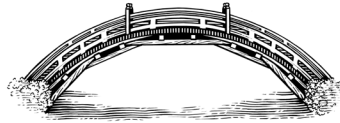


ROUNDTABLE ESSAY

One Mountain, Two Tigers: China, the United States, and the Status Dilemma in the Indo-Pacific

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NOTE ≈ This essay draws with permission on two previously published works by the author: *Rebranding China: Contested Status Signaling in the Changing Global Order* (Stanford: Stanford University Press, 2019); and “To Dream an Impossible Dream: China’s Visions of Regional Order and the Implications for Japan,” in *Japan and Asia’s Contested Order*, ed. T.J. Pempel and Yul Sohn (Singapore: Palgrave Macmillan, 2019), 65–84.

KEYWORDS: CHINA; UNITED STATES; GREAT POWERS; STATUS DILEMMA;
INTERNATIONAL RELATIONS THEORY

EXECUTIVE SUMMARY

This essay proposes that the concept of a status dilemma is a valuable framework to analyze Sino-U.S. tensions and draws implications for China's regional role and Sino-U.S. relations.

MAIN ARGUMENT

Sino-U.S. tensions are often analyzed in terms of a security dilemma. However, they might be better interpreted as exhibiting a status dilemma. The U.S. and China each worries that the other seeks regional domination. While it is clear that China wants to play a leadership role in the regional economic order, its attitudes concerning the regional security order are more ambiguous. This uncertainty over status is contributing to rising tensions in the relationship. In particular, several factors have complicated the signaling and recognition of status that occurs between the U.S. and China. Chinese leaders sometimes exaggerate China's power and status for domestic political purposes, and these status signals might provoke international backlash. The U.S., for its part, is often sensitive to any potential challenge to its status as a hegemon.

POLICY IMPLICATIONS

- The U.S. must demonstrate the resolve that it intends to remain a key player in the Indo-Pacific for the foreseeable future. As China's influence and status grow in Asia, the U.S. must increasingly send signals to its allies and partners that display its credible commitments in the region.
- As strategic competition between the U.S. and China becomes more intense, both countries must realize their long-term interest in eschewing a new Cold War. A key factor is to avoid framing the competition as an ideological struggle.
- Competition does not mean that the U.S.-China relationship is necessarily always a zero-sum game. The U.S. must compete with China in various domains, but cooperation is also necessary to deal with common challenges both regionally and globally.
- Domestic reform and economic growth will shape each country's long-term trajectory. Even if competition intensifies, self-strengthening reforms—rather than open confrontation—offer a way forward for U.S.-China relations in the future.

The United States and the People's Republic of China (PRC) face rising tensions and competition related to trade, cyberspace, technology, and regional territorial disputes. For many strategists, this rivalry seems inevitable.¹ The key challenge is in the Indo-Pacific, where even though China is not yet a peer competitor of the United States, it may be strong enough to challenge U.S. primacy.²

The struggle for hegemony in Asia is widely regarded as a major source of tension between the United States and China.³ According to the realist scholar John Mearsheimer, a more powerful China will generate tense security competition with the United States. At the Conference on Interaction and Confidence Building Measures in Asia (CICA) in Shanghai, Xi Jinping unveiled a new "Asian security concept," calling for Asian security to be left to Asians.⁴ His speech generated some speculation that China would seek to exclude the United States from Asia. Labeling China as a "revisionist power," the Trump administration has highlighted the country's challenge to the regional order: "China seeks to displace the United States in the Indo-Pacific region, expand the reaches of its state-driven economic model, and reorder the region in its favor."⁵

How does status shape Sino-U.S. interactions in the region? Does China have both the intentions and capabilities to push the United States out of Asia? Could China and the United States mutually accommodate each other? Each country worries that the other side seeks regional hegemony in the Indo-Pacific, with various factors contributing to the misperceptions and misrecognition of signals between them. This essay will address these questions by focusing on the status dilemma as a framework to analyze Sino-U.S. tensions. The essay is organized as follows:

≈ pp. 28–30 introduce the status dilemma as an alternative framework to analyze Sino-U.S. tensions.

¹ John J. Mearsheimer, *The Tragedy of Great Power Politics* (New York: W.W. Norton, 2001); and Aaron L. Friedberg, "Competing with China," *Survival* 60, no. 3 (2018): 7–64.

² Thomas J. Christensen, "Posing Problems without Catching Up: China's Rise and Challenges for U.S. Security Policy," *International Security* 25, no. 4 (2001): 540; and Thomas J. Christensen, *The China Challenge: Shaping the Choices of a Rising Power* (New York: W.W. Norton, 2015).

³ Aaron L. Friedberg, *A Contest for Supremacy: China, America, and the Struggle for Mastery in Asia* (New York: W.W. Norton, 2011); and John J. Mearsheimer, "The Gathering Storm: China's Challenge to U.S. Power in Asia," *Chinese Journal of International Politics* 3, no. 4 (2010): 381–96.

