations at that time were rather cordial by virtue of Taiwanese President Ma Ying-jeou's pro-China stance, the articulation of such threats was all the more peculiar. The motives for these economic threats are debatable, but it is undeniable that China has grown bolder towards the US. Deng Xiaoping's prescription of "keeping a low profile," which guided Chinese development for two decades, seemed no more than a vestige of the past. In short, Obama's China policy was intended to be an even closer rapprochement but his excessive accommodation and China's own emancipation soured the relationship. What is different about this chapter of Sino-US relations is that equilibrium, for the first time, was disrupted by China instead of the US. It was thus up to Obama to offer a response to what was perceived as Chinese belligerence.

The 2010 pivot to the Asia-Pacific was his response. More than a mere backlash against China's reluctance to co-operation and the rejection of American goodwill, this strategy shift was primarily based on security anxieties stemming from China's material power and assertiveness in this region. Rapid economic growth translates into defense spending and military modernization, which had worried the US in the 1990s, continued into the twenty-first century unabated. By the first decade of the twenty-first century, China unseated Japan to become the second largest economy in the world. The lack of transparency in this economy-to-military conversion adds an additional layer of concern as a powerful country like China that conceals its strategic intentions certainly

¹⁷ Paul G. Harris, "China and Climate Change: From Copenhagen to Cancun," Environmental *Law Reporter* 40 (2010): p. 1.

¹⁸ Aaron Back and Ting-I Tsai, "China Vows Sanctions over U.S. Defense Sales to Taiwan," *The Wall Street Journal*, February 3, 2010, accessed December 7, 2014,

http://www.wsj.com/articles/SB10001424052748703338504575041172542117834

warrants apprehension. China's White Papers are notorious for their ambiguity about its military capabilities, and the 2010 iteration is even more secretive on this topic.¹⁹ The US has long suspected that China's military modernization is geared towards displacing and deterring the American presence in Asian-Pacific hotspots such as the South and East China seas and the Taiwan Strait.²⁰ In addition, China's acquisition of blue-navy capabilities hints at a desire to project power internationally, a direct challenge to the American forces routinely surveying the region. The Chinese leadership, of course, vehemently denies that the country harbors any aspiration of antagonizing the US. While civilian leaders are generally circumspect in their interactions with the US, the Chinese military are not. A daunting lack of commonality exists between Chinese civilian and military institutions.²¹ Top People's Liberation Army (PLA) members regularly challenge their American counterparts with hawkish bravado.²² Many have come to believe that Sino-US disagreements can only be settled with a military showdown. Allegations of "peaceful rise" from the Chinese leadership mean little for the US when the PLA can "accidently" escalate disagreements by itself. This civil-military dissonance further complicates Chinese foreign policy, which the US already finds unpredictable due to China's opaque militarization and recent bellicosity.

This bellicosity is not solely directed towards the US. China has long coveted swaths of territory in the South and East China Seas. Its disputes with other claimants date several decades. As of now, China is vigorously quarrelling with the Philippines and Vietnam in the South China Sea and Japan in the East China Sea. Causes for intensified conflicts vary from a case by case basis, but evidence of marine resources and questions of nationalism are well-accepted. China's intimidating methods have not contributed to constructive politics in the region. When a Chinese captain was detained by the Japanese when he rammed patrol boats in disputed waters in 2010, China

¹⁹ Philip C. Saunders and Ross Rustici, "Chinese military transparency: evaluating the 2010 defense white paper," *National Defense University Strategic Forum* 269 (2011): p. 1.

²⁰ Ronald O'Rourke, "China Naval Modernization: Implications for U.S. Navy Capabilities – Background and Issues for Congress," *Congressional Research Service* (2014): Executive summary.

²¹ Andrew Scobell, "Is There a Civil-Military Gap in China's Peaceful Rise?" Parameters 39 (2009): p. 20.

²² James H. Hughes, "A Possible China-US Confrontation in the Far East?" *The Journal of Social, Political, and Economic Studies* 37 (2012): p. 289.

launched a vociferous diplomatic attack peppered with public protests against Japan.²³ Against weaker claimants, China is not averse in employing classical coercive diplomacy. Starting in 2011, China's patrol ships began to harass Filipino and Vietnamese vessels in the South China Sea. At the diplomatic level, China is adept at playing claimants against each other and engaging them bilaterally, allowing it to make use of its many leveraging tools including economic sanctions. China's penchant for aggressive unilateralism over multilateral arbitration in these regions provides another justification for the pivot in addition to its military buildup and modernization and its defiance to US military seniors. Its behaviour has certainly endangered the credibility of its "peaceful rise" intentions. It is no surprise that the US sees China as a rising challenger state that is still undecided about integrating into the US-led international order.

Sino-US relations have come full circle. As missions in Afghanistan and Iraq were winding down, the US shifted back to the Asia-Pacific and found a disconcerting rival once again. Unfortunately, unlike the situation in the 1990s, the US does not have many policy options to choose from. The US has witnessed how Obama's friendly policies have been rebuffed by a confident and self-interested Chinese leadership. Consequently, a "hedging" strategy was chosen: the pivot to the Asia-Pacific. It is worth noting that the pivot is not a strategy based on a new realization that China may be a threat to US interests. The aging "Chinese threat" notion indicates that the US was distrustful of China long ago. Policies of containment were widely discussed through the 1990s, but 9/11 prevented them from gaining further traction. Therefore, the pivot can be considered as a return to the original US post-Cold War strategy in respect to China. What significantly complicates matters is that China has grown much more powerful while the US has grown comparatively little. Ever increasing economic interdependence also obfuscates the feasibility of a harder stance towards China. Finally, arguments abound that China, though communist by name, is nothing like the Soviet Union and its imperial jingoism and as such should be approached differently.²⁴ Taking all these factors together, it is understandable that the policy advanced towards China is gentle, relatively low-cost encirclement, rather than containment with

²³ Arun Kumar Sahu, "Two to Tango: The US and China in the Asia-Pacific," *Strategic Analysis* 38 (2014): p. 549.

²⁴ Jeffery, p. 318.

increased boots-on-the-ground troops. The US fears China's aspirations, but it fears a full-blown conflict more.

Enter the Pivot

The objective of amplified presence in the Asia-Pacific is to shape Chinese behaviour by discouraging undesirable spurts of aggression, but the US is not willing to sacrifice Sino-US relations to the point of disrepair to achieve that goal. Indeed, the US has much to lose against a truly antagonistic China, especially in terms of economic gains and in areas that necessitate cooperation. Therefore, it is logical for the US to pursue a set of contradictory policies in the Asia-Pacific region. This "hedging" approach, which is an alternative to typical balancing and band-wagoning, allows the US to maximize benefits from China when "all is well" and quickly execute contingency plans if Sino-US relations take a turn for the worse.²⁵ One caveat is that any preparations for worst-case scenarios can be interpreted as threats by the Chinese leadership. Yet, China's satisfaction with Sino-US relations is crucial to sustaining the "hedging" strategy; should the US "over-prepare" its contingency plans, China will certainly retaliate by removing the benefits that the US seeks to secure. Prudence is mandatory for this strategy, but successful "hedging" will allow the US to get the best from the both worlds; in addition to deterring China's aggression, the US will also continue reaping economic benefits. Obama's pivot is classical "hedging." It is specifically tailored to oppose China, but it does not directly threaten its interests. The policies underpinning the pivot are low-cost and flexible. This allows the US to retract them if China behaves appropriately, and reinforce them if China oversteps its boundaries. To retain this balance, the tools of statecraft used in the pivot must be necessarily gentle.

Diplomacy is one such tool. The US has increased its participation in multilateral institutions in this part of the world. The US enhanced its relations with ASEAN by appointing a resident ambassador to the ASEAN Secretariat, joining the ASEAN

²⁵ Cheng-Chwee Kuik et al., "The China Factor in the U.S. 'Reengagement with Southeast Asia: Drivers and Limits of Converged Hedging," *Asian Politics & Policy* 4 (2012): p. 318.

Defence Ministers Meeting +8, and joining the ASEAN Regional Forum.²⁶ The US also joined the East Asian Summit. With the addition of the US, these regional forums have gained a major, but benevolent player that can strengthen legitimacy and further institutionalize rules and norms. Such qualitative improvements enhance the possibility for cooperation, peaceful resolutions of conflicts, and accountability in collective action. All these characteristics can shape Chinese behaviour in ways that are congruent with US interests. For instance, the US hopes that strengthening the framework for cooperation will entice China to seriously consider positive sum solutions to conflicts. A vigorous system of accountability will ensure that states will hold their end of the bargain. If an important reason that states struggle to cooperate is a lack of trust, then multilateral institutions with enforceable rules and norms are a plausible solution.

In practice, results differed from theoretical anticipations. China's robust territorial claims in the South and East China seas show that it is simply disinterested in peaceful resolutions, let alone cooperation. As it disputes with its neighboring states, China simultaneously undertakes concrete actions to appropriate its claims. In November 2014, China was caught building an artificial island on a reef part of the Spratly Islands, which is currently in dispute with the Philippines.²⁷ Moreover, as the Philippines recently submitted a report of 4 000 pages to the Permanent Court of Arbitration (PCA) to defend its claims in the South China Sea, China submitted nothing and chose to dismiss the Filipino claims altogether.²⁸ Instead, in December 2014, China released a paper that questions the legal jurisdiction of the PCA to mediate this territorial dispute.²⁹ From these examples, it is safe to infer that China is on a different page altogether than other claimants. Peace is evidently in its interests, but it is certainly

²⁶ Ibid, p. 328.

²⁷ Reuters in Washington, "China building island in South China Sea big enough for military installations," *Theguardian*, November 21, 2014, accessed December 10, 2014,

http://www.theguardian.com/world/2014/nov/21/china-building-south-china-sea-island-airstrip-military-installations

²⁸ Michelle FlorCruz, "China Ignores Deadline In South China Sea Arbitration Case, Dismisses Claims by Philippines," *International Business Times*, December 16, 2014, accessed December 16, 2014,

http://www.ibtimes.com/china-ignores-deadline-south-china-sea-arbitration-case-dismisses-claims-philippines-1760016.