⁴ Xi Jinping, "New Asian Security Concept for New Progress in Security Cooperation" (remarks at the 4th Summit of the Conference on Interaction and Confidence Building Measures in Asia, Shanghai, May 21, 2014) ≈ http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1159951.shtml.

⁵ White House, *National Security Strategy of the United States of America* (Washington, D.C., 2017), 25.

- ≈ pp. 30–35 discuss China’s regional ambitions and its prospects for regional hegemony.
- ≈ pp. 35–38 analyze why the status dilemma could be sharpening Sino-U.S. tensions.
- ≈ pp. 38–40 summarize the findings and implications.

SECURITY DILEMMA OR STATUS DILEMMA?

The United States and China constantly worry that the other side seeks domination and regional hegemony in the Indo-Pacific. For example, Admiral Harry Harris, then commander of U.S. Pacific Command, said, “I believe China seeks hegemony in East Asia.”⁶ Likewise, according to former U.S. defense secretary James Mattis, China today is following the Ming Dynasty model to rebuild a China-centered tributary order in Asia.⁷ Meanwhile, China has constantly worried that an outside power will contain its rise. Proposing a “new model of great-power relations,” Chinese leaders have urged the United States to respect China’s “core interests” in the region, including territorial integrity and national reunification.⁸

Sino-U.S. tensions in the Indo-Pacific are often viewed through the lens of a security dilemma.⁹ In international politics, a security dilemma generally refers to a situation where one country’s measure to increase its defense capability might generate a vicious circle of arms racing and thereby decrease security for all relevant states.¹⁰ China’s weapons acquisition, for example, might lead to backlash from the United States and other powers, which could produce a security dilemma. This essay, however, suggests that the concept of a status dilemma highlights an additional source of tension. A status dilemma

⁶ Franz-Stefan Gady, “U.S. Admiral: ‘China Seeks Hegemony in East Asia,’” *Diplomat*, February 25, 2016 ≈ <http://thediplomat.com/2016/02/us-admiral-china-seeks-hegemony-in-east-asia>.

⁷ James N. Mattis (remarks at the U.S. Naval War College commencement, Newport, June 15, 2018) ≈ <https://www.defense.gov/News/Transcripts/Transcript-View/Article/1551954/remarks-by-secretary-mattis-at-the-us-naval-war-college-commencement-newport-rh>.

⁸ Jinghan Zeng and Shaun Breslin, “China’s ‘New Type of Great Power Relations’: A G2 with Chinese Characteristics?” *International Affairs* 92, no. 4 (2016): 773–94; and Jinghan Zeng, Yuefan Xiao, and Shaun Breslin, “Securing China’s Core Interests: The State of the Debate in China,” *International Affairs* 91, no. 2 (2015): 245–66.

⁹ Thomas J. Christensen, “The Contemporary Security Dilemma: Deterring a Taiwan Conflict,” *Washington Quarterly* 25, no. 4 (2002): 521; and Adam P. Liff and G. John Ikenberry, “Racing Toward Tragedy? China’s Rise, Military Competition in the Asia Pacific, and the Security Dilemma,” *International Security* 39, no. 2 (2014): 52–91.

¹⁰ Robert Jervis, *Perception and Misperception in International Politics* (Princeton: Princeton University Press, 1976), 62–67; and Robert Jervis, “Cooperation under the Security Dilemma,” *World Politics* 30, no. 2 (1978): 167–214.

“occurs when two states would be satisfied with their status if they had perfect information about each other’s beliefs. But in the absence of such certainty, a state’s leadership may conclude that its status is under challenge even when it is not.”¹¹

The concept of a status dilemma is relatively new in the scholarly literature of international relations.¹² There are similarities and differences between a security dilemma and a status dilemma. Theoretically, both dilemmas assume that nation-states have a largely defensive purpose to preserve the status quo but that miscommunication and misrecognition of intentions exacerbate competition and tensions. The key difference between the two concepts is that while a security dilemma focuses on the concerns of survival and security as the driving factors of an arms race, a status dilemma focuses on the status concerns of nation-states. Status politics are often competitive. In many situations, states compete for a fixed number of favored positions in a hierarchy, and the payoffs depend much less on performance against an absolute standard than on performance in relation to each other. When the stakes are high, each contestant may face irresistible pressures to make heavy investments (such as in military buildup) that in the end turn out to be mutually offsetting—a process costly for both the rising power and the hegemon. From a theoretical perspective, a status dilemma can exist if survival is almost guaranteed and both sides struggle for their preferred status instead of for security.¹³

While China’s military modernization has strategic and instrumental purposes, status must be considered among the most important motives driving the process.¹⁴ The official statements of the Chinese government and its leaders assert that China should build a strong military “commensurate with its international status” (*yu guoji diwei xiangchen*).¹⁵ In his speech at

¹¹ William C. Wohlforth, “Status Dilemmas and Inter-State Conflict,” in *Status in World Politics*, ed. T.V. Paul, Deborah Larson, and William C. Wohlforth (Cambridge: Cambridge University Press, 2014), 118–19.