²⁹ Gregory B. Poling, "China and America's Dueling South China Sea Papers," *The National Interest*, December 10, 2014, accessed December 10, 2014, http://nationalinterest.org/blog/the-buzz/china-americas-dueling-south-china-sea-papers-11830

not averse in antagonizing small states like the Philippines. As for mechanisms of accountability, it is difficult to imagine how these states, including the US, can punish China in more meaningful ways than mere opprobrium. China's "thick skin" in foreign relations and its contempt for international opinion ensure that such verbal assaults will be of limited effectiveness.³⁰

In addition to institutional invigoration, the US also seeks to play a leadership role through diplomatic multilateralism. Shaping and directing regional bodies is especially alluring for the US because most of the states it seeks to engage are on friendly terms with it. In fact, many states in the eastern hemisphere, like the Philippines, Thailand, South Korea and Japan, are perennial allies that enjoy mutual defence treaties with the US. Moreover, almost every single state in the region shares one common concern: the rise of an unbridled China. These states are sufficiently ancient to recall their experience in an Asian order with China at the apex of a hierarchy of states. The mere thought that a fully rejuvenated China may hammer out a modern tributary system is preposterous to their national interests.³¹ The fact that both the US and these Asian-Pacific states are wary of China, albeit for different reasons, provides ample room for cooperation at the multilateral level. Similarities can be drawn with American multilateralism in the Cold War era. Because European states desired a security guarantee with the US, the latter could easily co-opt and lead them against a common foe. In exchange for this guarantee, the US was also relatively unchecked by institutional constraints normally associated with multilateralism.³² In effect, the US gained a glut of allies to leverage against the Soviet Union without having to cripple its freedom of action. The US was unilateral, multilaterally. This outcome is one such goal that the US is seeking to achieve in the Asia-Pacific through diplomacy. With the inclusion of the US, regional forums have become arenas to chastise Chinese actions. In 2010, Secretary of State Hillary Clinton used the ASEAN Regional Forum as a vehicle to promote freedom of navigation in the South China Sea as national interest.³³ In the same year, the US attempted to expand the agenda of the East Asian Summit with the

³⁰ Peter Hays Gries, "A 'China Threat'? Power and Passion in Chinese 'Face Nationalism,'" *World Affairs* 162 (1999): p. 72.

³¹ Henry A. Kissinger, "The Future of U.S.-Chinese Relations," Foreign Affairs 91 (2012): web.

³² Skidmore, p. 44.

³³ Kuik et al., p. 328.

inclusion of security and political goals, focusing on non-proliferation and the resolution of maritime disputes.³⁴ Lastly, US leadership in the region is made very explicit with the warm reception Secretary Clinton received during her whirlwind trip across Southeast Asia.³⁵ There is no doubt that the US desires to lead and that China's neighbours welcome the US pivot. Again, like its attempt to bind Chinese behaviour in institutions, the co-optation of Asian-Pacific states to band against China is not working as intended. Unlike European states vis-à-vis the Soviet Union, Asian-Pacific states can suffer enormous economic losses by openly siding with the US. In effect, they are playing their own "hedging" game. On one hand, they seek to maximize their security against a potentially threatening Chinese military buildup by sheltering under the US security umbrella. On the other hand, they are loath to give up the economic benefits they enjoy from their relation with China. The US has a history of forcing other states to choose sides, but on the China issue, Asian-Pacific states signaled that they will not respond favourably to such a demand.³⁶

Indonesia is one such state that was not infatuated with the prospect of US leadership. While it did not oppose the pivot altogether, it did convey uneasiness that the proximate US military presence in Darwin, Australia, may entangle it in a Sino-US tug-o-war.³⁷ In addition to those still on the fence, some Asian-Pacific states, such as Malaysia, are actually closer with China than with the US. In the case of Malaysia, Islamic fundamentalism has contributed to a lukewarm relationship with the US at the top and strident anti-US criticisms at the grassroots. Conversely, its ties with China are solid to the extent that they can be considered as appeasement rather than the popular "hedge" practised by its neighbours.³⁸ In 2013, the Malaysian Defence Minister made it clear that Malaysia has no qualms about Chinese patrols in the South China Sea. More interestingly, he directly challenged ASEAN and the US by claiming that their Chinese

³⁴ Zhao, p. 375.

³⁵ Ian Buruma, "What is driving China's thuggish approach to foreign relations?" *Theguardian*, November 7, 2010, accessed December 10, 2014, http://www.theguardian.com/commentisfree/2010/nov/07/china-foreign-relations-diplomacy

³⁶ Kissinger, web.

³⁷ Mustaqim Adamrah, "RI suggests US, China joint exercises in Asia," *Jakarta Post*, November 24, 2011, accessed December 11, 2014, <u>http://www.thejakartapost.com/news/2011/11/24/ri-suggests-us-china-joint-exercises-asia.html</u>.

³⁸ Andrew H. Tan, "The US and China in the Malay Archipelago," Asia-Pacific Review 17 (2010): p. 42.