¹² *Ibid.*; Xiaoyu Pu and Randall L. Schweller, “Status Signaling, Multiple Audiences, and China’s Blue-Water Naval Ambition,” in Paul, Larson, Wohlforth, *Status in World Politics*, 141–62; Xiaoyu Pu, *Rebranding China: Contested Status Signaling in the Changing Global Order* (Stanford: Stanford University Press, 2019), 64–67; and William Ziyuan Wang, “Destined for Misperception? Status Dilemma and the Early Origin of U.S.-China Antagonism,” *Journal of Chinese Political Science* 24, no. 1 (2019): 117.

¹³ Pu, *Rebranding China*, 64.

¹⁴ M. Taylor Fravel, “China’s Search for Military Power,” *Washington Quarterly* 31, no. 3 (2008): 125–41. Other motivations include threat perceptions, expanding overseas interests, a rethinking of global roles, and bureaucratic politics.

¹⁵ “Zhongyang junwei yinfa ‘guanyu shenhua guofang he jundui gaige de yijian’” [Central Military Commission Releases the “Guidelines on Deepening Defense and Military Reform”], Xinhua, January 1, 2016. http://www.xinhuanet.com/mil/2016-01/01/c_128588498.htm.

the 19th National Congress of the Chinese Communist Party (CCP), Xi projected that by the middle of the 21st century China's military would be fully transformed into a "world class" force.¹⁶ In particular, China appears determined to develop a world-class blue water navy.¹⁷ Status is one of the explicit goals for its military modernization.¹⁸

China's military projects, including its naval expansion, have generated complicated responses from regional and global audiences. Given China's rapid pace of military modernization and more active regional role, many analysts assert that the country has both the intentions and potential to strategically exclude the United States from Asia. Are those assertions accurate? The following section will examine China's prospects in seeking regional hegemony.

CHINA AND REGIONAL HEGEMONY: PROSPECTS AND LIMITATIONS

China's desire to play a regional leadership role is rooted in the country's historical status and strategic interests in East Asia.¹⁹ China has been a predominant power in East Asia for thousands of years, and the Chinese view this role as natural rather than as a challenge to the status quo.²⁰ While the notion of the "revival of the Chinese nation" implies the clear goal of making China great again, the country's aspirations are unclear. Many Chinese elites and members of the public want China to become a richer and stronger nation but disagree on whether it should eventually seek superpower status.²¹

¹⁶ Xi Jinping, "Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era" (speech delivered at the 19th National Congress of the Communist Party of China, Beijing, October 18, 2017) ~ http://www.xinhuanet.com/english/download/Xi_Jinping%27s_report_at_19th_CPC_National_Congress.pdf.

¹⁷ Pu and Schweller, "Status Signaling, Multiple Audiences," 141–62.

¹⁸ Pu, *Rebranding China*, 56–57, 64–65.

¹⁹ For further discussion, see Xiaoyu Pu, "To Dream an Impossible Dream: China's Visions of Regional Order and the Implications for Japan," in *Japan and Asia's Contested Order*, ed. T.J. Pempel and Yul Sohn (Singapore: Palgrave Macmillan, 2019), 68–69.

²⁰ Yan Xuetong, "The Rise of China in Chinese Eyes," *Journal of Contemporary China* 10, no. 26 (2001): 33–39; and David C. Kang, "Getting Asia Wrong: The Need for New Analytical Frameworks," *International Security* 27, no. 4 (2003): 57–85.

²¹ Xiaoyu Pu, "Controversial Identity of a Rising China," *Chinese Journal of International Politics* 10, no. 2 (2017): 131–49.

Diplomatic, Economic, and Security Statecraft

China seems to be sending mixed signals about its aspirations in Asia. While the slogan of the “China dream” is primarily targeted at a domestic audience to enhance the CCP’s legitimacy, neighboring countries worry that China might have an expansionist goal to rebuild a new version of the historical tributary system in East Asia.²² In recent years, Xi Jinping has pursued a more active regional diplomacy. In 2013, he laid out several long-term goals for regional diplomacy, including a four-part philosophy to guide China’s diplomacy toward regional neighbors, centering on efforts to convey or realize amity, sincerity, mutual benefit, and inclusiveness.²³ According to Xi, China must strive to increase political, economic, and security cooperation with its neighbors.²⁴ This proactive regional diplomacy could be viewed as the second wave of the country’s “charm offensive.”