"enemies" do not have be Malaysia's "enemies."³⁹ The case of Malaysia is also a classic illustration of China's adeptness in playing its neighbours against each other, as previously noted in the text. The Indonesia and Malaysia examples serve to demonstrate that not all Asian-Pacific states are willing to lean on the American side. This political dissonance unquestionably weakens the legitimacy of US leadership in the region.

In light of the American diplomatic assault, it would be wrong to conclude that the US is diametrically aligned against China. True to its "hedging" position, the US continues to exhort China as a valuable partner. During a recent trip to China, Obama has pledged to work hand-in-hand with China to resolve disagreements and to "advance the security and prosperity" of people around the world.⁴⁰ Clearly, the US uses one hand to chide China, and the other one to reassure it. As for the success of this diplomatic endeavour, so far, it has achieved questionable results. Undoubtedly, the US' diplomatic mission is an act worthy of a global hegemon thanks to it secondary goal of strengthening regional multilateral institutions. This qualitative development can solidify cooperation and peaceful conflict resolution, at least for states that choose to embrace multilateralism. But ultimately, American diplomacy has failed in its real endeavour in the Asia-Pacific. No amount of complaining, accusations and pleas from these regional forums can stave off China's unilateral actions in the contested waters. Neither can the US' limited political clout and incomplete legitimacy.

The economic arm of the US pivot to shape China is spearheaded by the Trans-Pacific Partnership (TPP), a comprehensive regional free trade agreement of the "highest standards" that seeks to bind twelve states. As of 2008, the Office of the United States Trade Representatives (USTR) has been pushing for the TPP to be on the policy agenda. The USTR states that the TPP will be profitable thanks to increased markets for

³⁹ Sharon Chen, "Malaysia Splits With Asean Claimants on China Sea Threat," *Bloomberg*, August 23, 2011, accessed December 11, 2014, http://www.bloomberg.com/news/2013-08-28/malaysia-splits-with-other-asean-claimants-over-china-sea-threat.html.

⁴⁰ David Hudson, "President Obama Wraps Up Visit to China, Heads to Burma for Second Leg of His Trip," *The WHITE HOUSE*, November 12, 2014, accessed December 14, 2014,

http://www.whitehouse.gov/blog/2014/11/12/president-obama-wraps-visit-china-heads-burma-second-leg-his-trip.

US exports.⁴¹ A closer look cast some doubt about this argument. The economic benefits that the US may enjoy with the institutionalization of the TPP are overestimated, certainly so at the time of the initiation of the discussions for the agreement in March 2010. The US, of course, was not one of the progenitors of the TPP. It was the brainchild of four small states: Brunei, Chile, New Zealand, and Singapore. Created in 2005, the agreement was originally known as the Trans-Pacific Strategic Economic Partnership Agreement (P-4). It was only after the accession of the US, along with Australia, Malaysia, Peru, and Vietnam, in 2010, that it was renamed the TPP.⁴² Based on the country members of the FTA at that time, one can posit that the US had actually little to gain economically from partaking in this endeavour. The US already established FTAs with Australia, Chile, Singapore, and Peru, while New Zealand and Brunei are not economically significant enough to warrant any interest from a market perspective.⁴³ As for Vietnam, it only decided to join the TPP after the US had expressed its interest.⁴⁴ The TPP's continental pull, rather than its existing members, exerted a much stronger influence on the US decision to enter the talks. The US saw promise in the original P-4's capacity for expansion and its "high standards" criterion. Combined together, these factors resulted in a treaty welcome to any APEC member (or any state) willing to abide by rules established by consensus on trade issues such as industrial goods, agriculture, textiles, intellectual property, and trade barriers.⁴⁵ The US believes that, with its added weight in the mix, it can form the contour of a trade agreement congruent with its interests. As long as the TPP expands and that new member states acquiesce to follow the rules, the US will have an economic foothold in Asia-Pacific. By this logic, the TPP is an instrument of inclusion rather than exclusion. In fact, it is a quintessential attempt to shape China, as its accession in the agreement will involve considerable reforms of

⁴¹ Office of the United States Trade Representative. Last modified December 8, 2014. Accessed December 13, 2014. <u>http://www.ustr.gov/about-us/press-office/fact-sheets</u>.

⁴² Shuihua Cheng, "TPP, China and the Future of Global Trade Order," *YaleGlobal Online*, October 14, 2014, accessed December 13, 2014, http://yaleglobal.yale.edu/content/tpp-china-and-future-global-trade-order; Mexico, Canada, and Japan would eventually join the TPP as well to form the twelve-strong agreement that it is today.

 ⁴³ Meredith K. Lewis, "The Trans-Pacific Partnership: New Paradigm or Wolf in Sheep's Clothing," *Boston College International and Comparative Law Review* 34 (2011): p. 36.
⁴⁴ Ibid.

⁴⁵ Office of the Press Secretary, "FACT SHEET: The United States in the Trans-Pacific Partnership," *the WHITE HOUSE*, November 12, 2011, accessed December 13, 2014, http://www.whitehouse.gov/the-press-office/2011/11/12/fact-sheet-united-states-trans-pacific-partnership.

economic practice. Hence, the allegation that the US has excluded China in TPP negotiations is no more than a myth.