China has also tried to use its economic statecraft to expand its influence in Asia.²⁵ In October 2013, Xi officially launched the Asian Infrastructure Investment Bank (AIIB) initiative during a state visit to Indonesia. The AIIB is part of China’s geoeconomic strategy, which focuses on “the use of economic instruments to promote and defend national interests, and to produce beneficial geopolitical results.”²⁶ Facing rising problems in its own economic model, China has to find a new engine of economic growth. But by building the AIIB, it is also trying to satisfy the urgent need among Asian countries for a multilateral investment bank that will help them develop their own infrastructure. Outdated infrastructure has made intraregional and interregional maritime transportation extremely costly and impeded maritime cooperation. Moreover, the World Bank and the Asian Development Bank do not have adequate capacity to meet this enormous investment demand, and the long construction cycles of infrastructure development projects have deterred private investors. Through the AIIB, China aims to fill the investment gap that limits infrastructure development in Asian countries, with the hope that the AIIB will positively expand

²² Pu, “To Dream an Impossible Dream,” 68–69.

²³ “China Eyes More Enabling Int’l Environment for Peaceful Development,” Xinhua, November 30, 2014 ~ http://www.chinadaily.com.cn/china/2014-11/30/content_18998580.htm.

²⁴ “Xi Jinping: China to Further Friendly Relations with Neighboring Countries,” Xinhua, October 26, 2013 ~ http://www.chinadaily.com.cn/china/2013-10/26/content_17060884.htm.

²⁵ Pu, “To Dream an Impossible Dream,” 70–71.

²⁶ Robert D. Blackwill and Jennifer M. Harris, *War by Other Means: Geoeconomics and Statecraft* (Cambridge: Harvard University Press, 2016), 20.

China's diplomatic influence and status in Asia and beyond.²⁷ China has also promoted its influence through the Belt and Road Initiative (BRI). This geoeconomic program has the potential to create a new, Chinese-led economic, diplomatic, and security system and the ability to transform China's domestic and foreign policy.²⁸

China has taken a more ambivalent attitude toward the regional security order.²⁹ As a dominant power in East Asia for thousands of years, it has always worried that an outside power will encroach on it by establishing military bases around its periphery.³⁰ China therefore is suspicious and resentful of the U.S. alliances in the region. At the same time, however, it has not provided an alternative security structure that could replace the current system.³¹ According to Yan Xuetong, a distinguished professor of international relations at Tsinghua University in Beijing, China must build alliances and provide security protection to neighboring countries if it wants to become a leading power.³² However, this proposal is controversial in China, and the Chinese government has not yet taken such an idea as its official policy.³³

Closely associated with China's growing prominence on the world stage, an emerging literature both in China and abroad emphasizes the historical or ideational foundation of Chinese hegemony.³⁴ Some argue that studies of historical systems in Asia point to the role of a peaceful Confucian China in sustaining a stable Chinese-led order.³⁵ From this perspective, Confucianism represents a particular perception that China is reluctant to use force against its enemies. However, the ideational and historical foundation that supports the re-emergence of a "benign Chinese hegemony" might be more appropriately viewed as an ancient myth, with the allegedly

²⁷ Jeffrey D. Wilson, "The Evolution of China's Asian Infrastructure Investment Bank: From a Revisionist to Status-Seeking Agenda," *International Relations of the Asia-Pacific* 19, no. 1 (2017): 147–76.

²⁸ See Xiaoyu Pu, "One Belt, One Road: Visions and Challenges of China's Geoeconomic Strategy," *Mainland China Studies* 59, no. 3 (2016): 111–32.

²⁹ Pu, "To Dream an Impossible Dream," 72.

³⁰ Henry A. Kissinger, "The Future of U.S.-Chinese Relations: Conflict Is a Choice, Not a Necessity," *Foreign Affairs*, March/April 2012, 50–51.

³¹ Adam P. Liff, "China and the U.S. Alliance System," *China Quarterly*, no. 233 (2018): 137–65.

³² Yan Xuetong, *Leadership and the Rise of Great Powers* (Princeton: Princeton University Press, 2019), 65.

³³ Ruonan Liu, and Feng Liu, "Contending Ideas on China's Non-Alliance Strategy," *Chinese Journal of International Politics* 10, no. 2 (2017): 151–71.

³⁴ Feng Zhang, *Chinese Hegemony: Grand Strategy and International Institutions in East Asian History* (Stanford: Stanford University Press, 2015).

³⁵ For analysis of "Confucian traditions" in Chinese strategic culture, see Huiyun Feng, *Chinese Strategic Culture and Foreign Policy Decision-Making: Confucianism, Leadership and War* (New York: Routledge, 2007).

peaceful nature of the Chinese empire in ancient dynasties in doubt. According to Yuan-kang Wang, when China was strong, pacifist cultures had little influence in curbing its pursuit of offensive strategies, and warfare was not uncommon.³⁶ Based on the historical record, it is questionable whether a stronger China will only have benign intentions. We should not overestimate the impact of Confucian culture on the strategic decisions of Chinese leaders.