The open clause of accession notwithstanding, China initially regarded the TPP as an act of containment. Many Chinese scholars drew the conclusion that the TPP's real objective was geopolitical, and that it served to reduce the economic dependence of other Asian-Pacific states on China.⁴⁶ This worry is further exacerbated by the realization that most members negotiating the TPP are US military allies. According to these scholars, the US was trying to improve its relation with its military allies in order to check China through tightened economic ties.⁴⁷ Perceiving the TPP as a geopolitical threat, China, from 2012 onwards, retaliated against the US by signing multiple FTAs with multiple states, including some that are already part of the TPP: Chile, New Zealand, Peru, and Australia. Because China assessed the TPP as an instrument of containment, it did not sign these FTAs for economic purposes either; rather, it sought to use trade to assuage fears its neighbours might harbour – fears of a rising China. The geopolitical focus of these Chinese FTAs is magnified by the fact that the TPP was far from an economic challenge at the time of China's signing spree. Some of the TPP members, such as Singapore, New Zealand, and Australia, are not in direct economic competition with China as they do not export cheap goods. Member states that do export such products, like Vietnam and Malaysia, boast a trade volume too marginal to compete with China.⁴⁸ This period of mistrust in the US-led TPP gradually tapered off as President Xi Jinping began to focus on economic reforms. Intrigue has come to replace rejection; the top brass, quite similar to their American counterparts, have started to see use in "trade agreements with high standards" for "reform and opening up.49" China's decision to further increase economic openness and rely on market forces connects it with the TPP's agenda.⁵⁰ Nevertheless, China is still compelled to adopt a

⁴⁶ Wen Jin Yuan, "The Trans-Pacific Partnership and China's Corresponding Strategies," *Center for Strategic & International Studies* (2012): p. 2.

 ⁴⁷ Song Guoyou, "How will TPP affect China," Shenzhen Economic Daily, November 13, 2011, accessed December 13, 2014, <u>http://szsb.sznews.com/html/2011-11/13/content_1821684.htm</u>.
⁴⁸ Wen Jin Yuan, p. 7.

⁴⁹ Shannon Tiezzi, "Will China Join the Trans-Pacific Partnership?," *The Diplomat*, October 10, 2014, accessed December 14, 2014, http://thediplomat.com/2014/10/will-china-join-the-trans-pacific-partnership/.

⁵⁰ Ibid.

"wait-and-see" approach in regards to TPP negotiations. While it does wish to liberalize its economy, there are signs aplenty that China is structurally unprepared to meet these "high standards." For instance, China is nowhere near the stage where it can abide by intellectual property rights without suffering severe economic backlashes.⁵¹ China requires incremental adjustments, which the TPP cannot offer. Perhaps China's difficulty of entry into this trade agreement is what that encourages it to promote another trade proposal, the Free Trade Area of the Asia-Pacific (FTAAP). The notion that China's FTAAP is the answer to the US' TPP needs to be dispelled, however. The FTAAP is not a Chinese initiative, and the prospect has emerged at a date antecedent to the Asia-Pacific pivot.

Going back to the China exclusion myth in regards to the TPP, a counterargument can be advanced that the "high standards" are purposely set to place China in a conundrum. Member states and China all know that the latter cannot meet these requirements. Though it can theoretically join, China will have to usher breathtaking reforms before doing so. Naturally, this outcome will play out in favour of the US nicely, as China's behaviour, at least in regards to trade issues, will be shaped substantially. Unfortunately for the US, China realized that it needs not to accede in the TPP. It acknowledged the triviality of the economic benefits it might gain from signing onboard. Moreover, ignoring the TPP altogether, despite the presence of a trading clause that discriminates against non-TPP members, does not truly dent China's economy due to minimal economic overlap with TPP members. Even China's recently proclaimed desire to undergo greater economic liberalization spells an uncertain fate for the TPP. In addition to the "high standards" obstacles, the US is at a bargaining dead-end with its own allies in TPP negotiations. Earlier this year, negotiations were stopped in their tracks when Japan staunchly refused to liberalize some of its farm products.⁵² To add insult to injury, Obama, squandering an opportunity for the TPP to gain traction, failed to mention it in his rather uneventful appearance at the very recent APEC summit in Beijing. All things considered, the economic dimension of the pivot has not brought any tangible result. Even a resurrected TPP is doubtful to succeed, let alone shape Chinese behaviour, if it does not include the Asian giant. The conventional

⁵¹ Shuihua Cheng, web.

⁵² Bernard K. Gordon, "Bring China Into TPP," *National Interest*, April 11, 2014, accessed December 14, 2014, http://nationalinterest.org/commentary/bring-china-tpp-10227.

wisdom that an Asia-Pacific regional trade agreement that does not count China among its players is incomplete is getting old, but remains true. Still, as the TPP flounders, the US and China has worked on a bilateral investment treaty that seems to promise even more economic interdependency between the two.⁵³ Signs of "hedging" cannot be clearer, as evidenced by the use of both carrot and stick against China.

The last tool of statecraft employed in the pivot is deterrence via alliance building and joint military exercises. While diplomatic exhortations and economic challenges are to transform unwanted behaviour to rule-based conduct, deterrence draws a line at Chinese belligerence. It is by no mean a constructive approach to China's rise. Rather, it is a latent threat that serves to preserve regional security through reinforced US military presence that can quickly take compellence acts if China goes overboard in its unilateral schemes. Deterrence is the ace in the hole in Sino-US relations; China can, to a certain extent, scoff at multilateral binds and shrug off economic initiatives, but it cannot ignore the stick at the US' disposal. Unfortunately for the US, the balance of power is not completely tilted in its favour. As commonly stated, the US risks massive economic repercussions and lethal military responses, should China feels threatened. For China, there is nothing more threatening than military projection in the Asia-Pacific. Therefore, the "hedge" is emphatically pronounced in deterrence, as demonstrated by the delicate, low-intensity military deployments in the region. As previously mentioned, the US has garrisoned troops in Darwin, Australia, and their number is projected to increase to 2,500 by 2016.54 Then again, Australia is hardly part of the Asia-Pacific region. Military bases in South Korea and Japan notwithstanding, the US has not put troops on any new soil closer to China. Deterrence has mainly taken the guise of joint military exercises and military aid with allied Asian-Pacific states and those that enjoy a security partnership with the US. Prominent military exercises include Cobra Gold and Balikatan. Traditionally annual bilateral events between the US and a Southeast Asian ally, these exercises have significantly expanded to include multiple states in the region at a time consistent with the pivot. With respect to the South China Sea dispute, the US has offered military aid to the

⁵³ Office of the Press Secretary, "FACT SHEET: U.S.-China Economic Relations," The WHITE HOUSE,

November 12, 2014, accessed December 15, 2014, http://www.whitehouse.gov/the-press-

office/2014/11/12/fact-sheet-us-china-economic-relations.

⁵⁴ Kuik et al., p. 329.

claimants challenging China. Since 2011, the US has continuously supplied hardware and intelligence to the Philippines.55 American ships have also visited Filipino ports on a regular basis. As well, the US signed a memorandum of understanding on defense cooperation in 2011, which was a breakthrough in US-Vietnamese relations since the US had always rejected closer defense ties with this state.⁵⁶ Joint naval training was conducted as well. In addition to traditional allies in the region, even Cambodia was included in the US-led Cooperation Afloat Readiness and Training exercise in 2010.57 The latest expansion of military exercises and military aid, while indicative of a response to China's truculent rise, does not necessarily threaten it. The balance of power in Asia-Pacific has changed little. US-led military activities certainly display intent displeasure towards China and readiness to confront it if need be - but not the material resolve to structurally alter Chinese strategic calculus. To be sure, installing new military bases on China's periphery would create a much greater impact on China's decision-making than spectacles featuring combat vessels and sailors. In short, the American delicate military measures warned China, but have yet to plunge Asia-Pacific in security crises. Sino-US relations have not deteriorated to an irreversible point and the door is open for both parties to cool off existing tensions between them. A strictly military example of working Sino-US relations is China's participation in Exercise RIMPAC in summer 2014. Due to low-cost military activities and the inclusion of China in military exercises, the deterrence dimension of the pivot cannot be taken more than "hedging," and must not be mistaken for containment or balancing.

Soft military procedures did not prevent China from retaliating in its own ways. When the US navy increased its presence in the Asia-Pacific and took sides in the South China Sea disputes, China responded with a rapprochement with North Korea. Not only did China abandon all efforts in persuading North Korea to denuclearize, it also improved aid and trade relations with it.⁵⁸ China stymied US denuclearization efforts on another occasion; in 2012, just as the US and other states sanctioned Iran for its illicit nuclear program, China reached an arrangement with Iran to purchase oil.⁵⁹ Both the North Korea and Iran cases are definite responses to the pivot as China worked

⁵⁵ Ibid.

⁵⁶ Robert S. Ross, "The Problem with the Pivot," Foreign Affairs 91 (2012): p. 78.

⁵⁷ Ibid.

⁵⁸ Ibid, p. 79.

⁵⁹ Ibid, p. 81.

alongside the US before the latter's increased involvement in the Asia-Pacific. Syria is yet another additional area of contention where China challenged the US. In spring 2014, China, along with Russia, vetoed a resolution backed by more than sixty-five countries to refer Syria to the International Criminal Court for its numerous instances of human rights violations. This veto was in fact the fourth time China foiled Western resolutions regarding Syria.⁶⁰ Admittedly, it is unsure whether these sabotages were done out of spite or quite independently of the US pivot. What these examples of reprisals show is that China avoids directly compromising the security of the Asia-Pacific. It has not answered the US military presence by increasing its own military presence, at least not in a fashion that menaces the US. Granted, China did voice its discontentment towards American territorial "infringement" in the South China Sea, but contrarily media and some scholarly claims, China has not escalated tensions because of the pivot; it may have very well done so without American interference in the region. As claimants challenge a rising China, it should be expected for the latter to make full use of its leverages, especially without the scrutinizing gaze of the Americans. It is not folly to believe that security conditions would be worse without displays of US commitment and force that serve as a check to Chinese aggression. The harassments of Vietnamese and Philippine survey vessels by Chinese patrol boats in 2011, 2012 and 2014 are often cited as proof of Chinese behaviour aggravated by US showboating. But in 2005, when US presence in the Asia-Pacific was minimal, Chinese ships fired at Vietnamese boats, killing nine people.⁶¹ Assuming that the US Navy has an impact on Chinese behaviour in the South China Sea, then it would be beneficial as cable-cutting and collisions, the primary mechanisms of violence today, are considerably milder than firing with the intent to kill. Thus far, the deterrence element of the pivot has succeeded in restraining real Chinese aggression and has not shifted the status quo in the region.