Limiting Factors to Regional Hegemony

China's regional strategy is thus both ambitious and ambiguous. Based on its identity and historical legacy, China has demonstrated both the desire and potential capabilities to play a leadership role in the regional economic order, but its attitudes concerning the regional security order are much more restrained. Even if China wished to play a leadership role in the regional security order, several factors would limit its pursuit of regional hegemony.

First, the U.S. presence in Asia limits China's opportunities to seek a China-centered regional order. Even strategists advocating accommodation argue that the United States should share power with China instead of entirely withdrawing from Asia.³⁷ Unlike the historical East Asia where China was able to achieve a position of primacy, today's region has a different geopolitical landscape, with the United States maintaining a strong military and diplomatic presence since the end of World War II. Despite hype about U.S. decline, the United States remains far more powerful than China economically and militarily and is not likely to withdraw from East Asia in the foreseeable future.³⁸ Even though China's economic influence is expanding in Southeast Asia, the existing U.S. presence in the region is more robust and comprehensive.³⁹ While some U.S. elites worry about China's perception of U.S. decline, their Chinese counterparts still debate whether the United States is declining, and no consensus has emerged.⁴⁰

³⁶ Yuan-kang Wang, *Harmony and War: Confucian Culture and Chinese Power Politics* (New York: Columbia University Press, 2010).

³⁷ For instance, Charles Glaser argues that the United States should reduce or terminate its relationship with Taiwan in exchange for China resolving its conflicts in the South and East China Seas, but that the United States should continue maintaining its alliances with Japan and South Korea where core U.S. interests are concerned. Charles L. Glaser, "A U.S.-China Grand Bargain? The Hard Choice between Military Competition and Accommodation," *International Security* 39, no. 4 (2015): 49–90.

³⁸ Pu, "To Dream an Impossible Dream," 74.

³⁹ David Shambaugh, "U.S.-China Rivalry in Southeast Asia: Power Shift or Peaceful Coexistence?" *International Security* 42, no. 4 (2018): 85–127.

⁴⁰ Wang Jisi, "The View from China," *Foreign Affairs*, July/August 2018, 184.

Second, China has significant limitations on its ability to project power.⁴¹ Regional hegemony would require that the country achieve uncontested dominance in the Indo-Pacific, but geopolitically it is surrounded by several strong large and middle powers who are not likely to accept unvarnished Chinese dominance.⁴² Japan has both the economic and technological potential to be a strong military force. India is a rapidly emerging power with nuclear weapons, and a resurgent Russia could potentially check China in Central Asia. China is also facing a variety of domestic challenges that will limit its power potential, including slowing economic growth, an aging population, and widespread pollution. Unlike previous rising powers that have challenged leading states, China's technological and military capabilities are much lower than those of its main competitor.⁴³ Further, converting economic power into military might is far more challenging now than it was in the past. In particular, the increasing complexity in military technology has made the imitation and replication of state-of-the-art weapons systems harder—so much so as to offset the diffusing effects of globalization and advances in communications.⁴⁴

Finally, within the Indo-Pacific, China's hegemonic agenda would generate a self-defeating mechanism. The more China pursues a hegemonic agenda in the region, the more likely it will face backlash.⁴⁵ There is a distinction between power and influence: power refers to resources, whereas influence refers to the ability to convert those resources into outcomes.⁴⁶ If China wants to increase its influence in the region, it should not only increase its resources but also seek cooperation with and recognition from other countries. As China pursues a more assertive policy, other countries are pushing back. In recent years, there has been a region-wide effort to check Beijing's assertiveness, and the United States is not the only country working to balance China. The territorial disputes in the South China Sea highlight the challenges China faces regionally. Through land reclamation and tactical military deployments, it is antagonizing all the

⁴¹ Michael Beckley, "China's Century? Why America's Edge Will Endure," *International Security* 36, no. 3 (2011): 41–78.

⁴² Pu, "To Dream an Impossible Dream," 74.

⁴³ Stephen G. Brooks and William C. Wohlforth, "The Rise and Fall of the Great Powers in the Twenty-First Century: China's Rise and the Fate of America's Global Position," *International Security* 40, no. 3 (2015/16): 7–53.

⁴⁴ Andrea Gilli and Mauro Gilli, "Why China Has Not Caught Up Yet: Military-Technological Superiority, Systems Integration, and the Challenges of Imitation, Reverse Engineering, and Cyber-Espionage," *International Security* 43, no. 3 (2018/19): 141–89.

⁴⁵ Pu, "To Dream an Impossible Dream," 75.