⁶⁰ Anonymous, "Russia and China veto UN move to refer Syria to ICC," *BBC*, May 22, 2014, accessed December 15, 2014, http://www.bbc.com/news/world-middle-east-27514256.

⁶¹ Cao Ngo and Ngoc Minh, "Chinese ships 'shot to kill' Vietnamese fishermen; survivor," *Vietnam Seaports Association*, January 17, 2005, accessed December 16, 2014,

http://www.vpa.org.vn/detail_temp.jsp?page=35&id=462&cate_id=21.

Now what?

The US pivot to the Asia-Pacific has been in effect for three years now, and enough has happened to tabulate an overall assessment. First, it is worth repeating that the pivot, based on "hedging," is a categorically better policy than either containment or appeasement. Due to economic interdependence, mutual interests in choice global issues, and the possibility of military disaster, containment is only feasible if the US is willing to considerably weaken itself to impede China's rise. In an increasingly multipolar world, a weakened US would simply risk being overtaken by another rising power. Much worse could happen too, especially in the event of a military conflict. The other end of the policy spectrum is hardly better. The early days of the Obama administration demonstrated that appeasement does not work against the Chinese as they regarded goodwill as weakness and promptly took advantage of their leeway at the expense of US interests. The pivot, a center position that takes balancing precautions without appearing threatening and that constructively engages without appearing soft, is both the best and the last recourse for the US. Second, how exactly did the pivot fare? Did it successfully shape Chinese behaviour into conduct that is more appropriate to international standards?

Diplomatically, the US sought to increase its participation in multilateral institutions in the Asia-Pacific. Doing so would allow the US to fulfill the dual objectives of strengthening these institutions for greater cooperation, peaceful conflict resolution, and accountability and to co-opting them and their member states in order to diplomatically challenge China. "Hedging" is maintained by mixing reprimanding rhetoric with oral assurance that China is still regarded as a crucial partner to the US for the betterment of the region and the world. Unfortunately for the US, China does not seem interested in improving its multilateral record in the region, as shown by its behaviour that did not soften in the least. China has also proven to be particularly invulnerable to political isolation and shaming thanks to its "thick skin" and some staunch Asian-Pacific allies that refuse to lean towards the US. Conversely, China is eager to gobble the positive language, replying to Obama's reassurance with similar sweet talk. The pivot's economic arm also failed to achieve desired results. The US had high hopes for the TPP, of which its "high standards" and comprehensive agreements on core trade issues would certainly transform polemic Chinese trade practices into

conformity. The Chinese misinterpreted the TPP as a geopolitical ploy designed to strengthen alliances between the US and its Asian-Pacific allies through augmented economic relations. In return, China signed multiple FTAs with its neighbours, including members of the TPP. It is only with the advent of President Xi Jinping that perceptions on the TPP changed. Desiring greater economic reforms and liberalization, China was intrigued by the TPP. Progress, unfortunately, was cut short by structural constraints that prevent China's accession because of its inability to meet the same "high standards" that form the bedrock of the TPP. In addition, the TPP itself is in a questionable state as it faces difficulty gaining traction at the bargaining table. As the TPP struggles, the US signed a bilateral investment treaty with China, which is a clear representation of the sunnier side of "hedging." Finally, the pivot includes a most provocative policy: increased military deterrence in the form of additional US naval presence in the Asia-Pacific. Even in an area that plays in its strength, the US has been extremely prudent in its deterrent measures against China. Increased military commitment in the region has generally been expressed through joint exercises and material aid, which does not alter the status quo in the region. As expected, China responded belligerently and thwarted progress in areas requiring Chinese cooperation. While such consequences are costly, China did not respond by jeopardizing regional security. There is an argument to be made that China would act even more dangerously without US deterrence, as verified by historical precedents in the South China Sea dispute. Unlike diplomacy and trade, US military presence in the Asia-Pacific has been successful in respect to China. It did not shape Chinese behaviour (it was never meant to), but it did set a 'line in the sand' that China has yet to cross.