⁴⁶ Evelyn Goh, "The Modes of China's Influence," *Asian Survey* 54, no. 5 (2014): 825–48.

other littoral countries. These regional countries are building their own defenses and increasingly turning to the United States by offering access to their ports and airfields, expanding military cooperation, and requesting additional security assistance.⁴⁷ Despite Donald Trump's rhetoric, Washington has continued to respect U.S. treaties with and obligations to regional allies such as Japan, South Korea, the Philippines, and Australia. Meanwhile, the United States has also been building partnerships with nations such as Vietnam and India.

In summary, due to historical, ideational, and strategic reasons, China has strong incentives to play a leading role in Asia. This is especially true in the economic domain, where it has launched the AIIB and BRI. Its attitude toward the regional security architecture is more ambivalent. Though dissatisfied with some aspects of a U.S.-led alliance system, China has not provided a realistic or practical alternative vision for the regional security order.⁴⁸

CHINA'S ASSERTIVENESS AND THE U.S. REACTION

China has pursued a more assertive foreign policy at both the regional and global levels, and this assertiveness has generated uncertainty in many parts of the world. However, Chinese foreign policy also has demonstrated continuity. While Chinese assertiveness poses challenges for regional order, it is important to note what China has not yet done: it has not yet used military force to retake islands occupied by other claimants in the South China Sea, nor has it sought to challenge U.S. global primacy.⁴⁹ Despite the recent "assertive turn" in Chinese foreign policy,⁵⁰ it is premature to conclude that China has completely abandoned its low-profile approach to international affairs. Admittedly, it poses security challenges for countries such as India, Japan, and South Korea. However, even though Chinese foreign policy has changed in a new era, a dramatic shift from one strategy to another is less likely.⁵¹

⁴⁷ Pu, "To Dream an Impossible Dream," 75.

⁴⁸ Liff, "China and the U.S. Alliance System."

⁴⁹ For analysis of what China is not doing under Xi Jinping, see Jeffrey A. Bader, "A Framework for U.S. Policy toward China," Brookings Institution, March 2016, 1-2 ~ <http://www.brookings.edu/~media/research/files/papers/2016/03/us-policy-toward-china-framework-bader/us-china-policy-framework-bader.pdf>.

⁵⁰ Chen, Pu, and Johnston, "Debating China's Assertiveness."

⁵¹ Qin Yaqing, "Continuity through Change: Background Knowledge and China's International Strategy," *Chinese Journal of International Politics* 7, no. 3 (2014): 285-314.

Given the limitations on China's pursuit of regional hegemony discussed above, the concept of the status dilemma can help shed light on the rising tensions in the Sino-U.S. relationship. Several factors have contributed to the problems in the process of signaling and recognition of status between China and the United States.

First of all, China has multiple identities. China is an emerging economic superpower based on the size of its economy, but it is still largely a developing country based on per capita GDP. In the diplomatic domain, it is both a rising power and an established great power. Since the 2008 global financial crisis, Chinese elites have been heatedly debating the country's status and role in the world.⁵² While the 19th Party Congress in October 2017 clearly defined China's social and economic goals, it remained vague on international strategy. In his report, Xi Jinping described China as a "great power" or "strong power" 26 times.⁵³ But he also stated that "China's international status as the world's largest developing country has not changed."⁵⁴ In trade negotiations, U.S. officials complain that China's status as a developing country in the World Trade Organization means that it has enjoyed special privileges and has been bound by fewer commitments.⁵⁵ From this perspective, U.S. resentment against China is not always driven by its global ambition. Sometimes the problem seems to be the opposite: continuing to assert its developing-country status, China has not upgraded its obligations and responsibilities.

Second, Chinese leaders have incentives to emphasize different dimensions of China's status to different audiences. However, it is difficult to send signals exclusively to one targeted audience. Sometimes Chinese leaders try to demonstrate China's power and status internationally to help secure their legitimacy domestically. When they exaggerate their achievements for domestic purposes, those exaggerations often lead to international backlash. In a December 2018 interview, Li Kexin, deputy chief of mission at the Chinese embassy in Washington, said the "nationalist bubble" promoted by China's propaganda apparatus is partly to blame for the recent U.S. backlash.⁵⁶

⁵² Pu, "Controversial Identity of a Rising China"; and Pu, *Rebranding China*.

⁵³ Chris Buckley and Keith Bradsher, "Xi Jinping's Marathon Speech: Five Takeaways," *New York Times*, October 18, 2017 ~ <https://www.nytimes.com/2017/10/18/world/asia/china-xi-jinping-party-congress.html>.

⁵⁴ Xi, "Secure a Decisive Victory in Building a Moderately Prosperous Society."