A holistic examination of the pivot shows a mixed record; Chinese behaviour has not improved, but has remained well within the margins of tolerance. Despite partial fulfillment of objectives, the pivot should be sustained. One topic that is repeatedly played out in Sino-US relations is the search for common ground in order to facilitate cooperation and understanding. Ironically, the pivot, even as a policy targeting China in mind, provides just that. After three years, both the US and China should realize that their interests need not to clash. The US has two unquestionable interests in the region. First, it needs to ensure that China's rise remains as peaceful as possible. The US understands that not much can be done to thwart its economic development and

military procurement; it can only hope to induce docility and responsibility in China so that power transition can occur smoothly. Second, the US must guarantee stability in the Asia-Pacific. This condition is crucial for two reasons. Stability allows the US to continue its old Hamiltonian tradition of trade. The South China Sea is a major economic artery for the US, as more than \$1.2 trillion of its trade passes through this region.⁶² The event of war, or even violent resolution of territorial claims, would severely endanger the back-and-forth of American goods. Approximately two centuries ago, the US fought tooth and nail to secure this part of the world to facilitate trade. Now that the economies of the region are blossoming, it should be expected that the US stays to profit as much as possible. The other reason is that stability implies that the US needs not to choose sides. The moment that the South China Sea dispute (or disagreement over Taiwan sovereignty) escalates into no-holds-barred hostilities, smaller claimants would call upon the US for assistance. Because of multiple alliance treaties and security partnerships that it signed in the region, the US may be possibly drawn into a war against the Chinese. Evidently, this war is one that the US would loath to fight, for the many reasons mentioned earlier. Yet, the US will face credibility issues if it refuses to participate in this hypothetical conflict. Asian-Pacific states, including the nuclearcapable Japan, have depended on American security guarantees since the Cold War. In the event of a military conflict involving China as the clear aggressor, a meek US response would compel these states to conclude that the American security umbrella cannot be depended on. Considering the perpetuating bitter feuds between various states in the region, an Asia-Pacific with a surging China without American safeguards may quickly devolve into an arms race with the possibility of nuclear escalation. Jeffersonians may be ambivalent with this outcome; they would probably assert that a war in Asia should be fought among Asians, and that Americans have no inherent interest in getting entangled in it. However, in the face of American inactivity, Asian states may also choose to bandwagon with China. Just like the US, these states enjoy many benefits with China, and would be deathly afraid of warring against it. A sudden continental swing in favour of China would empower it immensely. This zero-sum scenario in which the US would get the short end of the stick would give the Jeffersonians much to mull over.

⁶² Bonnie S. Glaser, "Armed Clash in the South China Sea," *Council on Foreign Relations Press*, April, 2012, accessed December 16, 2014, http://www.cfr.org/world/armed-clash-south-china-sea/p27883.

China's interests in the region are mostly centered on economic and nationalistic considerations. China covets large swaths of the South China Sea in order to have full access to enormous reserves of oil underneath its seabed. Securing trade, while a given, is a crucial interest as well. Virulent nationalism also compels China to contest the Senkaku Islands with Japan and challenge Taiwan's sovereignty. The American position is not fundamentally calibrated against China. Regarding Taiwan, for example, the US has repeatedly assured China that it does not support de jure independence. As for the South China Sea, China's aspirations in the region do not impinge on US interests because the US is not a claimant. The US has pledged neutrality over the dispute and is thus unconcerned about which state ultimately obtains sovereignty over the South China Sea.⁶³ The US understands that, regardless of the victor, it will retain its unlimited access to this trade route. Worries that a victorious China would bar entrance to the US are unwarranted. Recent Sino-US economic deals should be ample evidence that China would not deprive itself of its most important export market. What draws the US and China together is a mutual interest in preventing the escalation of conflicts in the Asia-Pacific. Similarly to the US, the region is China's lifeblood to trade as well. However, this joint desire in maximizing trade needs not to be conflictual as it is, by nature, a positive sum game. The only issue, then, that can endanger Sino-US relations is trust, or lack thereof. This is nothing new, as leaders of both states consistently advocate that the future of Sino-US relations depends on progress in transparency, candidness and common understanding. With deep-seated disagreements and diametric convictions plaguing Sino-US relations, one can expect that this ideal endpoint will not be reached anytime soon. In the meantime, both the US and China can find solace in the pivot. In effect, this initiative has restricted the range of actions of both states, thereby increasing predictability in the region. As repeatedly mentioned, the US must "hedge" against China. It cannot leave lest it loses all credibility. Leaving will also be synonymous of giving the green light for China to act however it wants. As for China, it knows that the Americans have their hands tied by "pivoting" towards the Asia-Pacific. It also knows that the US does not want to confront China, nor is it adamant about a specific victor in the plethora of territorial disputes in the Asia-Pacific. The US' ability to turn a blind eye on small-scale violence (e.g. ship harassment) gives

⁶³ Taylor Fravel, "Policy Report: U.S. Policy Towards the Disputes in the South China Sea Since 1995," *S. Rajaratnam School of International Studies* (2014): p. 1.

China the leeway it needs to unilaterally operate in the region. China merely needs to ensure that its behaviour, as aggressive as it is, does not escalate into fully armed conflicts. For the past three years, China has managed tensions with other claimants quite well, signing agreements for peaceful resolutions at one point and "peacefully" occupying claimed territories at another. As long as hostilities are minimized, the US needs neither to confront China nor to risk its credibility. Evidently, the US is satisfied with the current situation. In sum, despite the exchange of rhetorical opprobrium between these states, both sides have reached a tacit agreement only made possible by upholding the pivot. As long as the Asia-Pacific remains secure, which is in the interest of both the US and China, there will be no room for intentional Sino-US escalation. The US gets to keep its face. Asian-Pacific states get to feel safe. China will be kept down, but will probably win its territorial contests through "peaceful" means. Different beds, same dream.