⁵⁵ Simon Lester and Huan Zhu, "The WTO Still Considers China a 'Developing Nation.' Here's the Big Problem with That," CNBC, April 25, 2018 ~ <https://www.cnbc.com/2018/04/25/what-trump-gets-right-about-china-and-trade.html>.

⁵⁶ Owen Churchill, "China's 'Nationalist Bubble' Partly to Blame for Suspicions Over Global Role, Envoy to U.S. Concedes," *South China Morning Post*, December 7, 2018 ~ <https://www.scmp.com/news/china/diplomacy/article/2176796/beijing-partly-blame-us-suspicions-about-its-intentions-chinese>.

Third, the relationship between the rising power and the established power is often complicated by long-term strategic uncertainty. As the hegemonic power, the United States has the natural tendency to be sensitive to any potential challenge to its dominant status:

Because the United States regards Asia as the most important region in the world for its long-term interests, there is special sensitivity to the potential long-term significance of any Chinese actions in Asia that suggest that the PRC is either assuming a more hegemonic posture toward the region or specifically seeking to constrain the American presence and activities there.⁵⁷

While China acknowledges the enduring presence of the United States in the region, its long-term goal is to seek a more equal relationship.⁵⁸ Xi has declared that “the Pacific Ocean is broad enough to accommodate the development of both China and the United States.”⁵⁹ By proposing to build new great-power relations, China is urging the United States to respect core Chinese interests, including territorial integrity and national unification. China’s efforts to keep its periphery free of any potentially hostile great-power presence and pressure represent a long-term trend that shows an understandable wariness toward outside powers.⁶⁰ However, U.S. officials and scholars view this proposal as the Chinese equivalent of a Monroe Doctrine.⁶¹ As a leading power in the region since World War II, the United States does not want to be pushed out by any exclusionary power or bloc and has thus tried to prevent the emergence of a peer competitor in Asia.⁶² Some U.S. strategists worry that any concession to China’s increasing demands would send the wrong signal to U.S. allies and partners.

Finally, the Trump presidency has generated additional uncertainty in the Indo-Pacific. Some Chinese strategists see it as presenting strategic opportunities for China. In particular, an inward-looking United States under Trump will provide a new strategic opening for China to expand its power and

⁵⁷ Kenneth Lieberthal and Wang Jisi, “Addressing U.S.-China Strategic Distrust,” Brookings Institution, March 2012, 27.

⁵⁸ Yuen Foong Khong, “A Regional Perspective on the U.S. and Chinese Visions for East Asia,” *Asia Policy* 13, no. 2 (2018): 6–12.

⁵⁹ “Remarks by President Obama and President Xi Jinping in Joint Press Conference,” November 12, 2014 ~ <https://obamawhitehouse.archives.gov/the-press-office/2014/11/12/remarks-president-obama-and-president-xi-jinping-joint-press-conference>.

⁶⁰ Robert Sutter, *Chinese Foreign Relations: Power and Policy Since the Cold War* (Lanham: Rowman and Littlefield, 2012), 72.

⁶¹ Andrew S. Erickson and Adam P. Liff, “Not-So-Empty Talk: The Danger of China’s ‘New Type of Great-Power Relations’ Slogan,” *Foreign Affairs*, October 9, 2014.

⁶² Kissinger, “The Future of U.S.-Chinese Relations,” 51; and Mearsheimer, “The Gathering Storm.”

influence on the global stage.⁶³ Other Chinese elites worry that China might have taken steps that are too bold and too soon.⁶⁴ The United States under the Trump administration has indeed withdrawn from a global leadership role on some issues such as climate change. However, in the Indo-Pacific, Trump's approach has not been to abandon U.S. allies but rather to negotiate a new distribution of costs in alliance maintenance and take a more transactional approach toward alliance politics and security issues in the region.⁶⁵

Even as strategic competition becomes more intense, a new Cold War in Asia is not inevitable. The regional order largely depends on how the United States and China envision their roles in the coming years. The crucial question is whether a rising China seeks regional hegemony.⁶⁶ If it does not, how can China reassure the international community that it will not seek to destabilize the current order while still achieving its rise? The Sino-U.S. competition is not about the survival of the United States and China but about their appropriate status and authority in the emerging Indo-Pacific order.⁶⁷

CONCLUSION

China's growing power and military modernization are increasing the perception of the country as a threat in Asia, which is causing some regional countries to strengthen their security cooperation with the United States. Beijing and Washington have different views on how to manage conflict areas such as the Taiwan Strait and the South China Sea. While Sino-U.S. tensions are often analyzed from the perspective of a security dilemma, this essay suggests that a status dilemma—that each side misperceives the other power as seeking regional domination—is also playing an important role in shaping bilateral relations.

⁶³ For a recent analysis of the Chinese perspective, see Astrid H.M. Nordin and Mikael Weissmann, "Will Trump Make China Great Again? The Belt and Road Initiative and International Order," *International Affairs* 94, no. 2 (2018): 231–49. Some U.S. scholars also think this way. See, for example, Randall Schweller, "Opposite but Compatible Nationalisms: A Neoclassical Realist Approach to the Future of U.S.-China Relations," *Chinese Journal of International Politics* 11, no. 1 (2018): 23–48.

⁶⁴ Xiaoyu Pu and Chengli Wang, "Rethinking China's Rise: Chinese Scholars Debate Strategic Overstretch," *International Affairs* 94, no. 5 (2018): 1019–35.

⁶⁵ Randall Schweller, "Three Cheers for Trump's Foreign Policy: What the Establishment Misses," *Foreign Affairs*, September/October 2018.

⁶⁶ Pu, *Rebranding China*, 65.

⁶⁷ Aaron L. Friedberg, "China's Challenge at Sea," *New York Times*, September 4, 2011; and Aaron L. Friedberg, "Hegemony with Chinese Characteristics," *National Interest*, July/August 2011.

China does want to play a more active, perhaps even leading, role in the region, given its historical status and national interests today. These aspirations are already clear in the regional economic order, but China's attitudes concerning the regional security order are more ambiguous. The U.S. presence in the Indo-Pacific currently limits China's options for pursuing a Sinocentric regional order, even though the country has already begun to expand its regional influence. Beijing might increasingly express its frustrations about the strengthening of U.S. alliances in Asia, but it has not yet provided an alternative security structure that could realistically replace the existing order.

While China seeks a more equal relationship with the United States, there are strategic and political barriers that hamper Washington from accommodating Beijing's desire. In particular, several factors have complicated the signaling and recognition of status between these two states. One is that Chinese leaders sometimes exaggerate their power and status for domestic political purposes, and these status signals have contributed to international backlash. Another is that a global power shift is often shaped by long-term strategic uncertainty. The United States is sensitive to any potential challenge to its hegemony in Asia. The Trump administration has further increased uncertainty in the region through its ambiguous policies.

Recent Sino-U.S. tensions have prompted some Chinese elites to rethink China's rise.⁶⁸ In particular, the current trade dispute has compelled Chinese elites to take a more sober view of China's power and status on the world stage. In 2018 a leading Chinese academic at Tsinghua University, Hu Angang, came under fire for his suggestion that China has already overtaken the United States as a world leader in terms of economic and technological power.⁶⁹ Deng Pufang, son of former top Chinese leader Deng Xiaoping, urged the Chinese government to "keep a sober mind and know our own place."⁷⁰ Since 2018, the government has moderated its propaganda on the theme of China's rise and the United States' decline. For example, the CCP took offline its nationalistic film *Amazing China*, which exaggerates China's achievements in science and technology for domestic propaganda purposes.⁷¹

⁶⁸ Pu and Wang, "Rethinking China's Rise."

⁶⁹ Cary Huang, "China's Social Media Users Call for Sacking of 'Triumphalist' Academic, as Anti-Hype Movement Grows," *South China Morning Post*, August 3, 2018 ~ <https://www.scmp.com/news/china/policies-politics/article/2158054/chinas-social-media-users-call-sacking-triumphalist>.

⁷⁰ Jun Mai, "Deng Xiaoping's Son Urges China to 'Know Its Place' and Not Be 'Overbearing,'" *South China Morning Post*, October 30, 2018 ~ <https://www.scmp.com/news/china/politics/article/2170762/deng-xiaopings-son-uses-unpublicised-speech-urge-china-know-its>.

⁷¹ Oiwan Lam, "Why Did China Take Its Own Propaganda Film Offline? Netizens Point to U.S. Tech Sanctions," *Hong Kong Free Press*, April 29, 2018 ~ <https://www.hongkongfp.com/2018/04/29/china-take-propaganda-film-offline-netizens-point-us-tech-sanctions>.

The consensus on the bilateral relationship emerging in both the United States and China is that strategic competition may very well grow more intense in the coming years. However, the relationship is not always a zero-sum game. The United States and China still need to cooperate on a variety of issues, including nonproliferation, climate change, and global financial stability. While China's rise is real, analysts sometimes exaggerate the country's potential to replace the United States as a global or even regional leader. Furthermore, the United States' best strategy to deal with the challenges from China is to make democracy work better at home.⁷² In the end, domestic reform and economic growth will continue to shape each country's long-term trajectory. Even though the United States is a wealthy superpower, it still faces extended challenges in infrastructure, healthcare, and government spending. Even if the Sino-U.S. competition becomes more intense, focusing on self-strengthening reforms—rather than on open confrontation—offers a way forward for relations in the future. ◆

⁷² Jessica Chen Weiss, "A World Safe for Autocracy? China's Rise and the Future of Global Politics," *Foreign Affairs*, July/August 2019, 92–102.

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